

# Senate Briefly

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**Former Supreme Court Justice Sandy Keith administers the oath of office to members of the Minnesota Senate during opening ceremonies Tues., Jan. 7, in the Senate Chamber.**

**Photo by David J. Oakes**



January 10, 2003

# Senate Highlights

## Senate begins 2003 Session

A radically changed Senate was called to order by Lt. Governor Carol Molnau in a largely ceremonial floor session Tues., Jan. 7. The incoming freshman class of 21 members, the largest in decades, took the oath of office alongside 46 returning members.

Minnesota Supreme Court Justice Sandy Keith administered the oath.

The new Senate then set about matters of organization. Members first elected officers for the 83rd Legislative Session. Sen. Linda Berglin (DFL-Mpls.) nominated Sen. James Metzen (DFL-South St. Paul) as President of the Senate and Sen. Sheila Kiscaden (IP-Rochester) nominated Sen. Dennis Frederickson (R-New Ulm) as President of the Senate. Metzen was elected as President.

Patrick E. Flahaven was re-elected to the post of Secretary of the Senate, Patrice Dworak was re-elected to the position of First Assistant Secretary of the Senate, Colleen Pacheco was re-elected to the position of Second Assistant Secretary of the Senate, Catherine Morrison was named to the position of Engrossing Secretary, Sven Lindquist was re-elected to the position of Sergeant of Arms, Roger Moening was re-elected to the post of Assistant Sergeant of Arms and Rev. Albert Gallmon, Jr., was elected to the position of Chaplain of the Senate.

Members also adopted resolutions naming Sen. John Hottinger (DFL-St.

Peter) as Majority Leader and Sen. Dick Day (R-Owatonna) as Minority Leader. Another resolution directed the President of the Senate to appoint committees to notify the governor and the House of Representatives that the Senate is organizing.

Hottinger said he was honored to be elected to serve as Majority Leader and that he looked forward to working with the members to accomplish a positive, civil and good outcome for the session.

## Senate debates rules, assignments

During a brief floor session Thurs., Jan. 9, Senators approved several resolutions relating to the organization and operation of the Senate. They included resolutions adopting temporary joint rules, establish-

ing the committee structure—which includes fewer committees than in the last session—and concerning postage, parking and other compensation for Senators. The body also approved a resolution naming Sen. Sandra Pappas (DFL-St. Paul) as President Pro Tem. (During the inaugural session, Tues., Jan. 7, Senators elected Sen. James Metzen (DFL-South St. Paul) as President of the Senate.) The session was also the first opportunity for Senators to introduce bills.

Senators also adopted temporary rules for the Senate. A resolution offered by Majority Leader John Hottinger (DFL-St. Peter) and Minority Leader Dick Day (R-Owatonna) proposed the use of the previous session's rules, as amended by the Rules and Administration Committee, as



*Sen. James Metzen (DFL-South St. Paul) is sworn in as the new President of the Senate during opening ceremonies of the 2003 session. Administering the oath of office is Former Supreme Court Justice Sandy Keith.*

Photo by David J. Oakes

**Senate Briefly** is a publication of the Minnesota Senate Publications Office. During the 2003 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. It can be made available in alternative formats.

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### Photographer:

David J. Oakes



the temporary rules for the session. Sen. Sheila Kiscaden (IP-Rochester) offered an amendment excluding a previous rule from the temporary rules. The rule in question requires fiscal balance in all proposed amendments; however, Kiscaden said, determining fiscal balance caused problems on the floor during the previous session. She suggested the rule remain in consideration for the permanent rules, after consideration by a subcommittee. Sen. Don Betzold (DFL-Fridley) said the rule was necessary, if admittedly problematic, because in sessions before the rule was adopted some Senators proposed amendments increasing state spending without maintaining a balanced state budget. Sen. Warren Limmer (R-Maple Grove) said Senators are constitutionally obligated to maintain a balanced state budget, but the rule stymies creativity as Senators attempt to address the state's forecasted budget deficit. The amendment was defeated, 31-33. Sen. Dave Kleis (R-St. Cloud) offered an amendment requiring the Senate to adopt permanent rules by Jan. 31. The amendment was defeated, 31-33. The resolution on temporary rules was adopted, 36-28.

Hottinger and Day also introduced a resolution establishing committee assignments. Sen. Mark Ourada (R-Buffalo) offered an amendment switching the committee chair assignments of Sen. Ellen Anderson (DFL-St. Paul) and Sen. Linda Scheid (DFL-Brooklyn Park). Anderson chairs the Commerce and Utilities Committee and Scheid the Jobs, Housing and Community Development Committee. Ourada said each had stronger experience in the other committee's jurisdiction. Hottinger said each caucus determines its committee assignments, with the Majority Caucus determining the chairs. He said it would not bode well for the Senate to interfere with what caucuses decided internally. The amendment was defeated, 30-34.

Kleis offered an amendment replacing Sen. John Marty (DFL-Roseville) with Sen. Dennis Frederickson (R-New Ulm) as chair of the Environment and Natural Resources Committee. Kleis said Frederickson is respected by members of all caucuses and has a great deal of

experience in the committee's jurisdiction. Kleis also noted that the Minority Caucus comprises 48 percent of the Senate during this session but only has about 42 percent of the committee assignments. Hottinger said that although he respects Frederickson immensely and often follows his lead on environmental issues, the issue is letting each caucus determine its own committee assignments. The amendment was defeated, 31-34.

Sen. David Knutson (R-Burnsville) also raised the issue of fairness in committee assignments. He said the highest representation of Minority Caucus members was 46 percent. After a session that included redistricting and the principles of fair representation as one of its major obligations, Knutson said, it was inappropriate for the Senate to ignore those principles in its own committee assignments. He suggested the resolution be returned to the Rules and Administration Committee and moved to table the resolution.

Hottinger said the goal was to reduce the size of committees overall. Many of the committees, he said, also have only a one-vote DFL majority. Hottinger also said the issue of committee assignments can continue to be worked on, but returning the resolution to the Rules Committee will needlessly slow the Senate in accomplishing its business.

Day said the Senate has always respected the rights of the minority and been fair in assigning committees. Knutson's motion to table the resolution was defeated, 31-33. The resolution was adopted on a voice vote.

A moment of silence was observed at the opening of the session for the death of U.S. Sen. Paul Wellstone—as well as his wife, daughter and staff members—during the interim. Hottinger commented on the state and nation's loss, quoting a U.S. Senate employee's remarks on Wellstone's humanity.

### **Budget shortfall described**

The first meeting of the Senate Finance Committee, Thurs., Jan. 9, centered on a discussion of the projected \$4.56 billion budget shortfall for the next biennium.

Committee Chair Richard Cohen (DFL-St. Paul) began the meeting by introducing staff and explaining that the committee was comprised of fewer, yet more experienced, members than in the past. "It is our hope that we can use the experience of the committee's members to accomplish substantive work in a difficult session," Cohen said.

Cohen explained that the day's hearing was intended to provide a snapshot of the budget from the November forecast. The committee faces significant pressure, because in addition to the shortfall for the next biennium, a \$356 million shortfall for this biennium must be addressed quickly, Cohen said.

State Economist Tom Stinson explained the processes used to arrive at last November's forecast and detailed the assumptions behind the numbers. The projected shortfall of \$4.56 billion is 14.7 percent of the budget, Stinson said. "The shortfall is so large that it will require a fundamental structural change in state government to solve," he said.

Stinson said that just five areas account for 86 percent of the budget—E-12 education, higher education, local government aid, health care and human services. If those areas are held harmless, the problem is even more dramatic, he said.

Three items account for the shortfall, Stinson said, lower income tax receipts, the shortfall that was built into the last budget and increases in health care spending.

Stinson went on to say that the shortfall is not caused by the weaker economy, which means that the state cannot expect to grow out of the problem with just a stronger economy. He said the fall in income tax receipts is because of the slump in the financial markets. Capital gains fell from \$9 billion to \$4 billion and 50 percent of the decline in income tax revenue can be traced to declines in "portfolio income," he said.

Stinson concluded by saying that January figures call for slightly stronger growth, but not of a magnitude to change things. The downside risks—geopolitical events, further decline in the financial markets, weakness in Minnesota's economy and lower than projected tax receipts for 2002—highlight the need to rebuild the reserves quickly, Stinson said.

# Committee update



*Senators Bob Kierlin (R-Winona), left, and David Senjem (R-Rochester) pore over information pertaining to proposed legislation in the Senate chamber during a floor session Thurs., Jan 9.*

Photo by David J. Oakes

## Commerce and Utilities

### Committee begins discussing future of energy in Minnesota

Outgoing officials of the Department of Commerce presented an update to the department's Energy Planning Report at the first meeting of the Commerce and Utilities Committee. The panel, chaired by Sen. Ellen Anderson (DFL-St. Paul), met in an afternoon session, Wed., Jan. 8.

Former Commerce Commissioner Jim Bernstein said the report is not reflective of the new administration, but is neutral. However, he said, it does include some of his suggestions and those of outgoing Deputy Commissioner Linda Taylor. Bernstein said the state's energy goals are to have clean, reliable, affordable, efficient energy sources. However, he said, affordability is becoming increasingly elusive. Taylor said a federal program providing energy assistance to families at or below 50 percent of state median

income only has enough funding for one-fourth of eligible families.

Energy is also an economic development issue, they said. Bernstein said state residents spend \$10 billion annually on energy, but most of that money leaves the state. If energy sources can be increasingly developed in Minnesota, he said, that money has a huge potential to benefit the Minnesota economy. One step, Bernstein said, is the creation of a renewable energy portfolio standard. Businesses are averse to developing in Minnesota because it lacks a standard and instead has renewable energy goals. Taylor said businesses have chosen West Virginia, Texas and California instead of Minnesota because those states had a clear standard.

Bernstein said the state must examine many other issues as it moves forward in developing its energy policy, such as transmission growth, distributed generation, service standards and the cost of generation technologies. He said the focus should be on technologies with decreasing

development costs; nuclear and fossil-fuel generation, Bernstein said, actually have increasing costs.

## Education

### Successful programs described

Sen. Steve Kelley (DFL-Hopkins), the new chair of the Education Committee, had the committee's first meeting, Thurs., Jan. 9, focus on programs that are working well and are educational success stories.

Kelley began the meeting with brief introductions of Senators and staff and welcomed the representatives of the various programs to the hearing.

Individuals representing programs as varied as the Richfield Reading Recovery program, the FFA/Agriculture program from the SWStar Concept School, the Perpich Center for Arts Education and Sobriety High spoke to the panel.

In addition, members heard success stories from the Eagan Speech Team, the principals of Risen Christ School in South



Minneapolis and Ascension School in North Minneapolis, and the director of the Learning Works program at Blake School.

Kirsten Harris spoke on Rock Sober, an alternative approach to achieving, maintaining, and supporting sobriety among young people.

Harris said the program is within the Brainerd Youth Services of Lutheran Social Services and is funded through a state incentive grant from the Dept. of Children, Families and Learning. The program demonstrates innovative chemical dependency prevention and early intervention, Harrissaid.

Bob DeBoer spoke on charter school teacher training and representatives of Bloomington and Moundsview elementary schools spoke on extended day schooling.

Rae Cornelius, a teacher from John A. Johnson Elementary School in St. Paul, spoke on America's Choice, a comprehensive school reform program that is standards based. Members also heard about the St. Paul Academy public safety bilingual tutoring program and the Century College sports facilities management program.

## Health, Human Services and Corrections Budget Division

### Corrections, Human Services present budget forecasts

Members of the Health, Human Services and Corrections Budget Division heard budget forecast overviews from the Departments of Corrections and Human Services during the panel's inaugural meeting, Wed., Jan. 8. The division is chaired by Sen. Linda Berglin (DFL-Mpls.).

Acting Commissioner of the Department of Corrections Dennis Benson said the state's prison population is continuing to grow. He said the department anticipates requiring 889 additional beds in FY 2004, over the current prison population. FY 2005, he said, will mean 1,308 additional beds, including the 889 added in the previous year. The total cost required to accommodate such growth, he said, is \$55 million.

Dan Storkamp, assistant commissioner, said the department is projecting the

increased prisoner population by examining court felony filings and court dispositions. He said the department will be out of space for housing the projected prison population by July 2003. The department is examining options in other states to house the growth, he said. One unknown factor, according to Storkamp, is the impact of the new felony DWI law. Because the law is so new, the department has no reliable information on how judges will sentence offenders.

In addition, Benson said, officer turnover rates have risen to over 10 percent. The higher level of turnover will drive training expenses up, he said, especially because about 65 percent of the inmate population is composed of person-offenders. The bright spot in all of this, he said, is that it could be worse. Wisconsin, with a similar state population, spends more than double what Minnesota does on corrections, he said. Also, Minnesota has the second lowest cost of corrections to the taxpayer of the 50 states and the District of Columbia.



From left, Senators Dan Sparks (DFL-Austin), Claire Robling (R-Jordan) and Paul Koering (R-Fort Ripley) take time to introduce themselves to one another on the Senate floor prior to the start of session Tues., Jan. 7.

Photo by David J. Oakes

# Committee update

George Hoffman and Shawn Welch presented a revised budget forecast for the Department of Human Services. Because of increased demand for state services—driven primarily by recession and the jobless recovery—they said, total general fund expenditures for the current biennium are projected to be 1.5 percent higher than the figures projected at the end of the 2002 legislative session. For FY 04-05, department figures project general fund expenditures of over \$6.5 billion, a 9.6 percent increase over the end-of-session 2002 forecast. Hoffman said the forecast also assumes that federal Temporary Assistance for Needy Families will be reauthorized by Congress. The program, which provides a block grant to the state, is currently authorized until March 31.

## Rules and Administration

### Resolutions adopted

The Rules and Administration Committee, chaired by Sen. John Hottinger (DFL-St. Peter), held its first meeting of the session Wed., Jan. 8. Members approved a series of resolutions governing the operations of the Senate.

One of the most significant resolutions relates to a change in the Temporary Senate Rules relating to House Files that come to the Senate. Under the change the comparison and substitution of House Files for Senate Files is delayed. The substitution of House Files for Senate Files in committees will no longer take place. Instead, the House File will be held on a Comparison Calendar until just before final passage of its companion Senate File. At that point, the House File will be amended with the Senate language and placed on final passage. Senate Counsel, Peter Wattson, explained that the change is designed to make it easier for members and the public to track bills through the process.

One resolution, which members adopted, names Sen. Sandra L. Pappas (DFL-St. Paul) as President Pro Tem of the Senate.

Members also adopted resolutions concerning postage, mileage, and living expenses. The panel voted to eliminate the telecommunications allowance that had been granted to members in previous years. Sen. Steve Dille (R-Dassel) pointed out that elimination of the telecommunications allowance has the effect of

lowering Senators' compensation by about 3 percent.

The list of standing committees and the roster of members for each committee was also approved.

Hottinger said both the number and size of Senate committees were reduced this year.

The committee also adopted restatements of several on-going Senate policies and approved changes to the roster of Senate employees.



### Tour the Capitol on CD-ROM

Senate Media Services has announced the release of a CD-ROM tour of the Capitol, called "A Building for All..."

Go to the Rotunda, the Governor's Reception Room, the Senate Chamber, the House of Representatives Chamber, the Supreme Court Chamber, and the Quadriga at your own pace.

Travel behind the scenes to quarters that are not normally opened to the public like the House and Senate Retiring Rooms, the Supreme Court Justices' Consultation Room, or the Governor's Private Office.

A special section called "Other Neat Places" takes you to more obscure areas that you may not see on an in-person visit to the building like the inner dome, the underground tunnel system, or the newly restored "Rathskeller" cafeteria.

Brilliant digital photography captures the artistic beauty of the building and the professional voice-over provides background information and historical perspective on the paintings, architecture, sculpture, and interior design that make up Minnesota's State Capitol building.

"A Building for All..." can be purchased for \$5 per CD by contacting Senate Media Services at (651) 296-0264.

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Toll free 1-888-234-1112

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#### Senate Sergeant at Arms

G-1 Capitol/Chamber (651) 296-1119

#### Senate Counsel & Research

G-17 Capitol (651) 296-4791

**TTY, Senate** (651) 296-0250

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## Streaming Videos Available

Two videos, "Discover the Capitol" and "Rules, Laws and Process," can now be accessed through the Legislature's website at <http://www.leg.state.mn.us/leg/youth/video.htm> (Requires Real Player or Windows Media Player.) These videos are excellent sources of information on the history of the State Capitol and on how laws are made in Minnesota. For more information contact Senate Media Services at (651) 296-0264.



# Preview

## Monday, January 13

### State Government Budget Division

*Chair: Sen. Jane Ranum*

9 a.m. Room 123 Capitol

**Agenda:** Tours of Minnesota Planning and Department of Employee Relations. The committee will walk to Centennial Office Building as a group for tours of the two agencies.

**The Senate will meet at 12 noon.**

### Commerce and Utilities Committee

*Chair: Sen. Ellen Anderson*

12:30 p.m. Room 112 Capitol

**Agenda:** Citizens League Report on Energy - Lyle Wray, president, Citizens League; Prof. Ken Keller and Andy Brown, co-chairs, Citizens League Energy Committee.

## Tuesday, January 14

### Finance Committee

*Chair: Sen. Richard Cohen*

9 a.m. Room 123 Capitol

**Agenda:** Confirmation of governor's appointment of Dan McElroy as commissioner of Finance. General discussion on the budget for '03, '04-05. Commissioner Dan McElroy will speak.

### Environment, Agriculture and Economic Development Budget Division

*Chair: Sen. Dallas Sams*

12:30 p.m. Room 107 Capitol

**Agenda:** Overview of the LCMR.

### Health and Family Security Committee

*Chair: Sen. Becky Lourey*

12:30 p.m. Room 15 Capitol

**Agenda:** Dept. of Health policy presentation.

### Education Committee

*Chair: Sen. Steve Kelley*

3:30 p.m. Room 15 Capitol

**Agenda:** To be announced.

### Transportation Policy and Budget Division

*Chair: Sen. Dean E. Johnson*

3:30 p.m. Room 123 Capitol

**Agenda:** Committee jurisdiction and constitutional issues overview. State transportation funding overview. Federal funding overview.

## Wednesday, January 15

### Health, Human Services and Correction Budget Division

*Chair: Sen. Linda Berglin*

9 a.m. Room 123 Capitol

**Agenda:** To be announced.

### State Government Budget Division

*Chair: Sen. Jane Ranum*

9 a.m. Room 107 Capitol

**Agenda:** Budget overview.

## Thursday, January 16

### E-12 Education Budget Division

*Chair: Sen. LeRoy Stumpf*

9 a.m. Room 112 Capitol

**Agenda:** To be announced.

### Health, Human Services and Correction Budget Division

*Chair: Sen. Linda Berglin*

9 a.m. Room 123 Capitol

**Agenda:** To be announced.

### State Government Budget Division

*Chair: Sen. Jane Ranum*

9 a.m. Room 107 Capitol

**Agenda:** To be announced.

**The Senate will meet at 12 noon.**

### Judiciary Committee

*Chair: Sen. Don Betzold*

12:30 p.m. or immediately following session Room 112 Capitol

**Agenda:** S.F. 28-Betzold: Revision of Uniform Commercial Code. Discussion of uniform bills.

### Transportation Policy and Budget Division

*Chair: Sen. Dean E. Johnson*

3:30 p.m. Room 123 Capitol

**Agenda:** Department of Public Safety jurisdiction overview.

## Friday, January 17

**No meetings scheduled.**



Sen. David Knutson (R-Burnsville) addresses a group of students participating in the YMCA Youth In Government program in front of the Senate chamber Fri., Jan. 10. The program gives students from around the state an opportunity to come to the State Capitol for four days to learn about state government by participating in a mock legislative session.

Photo by David J. Oakes

# Committee roster

## Agriculture, General Legislation and Veterans Affairs Committee

**Chair:** Murphy      **Vice Chair:** Kubly  
**Office:** 306 Capitol      **Phone:** (651) 296-7405  
**Meets:** Mon., Wed., 3:30 – 6 p.m. Room 112 Capitol  
**Members:** 13

Dille	Lourey	Sams	Vickerman
Hann	Nienow	Skoe	Wergin
Koering	Rosen	Sparks	

## Environment and Natural Resources Committee

**Chair:** Marty      **Vice Chair:** Saxhaug  
**Office:** 323 Capitol      **Phone:** (651) 296-5712  
**Meets:** Mon., Wed., 12:30 – 3 p.m. Room 107 Capitol  
**Members:** 13

Betzold	Jungbauer	Neuville	Pariseau
Frederickson	Langseth	Nienow	Stumpf
Higgins	Lourey	Olson	

## Capital Investment Committee

**Chair:** Langseth      **Vice Chair:** Higgins  
**Office:** 122 Capitol      **Phone:** (651) 296-9612  
**Meets:** Mon., Wed., 3:30 – 6 p.m. Room 123 Capitol  
**Members:** 17

Berglin	Gaither	Koering	Pappas
Chaudhary	Johnson, D.E.	Larson	Senjem
Cohen	Kierlin	Metzen	Stumpf
Frederickson	Kiscaden	Murphy	

## Finance Committee

**Chair:** Cohen      **Vice Chair:** Chaudhary  
**Office:** 317 Capitol      **Phone:** (651) 296-4839  
**Meets:** Mon. – Fri., 9 – 11:30 a.m. Room 123 Capitol  
**Members:** 19

Berglin	Johnson, D.E.	Ourada	Skoglund
Dille	Kierlin	Pappas	Stumpf
Fischbach	Knutson	Pariseau	
Frederickson	Langseth	Ranum	
Higgins	Larson	Sams	

## Commerce and Utilities Committee

**Chair:** Anderson      **Vice Chair:** Sparks  
**Office:** 120 Capitol      **Phone:** (651) 296-1767  
**Meets:** Mon., Wed., 12:30 – 3 p.m. Room 112 Capitol  
**Members:** 14

Belanger	Kiscaden	Ourada	Reiter
Gaither	LeClair	Pappas	Sams
Kelley	Metzen	Pogemiller	Scheid

## E-12 Education Budget Division

**Chair:** Stumpf      **Vice Chair:** Marko  
**Office:** G-24 Capitol      **Phone:** (651) 296-5312  
**Meets:** Mon. – Fri., 9 – 11:30 a.m. Room 112 Capitol  
**Members:** 18

Anderson	Hann	Langseth	Skoglund
Bakk	Johnson, D.J.	Michel	Sparks
Fischbach	Jungbauer	Olson	Wergin
Gaither	Kelley	Scheid	Wiger

## Crime Prevention and Public Safety Committee

**Chair:** Foley      **Vice Chair:** Skoglund  
**Office:** G-24 Capitol      **Phone:** (651) 296-4878  
**Meets:** Mon., Wed., 12:30 – 3 p.m. Room 15 Capitol  
**Members:** 10

Berglin	Johnson, D.J.	Knutson	Moua
Chaudhary	Kleis	McGinn	Ranum

## Environment, Agriculture and Economic Development Budget Division

**Chair:** Sams      **Vice Chair:** Dibble  
**Office:** 328 Capitol      **Phone:** (651) 296-1323  
**Meets:** Tues., Thurs., 12:30 – 3 p.m. Room 107 Capitol  
**Members:** 12

Anderson	Cohen	Kubly	Rosen
Bachmann	Dille	Murphy	
Bakk	Frederickson	Pariseau	

## Education Committee

**Chair:** Kelley      **Vice Chair:** Skoe  
**Office:** 205 Capitol      **Phone:** (651) 296-2962  
**Meets:** Tues., Thurs., 3:30 – 6 pm. Room 15 Capitol  
**Members:** 10

Bachmann	Michel	Pappas	Stumpf
Kierlin	Olson	Ranum	Tomassoni

## Health, Human Services and Corrections Budget Division

**Chair:** Berglin      **Vice Chair:** Higgins  
**Office:** 309 Capitol      **Phone:** (651) 296-4151  
**Meets:** Mon. – Fri., 9 – 11:30 a.m. Room 123 Capitol  
**Members:** 9

Foley	Koering	Lourey	Solon
Kiscaden	LeClair	Ruud	



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**Higher Education Budget Division**

**Chair:** Pappas                      **Vice Chair:** Solon  
**Office:** 120 Capitol              **Phone:** (651) 296-1802  
**Meets:** Tues., Thurs., 12:30 – 3 p.m. Room 123 Capitol  
**Members:** 9

Kierlin	Pogemiller	Ruud	Tomassoni
Larson	Robling	Skoe	

**Judiciary Committee**

**Chair:** Betzold                      **Vice Chair:** Skoglund  
**Office:** 111 Capitol              **Phone:** (651) 296-4167  
**Meets:** Tues., Thurs., 12:30 – 3 p.m. Room 112 Capitol  
**Members:** 10

Cohen	Hottinger	Marty	Ortman
Hann	Limmer	Neuville	Rest

**State Government Budget Division**

**Chair:** Ranum  
**Office:** 120 Capitol              **Phone:** (651) 296-4842  
**Meets:** Mon. – Fri., 9 – 11:30 a.m. Room 107 Capitol  
**Members:** 10

Cohen	Michel	Rest
Knutson	Neuville	Saxhaug
Metzen	Reiter	Vickerman

**Rules and Administration Committee**

**Chair:** Hottinger                      **Vice Chair:** Rest  
**Office:** 208 Capitol              **Phone:** 296-2577  
**Meets:** Mon., Wed., 3:30 – 6 p.m. Room 123 Capitol  
**Members:** 24

Belanger	Johnson, D.E.	Metzen	Ranum
Berglin	Kiscaden	Neuville	Sams
Cohen	Knutson	Olson	Stumpf
Day	Langseth	Pappas	Vickerman
Dille	Larson	Pariseau	
Frederickson	Marty	Pogemiller	

**Transportation Policy and Budget Division**

**Chair:** Johnson, D.E.              **Vice Chair:** Moua  
**Office:** 121 Capitol              **Phone:** (651) 296-1738  
**Meets:** Tues., Thurs., 3:30 – 6 p.m. Room 123 Capitol  
**Members:** 16

Chaudhary	Langseth	Ortman	Robling
Dibble	Marko	Ourada	Wiger
Jungbauer	McGinn	Reiter	
Kleis	Murphy	Rest	

**State and Local Government Operations Committee**

**Chair:** Vickerman                      **Vice Chair:** Wiger  
**Office:** 226 Capitol              **Phone:** (651) 296-4150  
**Meets:** Mon., Wed., 12:30 – 3 p.m. Room 123 Capitol  
**Members:** 12

Day	Johnson, D.E.	Robling	Wergin
Dibble	Kubly	Senjem	
Fischbach	Marko	Solon	

**Health and Family Security Committee**

**Chair:** Lourey  
**Office:** G-24 Capitol              **Phone:** (651) 296-7593  
**Meets:** Tues., Thurs., 12:30 – 3 p.m. Room 15 Capitol  
**Members:** 9

Berglin	Foley	Kelley	LeClair
Fischbach	Higgins	Kiscaden	Nienow

**Tax Committee**

**Chair:** Pogemiller                      **Vice Chair:** Tomassoni  
**Office:** 235 Capitol              **Phone:** (651) 296-7809  
**Meets:** Mon. – Fri., 9 – 11:30 a.m. Room 15 Capitol  
**Members:** 13

Belanger	Johnson, D.J.	McGinn	Ortman
Betzold	Limmer	Moua	Skoe
Hottinger	Marty	Murphy	

**Jobs, Housing and Community Development Committee**

**Chair:** Scheid                      **Vice Chair:** Bakk  
**Office:** 303 Capitol              **Phone:** (651) 296-5776  
**Meets:** Tues., Thurs., 3:30 – 6 p.m. Room 112 Capitol  
**Members:** 10

Anderson	Higgins	Ruud	Saxhaug
Bachmann	Rosen	Sams	Senjem

# Minnesota Senate 2003

Party	Phone (651) 29	Name	Room	District	Party	Phone (651) 29	Name	Room	District
DFL	6-5537	Ellen R. Anderson	120 Cap.	66	DFL	6-5645	John Marty	323 Cap.	54
R	6-4351	Michele M. Bachmann	141 SOB	52	R	7-8073	Mike McGinn	G-19 SOB	38
DFL	6-8881	Thomas M. Bakk	301 Cap.	6	DFL	6-4370	James P. Metzen	322 Cap.	39
R	6-5975	William V. Belanger, Jr.	113 SOB	40	R	6-6238	Geoff Michel	151 SOB	41
DFL	6-4261	Linda Berglin	309 Cap.	61	DFL	6-5285	Mee Moua	235 Cap.	67
DFL	6-2556	Don Betzold	111 Cap.	51	DFL	6-4264	Steve Murphy	306 Cap.	28
DFL	6-4334	Satveer Chaudhary	317 Cap.	50	R	6-1279	Thomas M. Neuville	123 SOB	25
DFL	6-5931	Richard J. Cohen	317 Cap.	64	R	6-5419	Seam R. Nienow	105 SOB	17
R	6-9457	Dick Day	147 SOB	26	R	6-1282	Gen Olson	119 SOB	33
DFL	6-4191	D. Scott Dibble	111 Cap.	60	R	6-4837	Julianne E. Ortman	G-21 SOB	34
R	6-4131	Steve Dille	103 SOB	18	R	6-5981	Mark Ourada	145 SOB	19
R	6-2084	Michelle L. Fischbach	129 SOB	14	DFL	6-1802	Sandra L. Pappas	120 Cap.	65
DFL	6-4154	Leo T. Foley	G-24 Cap.	47	R	6-5252	Pat Pariseau	117 SOB	36
R	6-8138	Dennis R. Frederickson	139 SOB	21	DFL	6-7809	Lawrence J. Pogemiller	235 Cap.	59
R	6-4314	David Gaither	107 SOB	43	DFL	7-8061	Jane B. Ranum	120 Cap.	63
R	6-1749	David Hann	G-27 SOB	42	R	6-1253	Mady Reiter	132D SOB	53
DFL	6-9246	Linda Higgins	328 Cap.	58	DFL	6-2889	Ann H. Rest	205 Cap.	45
DFL	6-6153	John C. Hottinger	205 Cap.	23	R	6-4123	Claire A. Robling	143 SOB	35
DFL	6-3826	Dean E. Johnson	121 Cap.	13	R	6-5713	Julie A. Rosen	G-23 SOB	24
R	6-3219	Debbie J. Johnson	135 SOB	49	R	6-4913	Carrie L. Ruud	109 SOB	4
R	6-3733	Michael J. Jungbauer	115 SOB	48	DFL	7-8063	Dallas C. Sams	328 Cap.	11
DFL	7-8065	Steve Kelley	205 Cap.	44	DFL	6-4136	Tom Saxhaug	124 Cap.	3
R	6-5649	Bob Kierlin	127 SOB	31	DFL	6-8869	Linda Scheid	303 Cap.	46
IP	6-4848	Sheila M. Kiscaden	G-15 SOB	30	R	6-3903	David H. Senjem	G-17 SOB	29
R	6-6455	Dave Kleis	G-25 SOB	15	DFL	6-4196	Rod Skoe	124 Cap.	2
R	6-4120	David L. Knutson	133 SOB	37	DFL	6-4274	Wesley J. Skoglund	124 Cap.	62
R	6-4875	Paul E. Koering	131 SOB	12	DFL	6-4188	Yvonne Prettnier Solon	303 Cap.	7
DFL	6-5094	Gary W. Kubly	306 Cap.	20	DFL	6-9248	Dan Sparks	G-24 Cap.	27
DFL	6-3205	Keith Langseth	122 Cap.	9	DFL	6-8660	LeRoy A. Stumpf	G-24 Cap.	1
R	6-5655	Cal Larson	153 SOB	10	DFL	6-8017	David J. Tomassoni	111 Cap.	5
R	6-4166	Brian LeClair	149 SOB	56	DFL	6-5650	Jim Vickerman	226 Cap.	22
R	6-2159	Warren Limmer	121 SOB	32	R	6-8075	Betsy L. Wergin	125 SOB	16
DFL	6-0293	Becky Lourey	G-24 Cap.	8	DFL	6-6820	Charles W. Wiger	301 Cap.	55
DFL	7-8060	Sharon Marko	G-24 Cap.	57					

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# Senate Briefly

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*Long shadows, a deep blue sky, leafless trees and a quick glance at a thermometer are all clues that it really is January in Minnesota, despite the uncharacteristic lack of snow cover on the Capitol grounds. Photo by David J. Oakes*



January 17, 2003

# Senate Highlights

## Budget package greenlighted

Members of the Finance Committee, chaired by Sen. Richard Cohen (DFL-St. Paul), advanced to the Senate floor a plan to address the state budget shortfall for the current fiscal year. The plan, approved Fri., Jan. 17, reduces general fund spending and transfers balances from other funds into the general fund for a total budgetary change of \$384 million. With a projected FY 03 shortfall of \$355.5 million, the proposal leaves the state with \$52.4 million in reserves.

"We're trying to work with the governor and meet his expectations that we work in a quick way because of the immediacy of what we need to do," Cohen said. Procedurally, the plan was presented as an amendment to S.F. 79.

Chairs of the various budget divisions outlined sections of the plan for the committee. In E-12 education, the plan reduces spending by \$4.8 million. Changes in higher education amount to \$60.1 million and in health, human services and corrections to \$82 million. Environment, agriculture and economic development budget areas were changed by \$30 million. Transportation general fund expenditures were reduced by \$130 million and the sale of the state jet is expected to net the state \$750,000. Other state agency spending cuts and fund transfers amount to \$26.4 million in the plan. Sales tax refund payments are delayed in the proposal, reducing FY 03 spending by \$50 million. (See charts, this page and next.)

Sen. David Knutson (R-Burnsville) offered an amendment repealing existing

language preventing cuts made to the Secretary of State's Office from revenue-producing or election-related functions. In budget-cutting activity during the last session, he said, the office was instructed to distribute its cuts to avoid affecting those areas. However, Knutson said, the cuts proposed in the Senate proposal will have to affect revenue-producing functions of the office. Knutson said the Secretary of State should have flexibility to distribute cuts throughout the office. The amendment was adopted on a voice vote.

Knutson said the Senate proposal leaves future expenditures \$144 million

over the governor's proposal. He also said the governor had a larger reserve by \$84 million. With economic conditions being what they are, and revenue forecasts coming in worse than anticipated, Knutson said a larger reserve is necessary. Sen. Jane Ranum (DFL-Mpls.) said many of the reductions offered by the governor were not fully explained in their impact. She said Senators were reluctant to make cuts without knowing what services would be cut. Senators will have an opportunity to revisit the proposed cuts during the session, Ranum said.

S.F. 79, as amended, was adopted and advanced to the full Senate.

## Senate Proposal for FY 2003

### Budget Shortfall

#### Summary by Budget Division

(Figures are millions of dollars)

<b>E-12 Education</b>	
Net spending reductions	(4.8)
<b>Higher Education</b>	
Net spending reductions	(30.1)
Transfers in	(30.0)
Subtotal change	(60.1)
<b>Health, Human Services and Corrections</b>	
Net spending reductions	(71.9)
Transfers in	(10.1)
Subtotal change	(82.0)
<b>Environment, Agriculture and Economic Development</b>	
Net spending reductions	(10.0)
Transfers in	(20.0)
Subtotal change	(30.0)
<b>Transportation</b>	
Cancellation	(130.0)
Sale of state jet	(0.8)
Subtotal change	(130.8)
<b>State Government</b>	
Net spending reductions	(10.2)
Transfers in	(16.2)
Subtotal change	(26.4)
<b>Taxes</b>	
Net spending reduction	(50.0)
<b>Total budgetary change</b>	<b>(384.0)</b>
<b>November forecast revenue shortfall</b>	<b>355.5</b>
<b>Remainder for end of year</b>	<b>28.5</b>
<b>Remainder plus current reserve</b>	<b>52.4</b>

Source: Office of Fiscal Policy Analysis

## Brief sessions held

Members met for very brief floor sessions, Mon., Jan. 13, and Thurs. Jan. 16, in order to process bill introductions. Majority Leader John Hottinger (DFL-St. Peter), noted that early in the Legislative Session, floor sessions are typically very brief.

## Frequently called numbers

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**Senate Briefly** is a publication of the Minnesota Senate Publications Office. During the 2003 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. It can be made available in alternative formats.

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# Committee update

## Commerce and Utilities

### Energy future considered

Members of the Commerce and Utilities Committee continued their examination of Minnesota's energy future as the second week of the legislative session began. The panel, chaired by Sen. Ellen Anderson (DFL-St. Paul), met in afternoon session, Mon., Jan. 13.

Lyle Wray, president of the Citizens League, presented the league's energy planning report. "The status quo is not sustainable," Wray said of Minnesota's energy generation and use patterns. Two major factors brought him to that conclusion, he said. The federal government, specifically the Federal Energy Regulatory Commission, is in the process of restructuring how states price and distribute electric energy. The restructuring, he said, will result in a regional model for electricity production and transmission. Also, Wray said, the progress being made daily in alternative energy technologies—in both generation and distribution—have led him to believe that Minnesota must prepare for change. In the energy field, most decisions

have a 40-year lifespan, which means that urgent decisions must be made now to prepare for future realities, he said.

Professor Ken Keller, who co-chaired the Citizens League committee that authored the report, said the issue the committee examined was not whether the state will have sufficient energy in 10 or 15 years, but how other goals that the state has set for itself—such as protecting the environment and community health—will be affected by meeting the state's energy needs. Keller presented data showing that the state's energy use has grown consistently since 1965 and that alternative sources of energy have not seen an increase in their relative use within Minnesota's energy sources. The two primary sources of energy, he said, remain coal and nuclear. However, current political trends suggest future pressure to limit carbon emissions, Keller said. "We're not going where we need to go," he said, by that benchmark. With existing technology, federal laboratories have indicated that Minnesota has the capability to reduce emissions, he said. Keller emphasized the need to aggressively use existing resources for research and pilot projects.

Wray said that Minnesota could easily reach an energy portfolio with 20 to 25 percent of electric power being wind-generated. He said Germany is already at that level, and the wind map in Germany is much less favorable to power generation than Minnesota's wind map. Keller said the league's research indicates that by 2040, the state could conceivably have no carbon emissions. Such a plan does not require eliminating coal generation, he said, but does involve yet-to-be-developed technologies that capture emitted gases.

Wray and Keller also outlined other items in the report, including reallocating current state funds—used primarily for Conservation Improvement Programs—to research, emission permits and permit trading, hydrogen fuel cells, natural gas as a short-term energy source and options for changing the way energy is transmitted to consumers.

The second portion of the meeting was devoted to a presentation from Rolf Nordstrom, Minnesota Planning. Nordstrom has been researching the potential for Minnesota to become involved in the "hydrogen economy." He said hydrogen has become a national focus



*Sen. Michele Bachmann (R-Stillwater) fulfills requests for autographs from Stillwater's Rutherford Elementary School fourth grade students near the Capitol rotunda Thurs., Jan 16.*

Photo by David J. Oakes

# Committee update



**Members of the Senate Environment, Agriculture and Economic Development Budget Division consider ethanol production funding as part of discussions on how to balance the state budget Thurs., Jan. 16.**

Photo by David J. Oakes

for energy, quoting U.S. Energy Secretary Spencer Abraham. Nordstrom said hydrogen is more an energy carrier than an energy source, but provides all the energy benefits of fossil fuels without pollution. Hydrogen can be gathered from natural gas, ethanol, biomass and water, he said. The cleanest option, according to Nordstrom, is using renewable energy, such as wind power, to electrolyze water—separating a water molecule into hydrogen and oxygen. The hydrogen can then be stored, and shipped, for later use. “This raises the prospect of an inexhaustible source of energy,” he said.

Hydrogen is as safe, if not safer than, fuels currently in use, Nordstrom said. The very benefit of fuels is that they are combustible, he said, which also poses their danger and hydrogen is no different from fossil fuels in that regard. However, hydrogen has a broad range of uses, he said, from cell phones and laptop computers to vehicles and large commercial buildings. In fact, Nordstrom said, most researchers believe the fuel cell will do to energy what the microchip did to computing. Though many companies, including most of the major auto makers, are developing working prototypes for fuel-cell powered

devices, there are barriers to fuel cell commercialization, he said. Currently, fuel cells come at a high cost, similar to any emerging technology. Also, Nordstrom said, there is no fueling infrastructure for delivering hydrogen to consumers. Nevertheless, he said, projections for the fuel cell market indicate that it could be as big as \$1.7 trillion by 2020 and create 750,000 jobs by 2030. Fuel cell vehicles may overtake conventional vehicles, Nordstrom said, in the United States by 2015 or 2018.

Because Minnesota’s wind potential is seven times the state’s current electricity use, he said, hydrogen can allow the state to retain part of the \$9 billion currently spent on energy. Wind power can be used to create hydrogen to be exported to other markets, he said. Also, hydrogen development in Minnesota has the potential to create a new industry cluster in the state, he said. Other states have recognized the potential economic development benefit of hydrogen, Nordstrom said. Ohio has launched a 3-year, \$100 million fuel cell initiative and Michigan launched a similar 5-year, \$50 million program. Europe, he said, views hydrogen as akin to the space race and has started a \$2 billion, 5-year

program designed to “leap-frog the United States and Japan.” Iceland, he said, will switch to a hydrogen-based energy system by 2030 and will become a net exporter of hydrogen.

Nordstrom suggested several steps needed for the state to take advantage of the growing hydrogen economy. He said the state could make a shift to hydrogen state policy with a deadline, similar to the moon-shot marker set by President John F. Kennedy in the 1960s. Nordstrom also suggested developing a hydrogen roadmap, establishing incentives for research and development in hydrogen and launching a public education campaign about the benefits and safety of hydrogen.

## Education

### Committee begins to confront state responsibility under new law

Members of the Education Committee, chaired by Sen. Steve Kelley (DFL-Hopkins), heard two presentations, Tues., Jan. 14, on the challenges the state faces in complying with the federal No Child Left Behind Act (NCLB). Anne Cutler—Dept. of Children, Families and Learning



(CFL)—said the law requires accountability for all schools and students and high-quality teachers. She said the law builds on previous reforms begun in the early 1990s, but requires quick action by states and districts to comply with the law. A progress report from the states is due to the U.S. Department of Education by Jan. 31, she said. Cutler said a final report, indicating a state's compliance with NCLB, is required by May 1, 2003. At stake in compliance with the law, she said, are hundreds of millions of dollars in federal funding.

NCLB requires standards in reading and math by 2002 and in science by 2005. The law also requires an expansion in testing, Cutler said, so that every grade—from 3 through 8—is tested annually in reading and math by the 2005-06 school year. Annual tests, administered once in each of three grade spans, are also required in science by the 2007-08 school year, under NCLB. She said another challenge under the law is the standard of "adequate yearly progress." It is essentially a system of defining low-performing schools, she said, by setting achievement objectives for

students and analyzing whether schools are helping students meet those objectives. Schools that do not meet the state definition of adequate yearly progress for two consecutive years will be identified as needing improvement, she said. Such schools will initially be required to allow students to enroll in another school within the district and provide transportation to that school, Cutler said. If a school remains on the needing-improvement list, under the law, the ramifications escalate until, after a school has been identified as needing improvement for five years, the school district must substantially alter the school's governance.

Sen. Gen Olson (R-Minnetrista) said the law's sanctions seem to assume large or urban districts will have the offending schools. Cutler said the law applies equally to all districts, but only requires under-performing schools to offer enrollment at other schools within the school district. The law encourages, but does not require, smaller districts to pair with each other or offer enhanced tutoring services earlier.

Mark Davison, director of the University of Minnesota Office of Educa-

tional Accountability, presented a policy brief containing recommendations for the state. One of them, he said, is to also recognize high-performance schools, thereby creating an incentive for schools to achieve beyond the requirements of NCLB. However, Davison also said he has issues with a requirement in the law that all students demonstrate grade-level proficiency by the 2013-14 school year. Some students, he said, such as recent immigrants, are simply unable to get up to speed with their classmates in less than a year. Davison also noted that no other business area or profession uses 100 percent success as an absolute standard.

Sen. Bob Kierlin (R-Winona) said most of the education professionals he has met with have observed that many students who have problems in school are having problems at home or in the neighborhood before they even come to school. However, he said, NCLB places all the burden for student achievement on the school. Davison said the law does seem to represent a departure from the usual school-family-community partnership. Sen.



*Students from Woodcrest Baptist Academy in Fridley are given permission to make a closer inspection of the star in the floor of the Capitol rotunda during their tour of the State Capitol Thurs., Jan. 16.*

Photo by David J. Oakes



# Committee update

Sandra Pappas (DFL-St. Paul) said Legislators, educators and parents should give the federal government the benefit of the doubt. One shouldn't assume that some students cannot meet the same standards as the larger student population, she said. The law poses a challenge for the whole system, Pappas said, but it may be a challenge that benefits students in the end.

## Issues discussed

The Education Committee, chaired by Sen. Steve Kelley (DFL-Hopkins), met Thurs., Jan. 16, to hear from a number of individuals representing education organizations throughout the state.

Vernae Hasbarg of the Minnesota Rural Education Association, Scott Croonquist of the Association of Metropolitan School Districts, Charles Kyte of the Minnesota Association of School Administrators, Jan Alswager of the Education Minnesota, Bob Meeks of the Minnesota School Boards Association and Brad Lundell of Schools for Equity in Education, all spoke on their legislative issues of concern. The speakers touched upon the issues of the Profiles in Learning, teacher contract deadlines, and education funding in the wide ranging discussion.

## Finance

### McElroy comments on proposal

Commissioner Dan McElroy spoke to members of the Finance Committee Tues., Jan. 14, just moments before the press conference unveiling the governor's proposal to solve the budget shortfall for the current biennium. McElroy's comments before the committee were aimed at describing the considerations that went into the budget proposal.

McElroy said the administration team kept several thoughts in mind when developing the proposal. First, he said, is that government can't do everything. McElroy said that he has heard it reported widely that Minnesota is in crisis, but that is not the case. The state government budget is in crisis, but Minnesota as a community is not, he said. Further, he said, the correct theme for the proposal is to do the right things well; not to do more with less. A key element of the process going forward is to set priorities, McElroy said. The third item the administration's budget team kept in mind is that raising taxes is not an option. McElroy said not raising

taxes is important in terms of keeping Minnesota competitive with nearby states.

Another key concept, McElroy said is that the proposed solution be fair, not only to people receiving services, but also to the employees providing the services, to taxpayers and to future generations. Keeping Minnesota competitive is another key concept, McElroy said, adding that tight budgets offer an opportunity for innovation and improvement. Finally, there is a need to change the old paradigm that "if it ain't broke, don't fix it." McElroy said that it is important to examine services and programs that are being done just because they have always been done. However, McElroy added that the need for change does not mean simply change for change's sake.

McElroy concluded by saying there is a need to act in the short term, but think for the long term. He said that the administration is going to explore all the options, identify needed services and have respect for the providers and consumers of those services.

The panel, chaired by Sen. Richard Cohen (DFL-St. Paul), devoted the

balance of the meeting to hearing comments on the budget situation from diverse community leaders.

Duane Benson, executive director of the Minnesota Business Partnership, said the shortfall is not likely to be a one-time phenomenon, but is likely to be an ongoing problem. He said there are three trends driving the state's economic situation—technology, globalization and demographics. He said the major concerns of the partnership are taxes, education and health care. He urged members to "fund people instead of institutions" and to increase competitive outsourcing.

Rip Rapson, president of the McKnight Family Foundation, spoke to members on the role of philanthropy in the current budget crisis. He said that philanthropic organizations are in a similar situation in that there has been a decline of assets over the course of the last couple of years. However, Rapson said that philanthropic organizations want to play a helpful role in solving the crisis. He said economic cycles have shaped philanthropy's response. First, Rapson said, philanthropy needs to stay the course and

## Comparison of Senate and Governor's Proposal for FY 2003 Budget Shortfall

(Figures are millions of dollars)

	Governor's recommendation	Senate proposal
<b>Spending reductions</b>		
State agency operations	44	47
State agency grants and programs	77	22
Higher education	50	30
<i>Subtotal spending reductions</i>	<i>171</i>	<i>99</i>
<b>One time items</b>		
Refinance transportation projects	130	130
Cancel unspent 1998 capital projects	7	0
21st Century minerals fund	39	0
Solid waste fund balance	11	5
Workers compensation special fund balance	15	15
State airports fund balance	15	0
Reduce HESO SELF reserves	30	30
Health, Human Services and Corrections payment changes	0	55
Delay sales tax refund on capital equipment	50	50
<i>Subtotal one time items</i>	<i>297</i>	<i>285</i>
<b>Total all changes</b>	<b>468</b>	<b>384</b>
Less forecast shortfall	(356)	(356)
Ending balance	112	28
Current budget reserve	24	24
<b>End of FY 2003 amount</b>	<b>136</b>	<b>52</b>

Source: Office Of Fiscal Policy Analysis



*From left, Senators Dean Johnson (DFL-Willmar), Cal Larson (R-Fergus Falls) and Sandra Pappas (DFL-St. Paul) strategize on how to balance Minnesota's projected \$365 million shortfall during a Finance Committee hearing Fri., Jan. 17.*

Photo by David J. Oakes

keep helping the most disadvantaged. Secondly, philanthropy can provide "social venture capital" to help reform service delivery and shape innovation. Finally, philanthropy can help figure out cooperative endeavors, Rapson said. He said the one thing philanthropic organizations can't do is fill the holes that will be left by state government cuts because the magnitude of the problem is so great.

Brian Rusche, executive director of the Joint Religious Legislative Coalition, rounded out the speakers. Rusche said he fears the consequences of budget reductions will be increased hunger and homelessness in Minnesota. Rusche said he did not think the budget shortfall was an expenditure problem, but rather a revenue problem. He cited recent tax cuts, along with expenditure increases beyond the state's control, as the driving force behind the shortfall. "The cost per capita of state and local government is actually in decline," Rusche said. He said the shortfall solution should be framed in the revenue

side of the equation, but that he realized expenditures must be examined. "I'm afraid that expenditure reductions will undo many of the things that have allowed Minnesota to become an engine of prosperity," he said. Rusche concluded by urging members to have compassion and be courageous as they set about solving the budget shortfall.

### **Budget reductions discussed**

The Finance Committee met Thurs., Jan. 16, to continue their discussion of the governor's proposal to eliminate the \$356 million shortfall for the current fiscal year.

The committee, chaired by Sen. Richard Cohen (DFL-St. Paul), questioned Commissioner Dan McElroy, Dept. of Finance, about specific items in the proposal.

Throughout the day various Senate budget divisions had put the final touches on their proposals to address the shortfall. The hearing was designed to answer member questions about a variety of items

prior to the discussion of the Senate's proposal at a hearing Fri., Jan. 17.

## **E-12 Education Budget Division**

### **Minor reductions advanced**

The E-12 Education Budget Division, chaired by Sen. LeRoy Stumpf (DFL-Thief River Falls), met for the first time Thurs., Jan. 16, to consider the governor's recommendations for reductions in the Dept. of Children, Families and Learning. The panel endorsed the governor's recommendation to trim \$1.043 million—about 4 percent—from the operating budget of the department and to reduce \$3.573 million in education grants and programs. Specifically, the reductions were a cancellation of \$206,000 in unexpended teaching and curriculum grants, a \$791,000 reduction in school readiness reserves, a \$769,000 reduction in early childhood and family education reserves and a \$1.8 million



# Committee update

reduction in community education reserves. Under the plan, if the reserve amount was more than 25 percent of the appropriation, the reserve was reduced by the difference of that amount and 25 percent.

The reductions, as outlined by the governor, hold classrooms harmless in the round of cuts aimed at solving the current fiscal year's budget shortfall.

The proposed reductions were approved and forwarded on to the Finance Committee.

## Environment, Agriculture and Economic Development Budget Division

### Panel examines LCMR, lottery

Members of the Environment, Agriculture and Economic Development Budget Division heard overviews from the Legislative Commission on Minnesota Resources (LCMR) and the Minnesota Lottery during their first meeting, Tues., Jan. 14.

John Velin, LCMR director, said the agency budget-making process usually trends towards maintaining the status quo. However, he said, the LCMR serves to recommend new projects to the Legislature for resource enhancement. Many of the projects it recommends, Velin said, are funded from the Environment and Natural Resources Trust Fund, which receives six cents from every dollar of lottery sales. Currently, the trust fund's balance is about \$274 million, Velin said. The Legislature is limited to spending only 5.5 percent of the fund balance every year, in order to maintain the fund for the long-term, he said. Other funds, such as the Future Resources Fund (FRF), are also used as sources for the projects recommended by the LCMR.

Several members of the panel asked Velin about the possibility of shifting money from funds, such as the FRF, into the general fund to resolve the FY 03 budget shortfall. Velin said the money in those funds could be converted to the general fund. Sen. Ellen Anderson (DFL-St. Paul) said she didn't like the direction discussion was taking. The recommendations made by LCMR members, all of whom are Legislators, are not prioritized, she said. Projects recommended for funding from the trust fund are not to be considered as more expendable than those

funded from the FRF or other funds, she said.

Sen. Pat Pariseau (R-Farmington) raised a concern that it appeared federal agencies were receiving state funding. Velin said that any agency—state, federal, non-profit or private—that has a credible project for enhancing the state's resources may submit a plan to the LCMR for consideration. The federal agencies applying are as constricted as any other agency about spending funds recommended by the LCMR on improving resources within the state of Minnesota, he said. Velin said the LCMR does not recommend funds for ongoing maintenance, only for acquisition and improvement.

George Anderson, lottery director, briefly outlined lottery operations for the panel. The lottery does not receive a general fund appropriation, he said, but rather operates from within lottery revenues. He said the agency is statutorily limited to spending no more than 15 percent of revenues on operations, but currently uses only 13 percent. The remainder, George Anderson said, goes to year-end profits, which are split between the general fund (60 percent) and the Environment and Natural Resources Trust Fund (40 percent). Current projections indicate sales of about \$750 million for FY 04-05, he said. However, when the economy sours, lottery sales also decline, George Anderson said.

### Panel adopts reduction plan

A plan to trim \$35.772 million from state expenditures was approved by the Environment, Agriculture and Economic Development Budget Division during a brief meeting Thurs., Jan. 16. The panel, led by Vice Chair Scott Dibble (DFL-Mpls.), adopted the proposal in favor of the governor's plan, which cut \$123.276 million.

The plan makes two transfers from special funds to the general fund: \$5 million from the solid waste fund and \$15 million from the workers compensation special fund. The governor's proposal included \$45 million in additional transfers—\$39 million from the 21st Century minerals fund and \$6 million more from the solid waste fund. Sen. Thomas Bakk (DFL-Cook) said the minerals fund is needed to help the state advance into the next generation of steel making. The fund is designed to leverage private investment in the state, he said.

Gov. Tim Pawlenty's plan also included over \$40 million in specific grant and program reductions from the Dept. of Agriculture, the Office of Environmental Assistance (OEA), the Legislative Commission on Minnesota Resources, the Dept. of Natural Resources (DNR), the Pollution Control Agency (PCA), the Board of Water and Soil Resources (BOWSR), the Arts Board, the Mediation Services Department and the Dept. of Trade and Economic Development (DTED). The panel approved \$2.25 million of those cuts. Specifically, the \$2.25 million is a reduction in ethanol production payments. The governor's plan reduced the payments by over \$28.8 million. Sen. Steve Dille (R-Dassel) said such a cut would create a dramatic loss of trust between government and ethanol producers, who had been promised a 10-year schedule of payments. Sen. Steve Murphy (DFL-Red Wing) said there will be pain in the ethanol industry, as there will be across the state, as the Legislature and governor address the budget crisis. However, Murphy said, the Senate will try to mitigate that pain.

The division also approved over \$13.5 million in operating reductions for the Dept. of Agriculture, Animal Health Board, DNR, BOWSR, PCA, OEA, Zoological Board, Housing Finance Agency, Historical Society, DTED, Dept. of Economic Security, Dept. of Labor and Industry, Mediation Services Dept., Arts Board and Humanities Commission. The governor's proposal trimmed \$18.8 million from the agencies, as well as the Agricultural Utilization Research Institute and Minnesota Technology, Inc.

The proposal was adopted on a voice vote and advanced to the Finance Committee.

## Health, Human Services and Corrections Budget Division

### Budget proposal examined

Members of the Health, Human Services and Corrections Budget Division, chaired by Sen. Linda Berglin (DFL-Mpls.), began an in-depth examination of the governor's proposed FY 03 budget cuts. The cuts are necessary to help plug a \$356 million shortfall for the current fiscal year.

The panel began by hearing from Acting Commissioner Dennis Benson of the Dept. of Corrections. Benson said the





**Former Sen. Gene Merriam, left, fields questions from the media following an announcement by Gov. Tim Pawlenty, center, of Merriam's appointment as commissioner of the Minnesota Department of Natural Resources Fri., Jan. 17. At far right is Rep. Mark Holsten (R-Stillwater) who was named deputy commissioner.**

Photo by David J. Oakes

agency was held to less than a 4 percent cut because the department is a direct care agency. However, the governor has recommended a \$1.108 million cut in the operating budget, Benson said. He indicated that in anticipation of the cuts, the department has had an internal hiring freeze, has held many positions—except for core functions—open and has had a travel ban in place for some time.

Discussion also touched upon the difficulty the department is encountering with an increased number of inmates. Benson said the department is exploring all alternatives including annexing beds from counties. Looking ahead, Benson, said the department will have to undergo structural fixes to meet the anticipated FY 04-05 shortfall.

Members turned their attention to the governor's proposed cuts to the Dept. of Health. Assistant Commissioner David Johnson said the governor has proposed \$888,439 in operating budget reductions and \$8.558 million in grant and program cuts. One of the largest reductions is \$3.558 million in the WIC (Women, Infants and Children nutrition program) grants administration. Berglin pointed out that the WIC program participation has increased significantly and, though it is a federal program, the state supplements the program. Sen. Sheila Kiscaden (IP-Rochester) pointed out that individuals in the WIC program and individuals receiving food stamps are often different populations with different program outcomes as a goal. WIC is designed

specifically for pregnant women and infants to ensure healthy pregnancies and healthy newborns, she said.

Other program cuts are \$4 million in unspent tobacco prevention appropriations, \$500,000 in LTC quality demonstration grants and \$500,000 in LTC transition planning grants.

Johnson said the operating reductions will come from administrative, rather than program, funds. He said the department has not filled positions and has reprioritized activities to meet the reductions.

Kevin Goodno, commissioner, Department of Human Services, outlined the reductions for the department. Overall, the governor's proposal recommends \$29 million in reductions to the general fund, Goodno said. The proposal includes \$11

# Committee update

million in one-time savings in FY 03 and structural changes of \$18 million in FY 03 and \$160 million in FY 04-05, Goodno added.

Jim King, executive budget officer, Department of Finance, explained a variety of other cuts in the division's jurisdiction. Generally speaking the governor is recommending 4 percent reductions in agencies' operating budgets, King said. Berglin questioned the cut to the Veterans Home Board because she said it was her understanding the board was requesting a deficiency appropriation. However, a representative of the Veterans Home Board said the board has maximized revenues and managed expenditures and will absorb the \$123,720 reduction. Berglin questioned whether the cuts to very small agencies, such as the various ombudsmen's offices, put the agencies' ability to function in jeopardy. King responded that the cuts were to be taken from unexpended funds.

Berglin also questioned the size of the reduction, \$1.537 million, to the Board of Public Defenders because of the increased caseload in the court system. The executive director of the Board of Public Defense, Kevin Kajer, said the reduction was more than expected. "The board is on-track to handle a 25 percent increase in caseload," Kajer said. He added, "There are a number of courthouses where the judicial system stops, because we aren't there. We simply don't have the staff to respond to court requests."

The Ombudsman for Mental Health/Mental Retardation said the proposed \$73,000 reduction means the agency will be less able to serve clients. The ombudsman said the agency wants to be a part of the solution and that a portion of the reduction will come from salary savings for positions that have not been filled in anticipation of the cuts.

## Budget package advanced

An \$81.1 million package of budget reductions and shifts cleared the Health, Human Services and Corrections Budget Division at the hearing Thurs., Jan. 16. The panel, chaired by Sen. Linda Berglin (DFL-Mpls.), approved the chair's recommendations for reductions in the areas of the panel's jurisdiction. According to Berglin, the package, which totals nearly twice the amount of the governor's recommendations, has been in development since mid-December. She

complimented the cooperation of the various agencies in working with the division to develop the recommendations.

A key provision of the reductions in the Dept. of Corrections is the housing of felons, whose sentences result in less than a year of incarceration, at the local level. Berglin said the proposal contains grants to counties to offset the increased costs, but the proposal reduces state costs in transferring offenders to state facilities for very short amounts of time. She said the proposal is geared at maintaining public safety, eliminating paperwork and allowing the department to function more efficiently.

The proposal also made numerous reductions in smaller grants that were thus far unspent and unobligated. The proposal also shifts \$4.622 million in payments for county probation officers into the next fiscal year. The total reductions in the area of corrections amount to \$6.04 million under the proposal. The governor had recommended \$1.108 million.

Reductions in the Dept. of Health total \$7.578 million under the proposal, while the governor had recommended \$9.446 million in reductions. Berglin said the major difference is that the division's proposal does not eliminate the \$3.558 million for WIC nutrition counseling grants. She said it is an important function, but that when examining the budget reductions necessary for the FY 04-05 biennium, the division will work to see if the function could be absorbed into another program. Both the governor's recommendation and the division's proposal cut \$4 million in unobligated tobacco endowment grants. The division's proposal also delays community health services payments from May to July, resulting in a reduction of \$1.681 million for the current biennium.

Berglin said the proposal also follows the governor's recommendation for a \$124,000 cut to the Veterans Home Board, but does not follow the governor's recommendations for reductions to the various ombudsman offices, the Public Defense Board, the Council on Disability, the Sentencing Guidelines Commission or the Emergency Medical Services Board.

In the area of human services, the proposal contains \$67.36 million in reductions and shifts. Berglin said a delay in the June fee for service hospital payment until July provides a one-time saving of \$12.495 million for the current fiscal

year, but provides that the counties will still get the payment. The proposal also eliminates chiropractic and podiatry as optional Medical Assistance services and alters the pharmacy access grant. In addition, the proposal provides for a one-time savings of \$36.4 million by shifting social service grant payments into the next fiscal year.

Sen. Brian LeClair (R-Woodbury) questioned the shift into future fiscal years. Berglin responded that the shifts allow a one-time savings, but because the shifts are permanent, the shifts are essentially revenue neutral. She explained that the counties are on a different fiscal year schedule, thus they will receive the same dollar amounts, but the payments will be reflected in different fiscal years for the state.

The panel advanced the proposal to the full Finance Committee on a 7-1 roll call vote.

## Higher Education Budget Division

### Panel okays reduction proposal

A package of higher education reductions was forwarded on to the full Finance Committee by members of the Higher Education Budget Division.

The panel, chaired by Sen. Sandra L. Pappas (DFL-St. Paul), adopted the proposal, which is \$20 million less than the governor's plan, at a hearing Thurs., Jan. 16.

Members heard first from representatives of the University of Minnesota, the Minnesota State Colleges and Universities (MnSCU) system, the Higher Education Services Office (HESO) and faculty.

Richard Pfitzenreuter, associate vice president, University of Minnesota, emphasized the complexity of the University's financial system. He said the University is experiencing enrollment growth at the same time resources are diminishing and that the governor's proposed \$25 million cut represents a real cut, rather than a reduction of an increase.

Chancellor James McCormick, MnSCU, said if the governor's proposed \$25 million cut remains without future increases, there will be very large problems for the MnSCU system. It is difficult to raise tuition when we see our mission as being accessible and affordable and when our students are also experiencing the



economic downturn, he said. McCormick said MnSCU is also facing a challenge in the enormous growth in enrollment.

Dr. Robert Poch, HESO, said needs-based demand for aid is at an all time high and that even with past increases, the demand has outstripped available funds.

Pappas said the division's proposal reduces the appropriations to the University of Minnesota and MnSCU by \$20 million each, rather than the \$25 million recommended by the governor. The plan also requires HESO to transfer \$30 million of uncommitted balances in the student educational loan fund (SELF) to the general fund. The transfer is identical to the transfer recommended by the governor. However, the division's proposal appropriates \$10 million to HESO for the state grant program. Finally, the proposal also adopts the governor's reduction of \$107,000 in HESO's operating budget.

The proposal was advanced to the full Finance Committee for inclusion in the Senate's overall plan to solve the \$356 million shortfall for the current fiscal year.

## State Government Budget Division

### Division tours agencies

Members of the State Government Budget Division devoted their first meeting, Mon., Jan. 13, to a tour of two state agencies. The panel, chaired by Sen. Jane Ranum (DFL-Mpls.), met briefly for introductions and then toured the Dept. of Employee Relations and Minnesota Planning.

### Panel begins with issue overviews

The State Government Budget Division, chaired by Sen. Jane Ranum (DFL-Mpls.), met Wed., Jan. 15, to hear overviews from legislative staff and agencies regarding budgetary actions taken during the last session and the governor's recommendations for the FY 03 budget shortfall.

Kevin Lundeen, fiscal analyst, outlined the division's jurisdiction—which includes the budgets of many state agencies—and both phases of budget reduction efforts last session. He also noted the budgetary changes made in the Office of State Treasurer and Dept. of Finance. Lundeen said some expenses from the Treasurer's budget—such as the salaries of the Treasurer and Deputy Treasurer—are

no longer projected because the office was eliminated as of Jan. 6. However, he said, some expenses have been transferred to the Dept. of Finance because the department assumed the functions of the Treasurer's Office.

Budget cuts made in the 2002 session included a hiring freeze and professional-technical contract moratorium. Ann Schluter, Dept. of Employee Relations, said 413 new employees were hired between March 1, 2002, and Dec. 26, 2002. On average, she said, the number of new hires would have been about 1,400, if not for the freeze. Schluter noted that the freeze included several exemptions—including for the Dept. of Corrections and Minnesota State Colleges and Universities—and applied only to employees funded by the general fund. With the exemptions, she said, only 27 percent of the state workforce was impacted by the freeze provision. Schluter also commented on the governor's plan to seek authorization for agencies to require employees to take limited time off without pay. She said the "salary savings leave" plan will require even-handed implementation within agencies, so that it will apply to all employees. Kirsten Cecil, Dept. of Administration, said the professional-technical contract moratorium is projected to meet its budget reduction target of \$28.3 million by the end of the fiscal year. She said 60 percent of contracts approved during the moratorium were covered by exceptions provided in the law. Other contracts were approved on an as-needed basis, with an eye toward the budget target, Cecil said.

Assistant Finance Commissioner Peggy Ingison recapped the budget problem facing the state during the current fiscal year and the next biennial cycle. She said the relationship between national gross domestic product, often used as a measure of an economy's health, and state revenue has changed dramatically over the last two decades. Ingison said a large part of the change is related to the impact of capital gains on income tax receipts. Current models must now include stock market forecasts to project tax receipts, she said. The growth in the stock market created capital gains that added to the surpluses of the 1990s, while the losses in the stock market have similarly contributed to the forecasted shortfalls, Ingison said. A further complication is the change in the wage base, as companies increas-

ingly rely on performance-based pay for their workers, she said. In resolving the shortfall forecast for FY 03, she said, the governor's objectives were to quickly balancing the budget, adding reserves for year-end fluctuations and beginning to reduce permanent spending. Many of the cuts proposed, Ingison said, are also targeted to have the least impact on citizens during this fiscal year.

## Transportation Policy and Budget Division

### Trans. orientation presented

The newly configured Transportation Policy and Budget Division met for the first time Tues., Jan. 15. Division chair, Sen. Dean Johnson (DFL-Willmar), arranged for the staff to present a series of overviews relating to the division's work for the session. Senate Counsel Bonnie Berezovsky reviewed the division's jurisdiction and transportation constitutional issues.

Amy Vennewitz of the fiscal staff presented a transportation funding overview. In addition, Tim Worke, MnDOT government relations director introduced MnDOT staff who will be working with the panel. Kevin Gray, MnDOT chief financial officer, then presented an overview of the federal funding the department receives.

Vennewitz detailed information about the roadway system including the trunk highway system, county state-aid highways, municipal state-aid streets and township roads. According to Vennewitz, Minnesota has approximately 135,000 miles of roadways and has the fifth largest road system in the country.

She also reviewed transportation revenues—the motor fuel tax, the vehicle registration tax and the sales tax on motor vehicles (MVST). Vennewitz also reviewed transportation spending and the various funds from which expenditures are made. The final element, transit funding in both Greater Minnesota and the Metro Area, was also reviewed in Vennewitz's presentation.

### Budget trimming plan okayed

Members of the Transportation Policy and Budget Division approved, during an afternoon session Thurs., Jan. 16, a plan to cut \$130.75 million from general fund transportation projects. Vice Chair Mee

# Committee update

Moua (DFL-St. Paul) said the division was acting quickly to respond to the state's budget crisis and provide a Senate proposal to counter the governor's \$150.49 million plan.

The governor's proposal refinances \$130 million in road construction projects from the general fund to trunk highway bonds. Amy Vennewitz, legislative analyst, said the refinancing will cost about \$27 million in debt service payments from the trunk highway fund in FY 04-05; the total debt service cost, she said, will be \$63 million over 20 years. The governor's plan also transfers \$15 million from the state airports fund to the general fund. Vennewitz said the airports fund balance is estimated to be \$16.9 million. The plan also requires the sale of the state jet, a \$2.615 million reduction in Metropolitan Council transit operations and the cancellation of an appropriation for the Central Corridor transitway. The original appropriation for the transitway, Vennewitz said, was \$3 million for the Riverview Corridor. Later, the balance was transferred to the Central Corridor, she said, and the cancellation will net the state \$2.125 million.

Sen. Keith Langseth (DFL-Glyndon) presented the Senate proposal for reductions. The plan includes the \$130 million refinancing and the sale of the state jet, estimated to bring in \$750,000. He said opportunities will exist during the rest of the legislative session to consider further cuts and fund transfers. The Senate plan was advanced to the Finance Committee on a 9-5 roll call vote.

The panel also heard an overview of Dept. of Public Safety operations under the division's jurisdiction from Acting Commissioner Mancel Mitchell.

## Health and Family Security

### Health Dept. presents overview

The first meeting of the Health and Family Security Committee, Tues., Jan. 14, was devoted to hearing an overview of the policies and finances of the Dept. of Health.

Aggie Leitheiser, acting commissioner, began with an overview of the mission and core functions of public health. The mission of the department is to protect, maintain and improve the health of all Minnesotans, Leitheiser said. She said the core public health functions are public

health assessment, promotion of sound policies and assuring the effectiveness of those policies. Leitheiser said while Minnesota's public health system is known as one of the best in the nation, it is built upon a strong partnership between the department and local public health agencies throughout the state.

Among the services provided by the department, Leitheiser said, are evaluations of the state's overall health, birth and death certificates, monitoring for infectious diseases, effective response to disease outbreaks and public health emergencies, preparations for detecting and responding to bioterrorism, nutritional assistance for mothers and children, testing for newborns, resources for promoting healthy pregnancies, an immunization program for preventable diseases, assistance resolving complaints with HMOs or certain other providers, planning for rural access to care, funding for a statewide poison control system and assurance of clean and safe food and water.

Leitheiser said that currently there are three strategic directions for the department. The first is to protect the public from health threats. She pointed to the monitoring of the spread of West Nile virus as an example of the department monitoring a public health threat. Secondly, the department aims to eliminate disparities in health status among various segments of the population. The third strategic direction, Leitheiser said, is to build a healthy future for Minnesotans.

The committee, chaired by Sen. Becky Lourey (DFL-Kerrick), then turned to a financial overview of the department. Assistant Commissioner David Johnson presented the budget review. He said that almost two-thirds of the department's budget is passed through to local government agencies, tribal governments and nonprofits in the form of grants. In addition, Johnson said the department has a very complex funding structure with 39 percent coming from the federal government, 18 percent from the state's general fund, 17 percent from the Medical Education Research Costs fund (MERC) and 6 percent from the tobacco use prevention endowment earnings.

Johnson also said the department has taken action for many months to prepare to assume their fair share of the burden of the current budget crisis. He said most of the cuts for the '03 fiscal year will come from the department's operating budget.

### DHS overview presented

Members of the Health and Family Security Committee met Thurs., Jan. 16, to hear representatives of the Dept. of Human Services (DHS) present a policy overview.

Commissioner Kevin Goodno said the Dept. of Human Services accounts for 25 percent of expected 2004-05 general fund spending or about \$7.6 billion. The expenditures are 42 percent for continuing care grants, 44 percent for health care grants, 5 percent for state operated services, 3 percent for economic support grants, 3 percent for administration and 2 percent for children's services. If all funds are included, the department's spending amounts to \$18 billion.

Information from the department indicates that DHS touches the lives of more than one in four Minnesotans with a wide variety of services. The agency works to help those on government assistance become self-sufficient as quickly as possible and to provide a limited, but strong, safety net for the most vulnerable Minnesotans.

The panel, chaired by Sen. Becky Lourey (DFL-Kerrick), also heard from Dennis Erickson, assistant commissioner, Finance and Management Operations; Maria Gomez, assistant commissioner, Economic and Community Support Strategies/Children's Services; and Brian Osberg, assistant commissioner, Healthcare.

## Judiciary

### UCC changes discussed

The Judiciary Committee, chaired by Sen. Don Betzold (DFL-Fridley), met for the first time Thurs., Jan. 16, to discuss issues relating to the Uniform Commercial Code (UCC) and to begin work on a bill, S.F. 28, making changes to Articles 3 and 4 of the code.

Members heard a history of the Uniform Commercial Code before turning their attention to the bill and the proposed changes.

The measure, authored by Betzold, enacts the revisions to the general provisions of the Uniform Commercial Code and amendments to Articles 3 and 4 of the Uniform Commercial Code recommended by the National Conference of Commissioners of Uniform State Laws.

The articles were extensively revised in 1990 and 1991, but changes in the





*Commentator, editor, teacher, public servant, author and advisor to U.S. Presidents for 30 years, David Gergen delivers the keynote address to Legislators and staff during the Minnesota Horizons conference at the St. Paul Radisson Riverfront Hotel Wed., Jan. 15. The theme of this year's program was "Leadership: Making Good Decisions in Tough Times."*

Photo by David J. Oakes

transactional environment over the last 10 years have set the stage for some minor amendments.

The bill addresses the needed changes to take into account the technological advances and to build on the experience generated by the use of the Uniform Commercial Code in the decade since the revisions.

The bill was approved and advanced to the full Senate.

## Taxes

### Objectives presented

During a brief meeting Tues., Jan. 14, Chair Lawrence Pogemiller (DFL-Mpls.) presented draft objectives for the Tax Committee. He said he wanted comment from members and the public on the objectives, which he would like to see the committee use in evaluating the bills that come before it.

The objectives include maintaining a tax system consistent with the goals set

forth in the state constitution, achieving horizontal and vertical equity in the tax system and promoting a clear, visible and understandable tax structure. The draft objectives also promote a tax system that allows government to anticipate revenue and taxpayers to predict the effect of taxation—at the state and local level—on their economic condition. Other objectives are a tax system that fosters government accountability, a progressive tax structure, a clear linkage between the taxing authority and benefit provided by government, an equalization between local governments and a stronger position for Minnesota to compete for business. A final draft objective is for targeted tax incentives to "demonstrate socially beneficial economic growth or development."

Sen. Julianne Ortman (R-Chanhassen) suggested two additional objectives: no bills increasing taxes and hearing every tax-related bill introduced. "I don't anticipate any bills to increase taxes this year," Pogemiller said. He said that the reality was that tax increases are not likely

this session, but that he personally supports increased revenue to support schools. Pogemiller said not raising taxes was not one of his personal objectives. Procedurally, however, Pogemiller said that every bill introduced should be heard and voted on by the committee. "If it is good enough to use paper, and spend the taxpayers' money," he said, "it is good enough to be heard and voted on in this committee."

### Sales tax refund delay okayed

Members of the Tax Committee met Thurs., Jan. 16, to discuss a tax-related feature of the governor's emergency supplemental budget plan. The panel heard an overview of the plan, which delays by 90 days the payment of a sales tax refund on purchases of capital equipment, from Deputy Commissioner of Revenue Dennis Erno. The committee, chaired by Sen. Lawrence Pogemiller (DFL-Mpls.), approved the plan, estimated to add \$50 million in revenue to the FY 03 budget.

# Preview

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## Monday, January 20

Senate Offices will be closed in honor of Dr. Martin Luther King, Jr., Day.

## Tuesday, January 21

The Senate will be in session at 10 a.m.

### Environment, Agriculture and Economic Development Budget Division

*Chair: Sen. Dallas Sams*

12:30 p.m. Room 107 Capitol

**Agenda:** Minnesota Milk Producers Association presentation. Dairy development and profitability enhancement program overview. DeEtta Bilek - Sustainable Farming Association of Minnesota.

### Health and Family Security Committee

*Chair: Sen. Becky Lourey*

12:30 p.m. Room 15 Capitol

**Agenda:** Department of Human Services presentation on Minnesota health care programs: MinnesotaCare, General Assistance Medical Care (GAMC), Medical Assistance (MA). Legislative Auditor report on MinnesotaCare. Department Response.

### Education Committee

*Chair: Sen. Steve Kelley*

3:30 p.m. Room 15 Capitol

**Agenda:** Policy priorities of various educational organizations.

### Transportation Policy and Budget Division

*Chair: Sen. Dean E. Johnson*

3:30 p.m. Roseville facility

**Agenda:** Committee tour of Metro Communication Center and Traffic Management Center in Roseville.

## Wednesday, January 22

### E-12 Education Budget Division

*Chair: Sen. LeRoy Stumpf*

9 a.m. Room 112 Capitol

**Agenda:** Continuation of overview - E-12 finances.

### Health, Human Services and Corrections Budget Division

*Chair: Sen. Linda Berglin*

9 a.m. Room 123 Capitol

**Agenda:** Department of Human Services overview of the TANF/MFIP programs budget.

### Commerce and Utilities Committee

*Chair: Sen. Ellen Anderson*

12:30 p.m. Room 112 Capitol

**Agenda:** Overview of commerce and utilities issues with new Commerce Commissioner Glenn Wilson and staff from Commerce Department.

### Crime Prevention and Public Safety Committee

*Chair: Sen. Leo Foley*

12:30 p.m. Room 15 Capitol

**Agenda:** Department of Corrections policy changes included in the governor's 2003 budget.

### Agriculture, General Legislation and Veterans Affairs Committee

*Chair: Sen. Steve Murphy*

3:30 p.m. Room 112 Capitol

**Agenda:** Minnesota milk producer overview.

## Thursday, January 23

The Senate will be in session at 9 a.m.

### Transportation Policy and Budget Division

*Chair: Sen. Dean E. Johnson*

3:30 p.m.

**Agenda:** Committee tour of Driver and Vehicle Services in downtown Saint Paul.

## Friday, January 24

No meetings scheduled.



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# *Senate Briefly*

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*A lone Plant Management worker sweeps the grand staircase leading to the Supreme Court chamber on a quiet afternoon in the State Capitol. Photo by David J. Oakes*



*January 24, 2003*

# Senate Highlights

## Budget bill passed

Members took on the first of several Herculean tasks this session when they debated the first budget bill of the year at the Thurs., Jan. 23, floor session. Members granted final passage S.F. 79, carried by Sen. Richard Cohen (DFL-St. Paul), the bill that provides a solution for the FY 03 budget shortfall.

Cohen said "Every day we fail to act, the problem is exacerbated for the FY 03 budget." As a consequence of the economy—the downturn in capital gains and income tax revenue—there are factors driving increased spending, such as increased unemployment, yet there are only five months of the current fiscal year left. With every day that passes, there is less time to deal with the shortfall. "I've never seen a legislative body act with such alacrity as has been done in this instance," Cohen said. In a period of less than two weeks, divisions have met, taken action and we have this bill on the floor, he said.

Cohen also said that he has heard concerns about what the bill will do to the state economy. He said one of the roles of the state is to ease economic disparity, and the bill tries to be sensitive to the needs of Minnesotans. Cohen also said the coming deliberations on the FY 04-05 biennium will be even more difficult.

Each chair of a budget division presented a portion of the bill. Sen. LeRoy Stumpf (DFL-Thief River Falls), said E-12 education funding has been largely protected with a reduction of only about \$4.7 million. Sen. Sandra Pappas (DFL-St. Paul) detailed the reductions in higher education. She said the danger with the

cuts is limiting the flexibility to higher education institutions. The net spending reductions for higher education are \$30.1 million and transfers to the general fund amount to another \$30 million.

Sen. Linda Berglin (DFL-Mpls.) outlined the cuts in the area of health, human services and corrections. Net spending reductions amount to \$71.9 million and transfers to the general fund amount to \$10.1 million. In the area of environment, agriculture and economic development, Sen. Dallas Sams (DFL-Staples) said there is a net spending reduction of \$10 million and transfers to the general fund amounting to \$20 million.

Reductions in the transportation area are made primarily through cancellation of appropriations, said Sen. Dean Johnson (DFL-Willmar), and result in \$130 million reverting to the general fund. In addition, Johnson said, \$800,000 will be gained through the sale of the state jet. Sen. Jane Ranum (DFL-Mpls.) said the reductions in the state government area exceeded the governor's recommendation by about \$6 million. Net spending reductions amount to \$10.2 million and transfers into the general fund amount to \$16.2 million, Ranum said. Finally, Sen. Lawrence Pogemiller (DFL-Mpls.), said the governor's proposal to delay capital equipment sales tax refund was accepted by the Senate Tax Committee for inclusion in the budget resolution package.

Cohen offered the first amendment. The attempt was to move with speed to meet the governor's challenge, but as the days go by, mistakes come to light, he said. In subsequent discussions after the bill cleared committee, it was clear the funds needed for the housing of short-term felony offenders at the local level needed to be adjusted. The amendment establishes a \$21 million revolving fund account to prevent counties from experiencing cash-flow problems. The money for the fund will come from other reserves and unencumbered funds, Cohen said, and there is no change to the bottom line figure. Cohen also explained that the bill restores some disproportionate cuts that were made last year, but makes other reductions to bring the budget into balance.

Sen. Dave Kleis (R-St. Cloud) spoke in opposition to the bill, primarily because of the provision to house short-term offenders at the local level. "We had testimony yesterday that indicated the county facilities are already out of room,"

he said. He said the provision is a major shift of responsibility from the state to the local governments. "We are not solving a state problem, we are causing a county problem," Kleis said. We will cause a tax increase at the local level, he said. This is a state responsibility, he said, but the bill arbitrarily shifts the burden to the counties. Berglin countered that the counties have about 1,000 bed days available and over the course of a year we will use about 830 of those beds. In addition, "We have a grant program in the bill to pay counties to cover their costs," she said. "I believe the public believes all of our resources should be used as long as public safety is secure," she said. Sen. Leo Foley (DFL-Coon Rapids) said the bill does contain a policy change, but there will be hearings on the subject and there is need to act quickly to resolve the shortfall.

Sen. David Knutson (R-Burnsville) also urged defeat of the measure. He said we need a bold solution, but the bill does not fulfill the need. The governor's proposal left a significant cushion to deal with further budget shortfalls, but the bill does not. The governor also proposed significant baseline cuts to aid in dealing with the FY 04-05 shortfall, but the bill does not make enough of those baseline cuts, he said. Sen. Ann Rest (DFL-New Hope) argued for the bill and said, "We certainly did make structural cuts, though not as deeply as the governor proposed. We also used the tools available to us to make shifts that have the bottom line effect of one-time cuts." She urged members to support the bill as a responsible step in dealing with the current shortfall.

Majority Leader John Hottinger (DFL-St. Peter) said the bill is a tough first step, but that the bill is responsible, and was done with common sense and with dispatch. As we move forward, we will have full discussion in public of the larger problem of the FY 04-05 shortfall, he said.

The bill was granted final passage on a roll call vote of 36-30.

## Vaccination rules discussed

State rules requiring maintenance of children's vaccination records in schools and childcare facilities were the topic of discussion during the Thurs., Jan. 23, meeting of the Health and Family Security Committee.

Acting Commissioner of the Dept. of Health Aggie Leitheiser said all states have immunization rules. Minnesota's first

**Senate Briefly** is a publication of the Minnesota Senate Publications Office. During the 2003 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. It can be made available in alternative formats.

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Joshua A. Dorothy

### Photographer:

David J. Oakes





**Miller-Dunwiddie Associates employees Jen Davel, foreground, and Denita Selchow painstakingly inspect the plaster and paint condition just outside the Capitol rotunda Wed., Jan. 22, as part of the Capitol Public Corridor Paint and Plaster Restoration Project in preparation for the 2005 centennial celebration of the Capitol building.**

Photo by David J. Oakes

immunization law was passed in 1967, she said, and included exemptions for medical and religious reasons. Leitheiser said Minnesota expanded the exemptions to include conscientious objectors, which only 15 states have done. Leitheiser also reviewed the process required for the department to update Minnesota's immunization rules.

Schools and childcare settings are prime places for the transmission of communicable diseases, said Kristen Ehresmann. Ehresmann, a program manager with the department, said the current success in controlling previously common diseases, such as measles, is attributable to the school immunization law. She said the department is proposing rules requiring vaccination for varicella, commonly

called chicken pox, for non-immune children in childcare facilities, kindergarten and 7th grade. Ehresmann said the rules also include a pneumococcal vaccination for children in childcare. The ability of parents to withdraw their children from vaccination or object to the vaccination is not changing, she said. Dr. Harry Hull, state epidemiologist, said it is important to understand that the law is not an immunization requirement, but a documentation requirement. Regardless of whether a child is immunized or not, the law requires the parent to document that choice at certain points during the child's progression through school, he said. Committee Chair Becky Lourey (DFL-Kerrick) said it isn't always clear to parents they have the right to object or withdraw. Ehresmann said the department has revised its documents to make sure the font size of text regarding parental rights is the same as that used for other information. She said the department is also requiring schools and childcare providers to use department-provided or department-approved forms so that all parents know about their right to opt out.

Ehresmann said the vaccinations the department is proposing to add are not for benign diseases. Chicken pox, she said, causes two deaths every week among healthy individuals. Prominent health organizations are recommending adding the vaccination and 35 states have done so already, she said. Pneumococcal disease, Ehresmann said, causes other severe diseases, including meningitis, and is increasingly antibiotic resistant. She said parental concerns the department heard during a series of public meetings and through comments submitted to the department's website centered on the dangers of thimerosal, a possible link between vaccinations and autism and the increasing workload of school nurses. Ehresman said thimerosal, a mercury based additive, is no longer used in routinely recommended childhood vaccines. Studies

have also refuted any link between the measles, mumps and rubella (MMR) vaccine and autism, she said. The department has met with school nurses and is running pilot projects with the Minneapolis and St. Paul school districts to reduce the workload on nurses, she said.

Hull provided committee members with a history of infectious diseases and vaccination in the United States. He said that observation of trends in pneumococcal disease has shown that voluntary use of the vaccination has substantially decreased its incidence in the Metropolitan Area. Hull said increased use of the vaccine is important to fight the serious effects of the disease—including blood poisoning and meningitis—and because pneumococcal disease is being increasingly resistant to antibiotics. "When I was in medical school, penicillin killed every pneumococcal germ," Hull said. Now, the disease is resistant to a whole range of antibiotics, he said.

Chicken pox is also deadly, he said. It can lead to pneumonia and a suppression of the immune system, making the body more susceptible to other diseases, Hull said. One in every 100,000 children with chicken pox will die, he said, and the disease kills 1 in 5,000 adults who contract it. The vaccine is not 100 percent effective against chicken pox, but it is fully effective against the most serious forms of the disease, Hull said. Children vaccinated against chicken pox might get a very mild form of the disease, he said. Research is currently being done on the effectiveness of a two-stage vaccination, similar to the MMR vaccination plan, Hull said. So many times, he said, the department hears parents and others say "This is an ordinary childhood disease, what's the big deal?" The bottom line, Hull said, is that chicken pox is a serious disease. "We are the survivors," he said, but those who have been damaged or killed by chicken pox cannot testify.

The department's comment period will continue through the end of February, Ehresmann said. An administrative law judge will hold a hearing on the proposed rules Feb. 28. Following the hearing, the judge will hold a 20-day comment period, with a 5-day rebuttal period for the department. Within 30 days, the judge will make a ruling, she said, and the governor will have 14 days to review the rules and either veto the rules or allow the rules to take effect.

# Committee update

## Agriculture, General Legislation and Veterans Affairs

### Committee hears dairy issues

Members of the Agriculture, General Legislation and Veterans Affairs Committee, led by Vice Chair Gary Kubly (DFL-Granite Falls), heard from dairy farmers and representatives of the dairy industry about issues important to their industry. The Wed., Jan. 22, hearing covered many of the same issues discussed at the Tues., Jan. 21, meeting of the Environment, Agriculture and Economic Development Budget Division, including food safety, economic realities of the industry and the need for a laboratory at the University of Minnesota to help fight John's disease.

## Commerce and Utilities

### New commissioner presents department overview

Members of the Commerce and Utilities Committee, chaired by Sen. Ellen Anderson (DFL-St. Paul), heard from new Commerce Commissioner Glenn Wilson as the department prepares to address regulatory issues in the coming Legislative Session. After describing his professional background—which is primarily in the area of housing finance, including a stint as president of the Government National Mortgage Association (Ginnie Mae) under President Ronald Reagan—Wilson turned the Wed., Jan. 22, presentation over to his deputies.

The department's financial examinations division works to assure a competitive market for financial services while also minimizing failures and risk of loss to consumers, said Deputy Commissioner Kevin Murphy. The division examines all state-chartered banks, trust companies and credit unions and licenses home mortgage loan origination and servicing companies, check cashers and payday lenders, he said. Murphy said larger banks are nationally chartered and regulated at that level. The division also examines and monitors the financial stability of insurance companies, he said, regardless of size. Murphy said the department is considering a proposal to lengthen the maximum examination interval for banks and credit unions from 18 to 24 months.

Deputy Commissioner Patrick Nelson said the enforcement and compliance division regulates a broad range of licensed occupations, including insurance, notary services, real estate, securities, collections, telemarketing and cosmetology. He said the division attempts to make the market fair to consumers by enforcing responsible business conduct and investigating complaints. Nelson said the Commerce Dept. may recommend changes in the division to increase the efficiency and effectiveness of regulation, including insurance policy analysis. Sen. Brian LeClair (R-Woodbury) said it was important to many in the health insurance field that the policy analysis process be sped up, because some providers that are operating in 40 or more other states have not been approved to offer coverage in Minnesota.

Marya White, energy division, said the department serves as the public interest representative to the Public Utilities Commission in the energy regulation process. The energy planning and advocacy unit, she said, has no general fund impact, but is funded by fees levied on energy providers. White said the division also administers several federal grant programs, some of which require a 20 percent state match. Greg Doyle said the telecommunications division is entirely fee-funded. The division, he said, enforces regulations imposed on telephone companies by the PUC and the federal government. Doyle said a major change in Minnesota telephone service will occur if Qwest is approved to provide long-distance service in the state. He said the department will make a recommendation to the Federal Communications Commission, which will make the final decision. Sen. Steve Kelley (DFL-Hopkins) said the department, the Attorney General's Office and the PUC need to streamline the process by which consumers can file complaints against telephone providers. Doyle said the department does not consider itself a complaint agency, but that when citizens call, they are not turned away. Deputy Commissioner Edward Garvey said many ideas for reforming the complaint handling and reporting process exist, among both agency officials and Legislators. However, he said, it is hard to pick one idea before exposing all of the ideas to the light of day and finding the right answer.

The department also regulates pumps, scales and other commercially-used

measuring devices, said Assistant Commissioner Mike Blacik. He said the department administers the Telecommunications Access Minnesota program, the state Petrofund and the unclaimed property program as well.

## Crime Prevention and Public Safety

### Short term offenders discussed

The first meeting of the Crime Prevention and Public Safety Committee, Wed., Jan. 22, was devoted to discussion of a proposed change in the housing of short-term offenders. The panel, chaired by Sen. Leo Foley (DFL-Coon Rapids), discussed the change, which was included in the Senate's FY 03 budget resolution proposal, to incarcerate short-term felony offenders at the local level, rather than in the state prison system.

Joan Fabian, commissioner of corrections, and Dennis Benson, deputy commissioner of corrections, said the rapid increase in prison population has outstripped the facilities' ability to house inmates. Benson said somewhere between March and July the state prison system will be out of beds. Further, he said the department anticipates a need for 800 to 1,000 additional beds for the next biennium.

Benson said Minnesota is one of the few states that house short-term offenders in state facilities. He defined short-term offender as an offender who actually serves less than one year in prison. Currently, on any given day, 800 to 830 short-term felony offenders are housed in state facilities with most having between 5 and 9 months of their sentences to serve. He said placing the short-termers in the state system costs approximately \$20 million per year and generates a great deal of paperwork. Benson added, though, that if the short-term offenders are housed at the local level, the governor has said that funding must follow the offenders to avoid overburdening the local jurisdictions.

Benson said the options for expanding bed space include the short-term offender being housed at the local level, increasing multiple occupancy of cells, expanding existing facilities and privatization.

Members also heard from Harley Nelson, acting director, Ramsey County Community Corrections. Ramsey County opposes the shift of responsibility for short-





**Sandy Runningen, administrative assistant for the National Bald Eagle Center in Wabasha, holds on to Angel, a four-year-old bald eagle, in front of the Senate chamber Tues., Jan. 21, as Sen. Steve Murphy (DFL-Red Wing), right, addresses the media. Also in attendance were the director of the center and veterans from Red Wing VFW posts who were voicing opposition to the governor's proposed cuts to the center's budget.**  
Photo by David J. Oakes

term offenders to the local level because of already overcrowded conditions, he said. Ramsey County Commissioner Victoria Reinhardt said it is estimated that transferring the short-term offenders would mean that the county would have to double the size of the existing facility at a cost of \$12 to \$15 million and incur additional operating costs of \$5 to \$7 million that would fall to the property taxpayers.

Sen. Linda Berglin (DFL-Mpls.) said the change in policy is not ideal, but that she has asked for better ideas and none have been forthcoming.

Representatives of the county also explained alternative sentencing options such as sentencing to service and home confinement. In addition, Art Cavara, Ramsey County Corrections, said Ramsey County has been over capacity for two years and the proposed change would result in offenders convicted of more severe crimes housed at the local level.

Keith Carlson, Metropolitan Inter-County Association, also spoke on the implications of the policy change for counties. An overriding concern of counties is that, rather than cutting or eliminating services, the Legislature will instead cut funding, but leave the mandate

for the counties to fulfill by increasing the burden on property taxpayers, Carlson said. This proposal doesn't cut costs, it shifts costs to the counties, Carlson said. This will ultimately cost counties \$21 million annually, he said. Further, many counties don't have room, Carlson said, with many counties operating over capacity. Carlson said some counties would welcome state prisoners for fair compensation, but only some. Several county sheriffs also spoke about the manner in which their counties were handling the current capacity problem.

Members also heard a variety of concerns from representatives of the state Public Defenders Office and the Minnesota County Attorneys Association.

## Education

### Organizations present priorities

Members of various education organizations presented their legislative priorities to members of the Education Committee Tues., Jan. 21. Chaired by Sen. Steve Kelley (DFL-Hopkins), the panel heard from representatives of the Minnesota Independent School Forum, Minnesota Association of Charter Schools,

Minnesota Library Association and the Minnesota State High School League. Among the issues raised were a separate library board and the participation of non-public school students in extracurricular activities offered by their local public school.

### Online learning programs outlined

Opportunities for Minnesota students to learn online were considered by the Education Committee during its Thurs., Jan. 23, meeting. Chaired by Sen. Steve Kelley (DFL-Hopkins), committee members heard from four institutions providing online learning to Minnesota students.

Tracy Quarnstrom, dean of students at TRIO Wolf Creek, said the charter school provides a distance learning opportunity for 70 full-time enrolled students in the Lindstrom-Chisago Lakes area. The school has purchased curriculum bases and students work with licensed teachers, called "learning managers," to choose courses and set goals. She said the students receive a diploma from the Chisago Lakes School District and are under the same requirements as traditional students to receive that diploma. Quarnstrom said the school accepts some students from outside the district. However, she said, distance from the district is limited because students are required to come to the school's lab site for five hours a week. Chisago Lakes Superintendent Tom Dickhuldt said the school was started under a grant issued during the 1995 Legislative Session. The school opened in 1997 and the grant expired after three years, he said, but the district decided to continue the Trio Wolf Creek program as a charter school. Dickhuldt said the district set the target student-teacher ratio for classes at 20 because that was the target class size for the traditional school. Quarnstrom said the ratio has worked well and students have developed strong relationships with their learning managers. E-mail has been especially effective, she said, for students who would sit in the back of a traditional classroom and not be engaged.

The Hopkins Online Academy has 70 part-time students and no full-time students, said Jody Ouradnik. She said 54 of the students are from the Hopkins School District, 11 are home-schooled and 5 are from other districts. Ouradnik said academy registration is limited by funding, but the interest in the academy is high and

# Committee update

growing. She said most of the inquiries come from home-school parents looking for a variety of learning options for their children. Students enrolled must be online synchronously in a chat room with the instructor and classmates for at least one hour a week, Ouradnik said.

Robert Bilyk said the Minneapolis School District asked him to start Cyber Village Academy to serve sick children who could not leave their home. "The mission was to bring the classroom into the home and hospital in a large-than-life manner," he said. Teachers have been able to integrate their work with curricula provided by commercial vendors, he said. Parents are able to access assignments, their child's work and teacher feedback, he said. Students attend school two days a week at the academy's site and connect to the academy's website three days a week, he said. All of the teachers are state licensed, Bilyk said, and students receive computers, an Internet connection and full technical support. Because state law requires

concurrent enrollment, so that students spend at least five hours a week interacting face-to-face with a teacher, children confined to hospital beds cannot attend CVA, he said. The academy has requested an exemption from the Department of Children, Families and Learning, Bilyk said, but was told that the only recourse was legislative. "After five years, we don't serve those we intended to serve, but we do serve sick children," he said.

Kim Ross, superintendent of the Houston School District, said online learning serves students that other educational opportunities have not served well. He said online learning brings together teachers, students, parents, curricula and state standards. Kevin Keliher said Minnesota Virtual Academy students receive all of the resources they need to attend the academy, which is operated as a school in the Houston District. He said teachers and parents talk on the phone at least twice a month. Allison Broker, the school's assistant director, said the acad-

emy serves students in kindergarten through 5th grade. The school will expand to include K-7 next year and has plans for a full grade range, including Advanced Placement courses, Broker said. She said the academy has several concurrent sites other than the Houston schools, including in the Twin Cities and Winona. Sen. Gen Olson (R-Minnetrissa) said online seems to present a challenge to students' socialization and involvement in activities because they spend six hours a day in front of a computer. Broker said kindergarten students usually spend only about 20 percent of their education time in front of the computer. The remainder is other hands-on activity and working with texts, she said. Parents have discretion over how their children will learn, Keliher said, and are involved in how much time the student spends on the computer. Broker said that as students are able to take more control over their education, their time in front of the computer expands. In 5th grade, she said, only about 40 percent of the instruction time is computer-based.



**A stack of bills is all that occupies the bench at the front of the Senate chamber during a Senate floor session Thurs., Jan. 23. The bench, typically filled with Senate Pages during the course of the Legislative Session, has remained empty during the 2003 session due to budget cuts.**

Photo by David J. Oakes



The panel also heard from Chad Johnson, business development manager for PLATO Learning. PLATO, a Bloomington-based company, provides a range of curriculum content, assessment tools and professional development for online learning systems.

## E-12 Education Budget Division

### Overview continued

The E-12 Education Budget Division, chaired by Sen. LeRoy Stumpf (DFL-Thief River Falls), met Wed., Jan. 22, to continue their review of education financing. Senate staff provided a comprehensive overview of revenue, levy and aid and discussed general education and referendum programs.

## Environment, Agriculture and Economic Development Budget Division

### Dairy industry goals heard

Dairy issues were the focus of the Tues., Jan. 21, meeting of the Environment, Agriculture and Economic Development Budget Division. Chaired by Sen. Dallas Sams (DFL-Staples), members heard from dairy farmers and leaders of various dairy associations.

Bruce Stone, a Henning dairy farmer and board member of the Minnesota Milk Producers Association, outlined the economic contributions the dairy industry makes to the state. However, he said, two factors—a lack of capital and low dairy prices—tend to keep young people from entering the industry. Stone said the association is promoting the sale of milk, preferably in screw-top bottles, in schools instead of soda pop. He said the association is not only interested in expanding its market reach, but also addressing student health. The association's major legislative priorities, he said, are continuing the availability of funds under the Dairy Development, Profitability and Enhancement (DDPE) Grant Program, reinstating bond funds for a veterinary diagnostic laboratory at the University of Minnesota and streamlining the environmental quality review process. Stone said the Pollution Control Agency (PCA) should give dairy farmers direction about how to meet standards if the agency rules they

have not met environmental standards in their plans for expansion. Sen. Steve Dille (R-Cassel) said the diagnostic laboratory, which was vetoed by the governor last year, is essential because such a facility can reduce the diagnosis for Johne's disease from four months to two days.

Declines in the Minnesota dairy industry have resulted in the loss of 73,000 cows since 1996, said Paul Kent, a Mora dairy farmer. He said those cows represent \$1 billion in lost business, and over \$37 million in lost state and local tax revenues. If the industry had grown by only 1 percent in those years, Kent said, tax revenues would have been more than \$15 million higher, in addition to the \$37 million lost. However, Kent said, 282 dairies with more than 100 cows have plans to expand. If those plans go through, more than 4,000 new jobs will be created, he said. Kent said for expansion to occur, farmers, the Dept. of Agriculture and the PCA must work together on the state's environmental laws. "We're not the ones abusing our land or our water systems," Kent said of farm families, "because we're the ones who will pay for it."

Dille said that contrary to conventional wisdom, livestock are good for the environment. Studies have shown, he said, that manure fertilizer creates less runoff than commercial fertilizer and results in less soil erosion and less phosphorus runoff. The hay and pasture required to raise livestock, Dille said, are good for crop rotation and also control soil erosion. He also noted that urban sprawl often creates more runoff than farmers' fields. Dille said agricultural efficiency has allowed the needs of consumers to be met while also giving the state the ability to protect land.

David Weinand, Dept. of Agriculture, said every \$1 in state investment in the DDPE program has resulted in a \$5 return on the farm. He said about \$96,000 has been frozen, in light of the budget shortfall, but that eligible farmers have applied for the money. George Bakeberg, a Waverly farmer, recounted for the panel the positive experience he had with a profitability and enhancement team through the program.

DeEtta Bilek, Sustainable Farming Association, outlined the growing market for organic products. She said farmers are interested in meeting consumer demand for organic food and that prices for organic dairy products are on the rise. Bilek said consumers of organic food choose it, even

though it is more expensive, because they want to support local farmers, they like the taste and they believe organic food is healthier. Sen. Ellen Anderson (DFL-St. Paul) said that some families buy organic products because they have small children and the parents have health concerns. Sen. Julie Rosen (R-Fairmont) said that while organic food is a niche market, it is important for the state to support the market and make sure consumer demand is met. However, she said, the reality is that organic dairies cannot support the overall demand for milk and a mix of dairies must be maintained.

### Panel hears DTED overview

The Environment, Agriculture and Economic Development Budget Division met Thurs., Jan. 23, to hear an overview of the Department of Trade and Economic Development (DTED). The panel, chaired by Sen. Dallas Sams (DFL-Staples), heard from Deputy Commissioner Elaine Bliss and Legislative Director John Rajkowski.

Bliss and Rajkowski outlined the agency's mission, detailed the department's organization staffing, review the budget and highlighted the agency's accomplishments.

According to the two representatives, DTED has four operating divisions—business and community development, the Minnesota Trade Office, the Minnesota Office of Tourism and workforce development. In addition, there are communications and analysis and administrative support constitute two support divisions. The department had a total budget of \$362 million for the 2002-03 biennium with 38.4 percent from the federal government, 22.8 percent from the state's general fund, 24.5 percent from workforce development funds, 10.4 percent from special revenue funds, 3.7 percent from the Minnesota petroleum tank fund and .02 percent from other sources.

According to the department, over 88 percent of program expenditures were for either workforce development or business and community development.

## Health, Human Services and Corrections Budget Division

### MFIP, TANF outlined

Two programs that provide assistance to families in need were outlined for

# Committee update



**Meg Sirianni of St. Paul carries her five-year-old son Milo as she and her eight-year-old daughter Rosie march and sing in the Capitol rotunda Thurs., Jan. 23, as participants in an antiwar demonstration sponsored by Code Pink, a grassroots peace movement consisting primarily of women opposed to a U.S. invasion of Iraq.**

Photo by David J. Oakes

members of the Health, Human Services and Corrections Budget Division when the panel met Wed., Jan. 22. Chaired by Sen. Linda Berglin (DFL-Mpls.), the division also examined possible funding changes for the programs.

Steve Nelson, Dept. of Human Services (DHS), provided an overview of Temporary Assistance to Needy Families (TANF). TANF was established in 1996, as a successor to the federal Aid to Families with Dependent Children program. Nelson said the key difference is that AFDC was a federally-funded program, while TANF is a block grant provided to the state. Under TANF, Minnesota gets \$267 million a year and must spend at least \$179 million to \$191 million of its own funds to qualify, a match known as maintenance of effort (MOE). Federal TANF funds must be spent to meet one of four purposes, Nelson said. The money must be used to provide assistance to families determined to have

need; to end the dependence of needy parents on assistance by promoting job training, work and marriage; to prevent and reduce out-of-wedlock births; and to encourage two-parent families.

Provisions in the federal law also allow states to transfer some TANF funds to two other grant programs, Nelson said. He said Minnesota has transferred about 15 percent of total TANF funds to the other programs over the life of the program. He also outlined restrictions on TANF expenditures, including the use of TANF for medical services and providing benefits to non-eligible non-citizens.

During FY 1997-98, Nelson said, Minnesota built up TANF reserves because caseloads had fallen. During the 1999 Legislative Session, he said, TANF spending started to increase through refinancing of TANF funds and program expansion. From FY 2003 to FY 2004, the state will lose one-fourth of its funding capacity because the reserves will be

depleted, Nelson said. He also provided various TANF refinancing options available to the state in order to realize general fund savings. However, Nelson said, either eligibility will have to be tightened or benefits will have to be lowered to realize those savings.

Chuck Johnson, DHS, outlined the Minnesota Family Investment Program. The program is for families with minor children, he said, and is designed to provide assistance for the children and help their parents transition off state assistance. The program allows for some post-secondary education of assistance recipients, he said, but the education is limited to 24 months. Johnson also provided a brief overview of program benefits, requirements and sanctions for failing to cooperate with program guidelines. He said families are slowly transitioned off assistance as their work-related income increases. Johnson said the goal was to help a family's income grow,



rather than stagnate or decrease, as the family relies less on state assistance. Families receive assistance until their income reaches 120 percent of federal poverty guidelines, he said. As of February 2002, the poverty level for a family of 3 was \$15,020 in annual income and 120 percent is about \$18,000, he said.

A time-limit of 60 months is applied to most MFIP recipients, Johnson said. However, some groups are granted extensions, including those who are seriously ill or incapacitated and the unemployable or hard to employ, such as those with learning disabilities. Berglin said the unemployable should be identified much earlier in the process. The state has spent five years and many resources on job skills training on these people, she said, only to find them unemployable at the end. Johnson said some program participants are resistant to talk about issues that could designate them as unemployable until their benefits are in danger. He said others will not follow through on the assessment and referral process that would have identified them earlier.

Johnson said about 45,000 families are on state assistance. The group is not static, he said, but is constantly changing. Only a small group of recipients has reached the 60-month time limit imposed by federal and state statutes. Johnson also provided the panel with a demographic overview of assistance recipients.

## U of M, MnSCU profiled

University of Minnesota President Robert Bruininks and Minnesota State Colleges and Universities Vice Chancellor Linda Baer appeared before the Higher Education Budget Division Thurs., Jan. 23, to provide overviews of their respective institutions and answer members' questions.

Baer began by giving an introduction to the MnSCU system. She said the system is a diverse network of 34 colleges and universities on 53 campuses throughout the state. Baer said enrollment is at an all-time high with 235,000 students in credit-based courses and 130,000 in non-credit courses. Further, Baer said the system serves two-thirds of the state's resident undergraduates, 11.4 percent are students of color and an estimated two-thirds are first-generation college students.

Baer also outlined the strategic plan for the system. She said the plan has four

themes: increasing access and opportunity; expanding high-quality learning programs and services; strengthening community development and economic vitality and fully integrating the system. She said the MnSCU system also aims at meeting the state's needs by providing education for critical occupations such as nursing, law enforcement and teaching. MnSCU also has helped hundreds of laid off workers from the airline, mining and paper industries, she said. Baer said higher education is a good investment and that it is estimated that every \$1 in net state spending returns \$6.28. MnSCU places an emphasis on efficiency and accountability, Baer said, and the system has already reallocated resources and cut administrative costs in the face of the current budget situation. "MnSCU is a small part of the state budget, but a large part of the economic hope for Minnesotans," Baer said, "We are willing to work hard with you to find a balanced solution to the state budget problem."

Bruininks also provided an overview of the University of Minnesota. He said the University is unique in that it is the state's only research institution, it is the primary educator of advanced, professional students and it is a land grant university with special responsibilities for outreach and access. There are four campuses that make up the University—Twin Cities, Duluth, Morris and Crookston—along with the Rochester Center which is a partnership with MnSCU, he said. The University draws students from 150 countries, all 50 states and all 87 Minnesota counties, Bruininks said, and one-third of the students from out of state wind up staying in Minnesota. Further, the University is ranked among the top three public research institutions in the country, he said.

Bruininks said providing an educationally rich undergraduate experience, revitalizing the Academic Health Center, improving the physical environment, obtaining record research awards, maintaining strong private contributions and providing statewide public service are all among the successes the University has enjoyed in recent years. "Millions of people are enriched by the presence of the University," he said.

Division members, chaired by Sen. Sandra Pappas (DFL-St. Paul), questioned both Baer and Bruininks about the proportion of funding between the two

institutions and direct aid to students. Bruininks said the idea of money following students is seductive, but involves serious policy trade-offs. "I would argue for a balanced, nuanced approach to funding higher education," he said.

## State Government Budget Division

### DPS budget cuts reviewed

The proposed budget cuts for the Dept. of Public Safety were examined at the Wed., Jan. 22, meeting of the State Government Budget Division. Chair Jane Ranum (DFL-Mpls.) said she wanted to review how the department planned to implement the cuts proposed by the administration.

Frank Ahrens, finance director, and Sara Schlauderaff, assistant commissioner, reviewed the proposed general fund reductions. Schlauderaff said the department was directed to cut \$1.823 million in general fund direct appropriations for the remainder of the FY 03 budget. She said the department prorated the roughly 4 percent cut across all divisions funded by general fund dollars.

Accordingly, she said, in the area of administration and related services, the cut amounts to \$24,405. She said the agency plans to eliminate an internal newsletter and the department's state fair exhibit to accommodate the reduction. In the area of emergency management, Schlauderaff said, a \$119,816 reduction would be accommodated by elimination of travel, meetings and greater reliance on telephone and Internet communications. The largest cut, \$1.131 million in the area of criminal apprehension, will result in positions remaining open and delaying 3 projects, she said. Schlauderaff said the \$97,455 reduction in for the state fire marshal will result in no longer doing inspections of hotels and motels. For the State Patrol, a \$129,354 reduction will mean a reduction in Capitol Security, Schlauderaff said. Reductions of \$119,594 in driver and vehicle services will be accommodated by a reduction in staff positions, she added, while a \$58,936 reduction in alcohol and gambling enforcement means a reduction in travel and training and a slow down in licensing. Reductions of \$122,857 for crime victims services and of \$19143 in law enforcement community grants will be accommodated by leaving positions open

# Committee update



**Marice Rosenberg with Minnesota Citizens Concerned for Life hands a “rose for life” to Sen. Pat Pariseau (R-Farmington) as she comes out of the Senate chamber following a floor session Thurs., Jan. 23. Wednesday marked the 30th anniversary of the historic U.S. Supreme Court decision *Roe v. Wade*.**

Photo by David J. Oakes

and will result in a slowdown in processing grants, Schlauderaff said.

Schlauderaff said the department is attempting to protect core services by making the reductions in the areas she outlined.

Representatives of the various divisions were available to answer questions from division members about specific items in the governor’s recommendation and to explain more fully the effect of the budget reductions.

Mary Ellison, executive director, Crime Victim Services and the Office of Drug Policy Intervention, said the crime victim services area has had three out of four grant areas cut to date. She said Crime Victim Services provides funding—using both federal and state dollars—for sexual assault, general crime, battered

women’s and child abuse victim support and advocacy programs. Crime Victim Services has had \$2 million in cuts to date, with \$1.331 million of the reductions being made from unallocated funds and reductions in 8 programs. To achieve the remainder of the reduction, Ellison said 16 programs will be affected.

## Transportation Policy and Budget Division

### Members use meetings to tour Roseville center, St. Paul division

The Transportation Policy and Budget Division, chaired by Sen. Dean Johnson (DFL-Willmar), toured the Metro Communication Center and Traffic Management Center during its Tues., Jan.

21, meeting. The division also toured the Driver and Vehicle Services office in downtown Saint Paul Thurs., Jan. 23.

## Health and Family Security

### Health care programs reviewed

Members of the Health and Family Security devoted their hearing Tues., Jan. 21, to discussion of DHS health care programs and of the Legislative Auditor’s program evaluation report on the MinnesotaCare program.

Kathleen Henry, director, Health Care Eligibility, Dept. of Human Services, outlined the four major programs: Medical Assistance (MA), General Assistance Medical Care (GAMC), MinnesotaCare, and the prescription drug program. All of the programs have residency requirements, as well as income and asset limits.



Medical Assistance is supervised by the department, but administered by county social service agencies with half of the funding from the federal government. According to Henry, MA had an enrollment of 433,294 in December 2002. General Assistance Medical Care is also supervised by the department and administered by county social service agencies, but is entirely state funded. GAMC had an enrollment of 36,423 individuals in December 2002, Henry said. She said that the enrollees are adults, aged 21 to 64, who have near disabled or chronic conditions, a medical incident and are General Assistance recipients; residents of institutions for mental diseases; persons released by the Dept. of Corrections; or undocumented/non-immigrant children, disabled and elderly. The income limit is 75 percent of the federal poverty guideline and the asset limit is \$1,000 per family, Henry said.

MinnesotaCare is the subsidized health insurance program for lower-income Minnesotans without access to private insurance, Henry said. The program is funded through a 1.5 percent provider tax, a Medicaid Waiver that provides a 50 percent match for children, parents and administration, the state children's health insurance program (SCHIP) and enrollee premiums. She said

the program had 153,986 enrollees in December 2002.

Deputy Legislative Auditor Roger Brooks introduced the program evaluation of MinnesotaCare. He said that according to recent census data, Minnesota has one of the lowest proportions of uninsured residents in the nation and that public insurance plays an important role. Brooks said the auditor was directed to conduct the study to determine how accurately state and county agencies determine MinnesotaCare eligibility and set premium levels and to find out how efficiently the Dept. of Human Services processes MinnesotaCare cases.

Deborah Junod, project manager, presented the results of the program evaluation. Junod said the report found that in about one-third of cases, state and county staff made errors when determining MinnesotaCare applicants' income which resulted in many enrollees paying the wrong premium or, in a small number of cases, incorrect eligibility decisions. The report also indicates that MinnesotaCare income estimates often do not match income reported on tax returns and to the unemployment system. She said one reason the income estimates is that, by law, the estimates are made from a four-week snapshot, but individuals' incomes change throughout the year. In addition, appli-

cants self-declare whether or not they have access to private insurance, but based on a survey of employers, the self-reported information is often not reliable.

Junod said the report concluded that the process of determining eligibility for MinnesotaCare needs to be improved, but that the means of doing so will require weighing trade-offs between cost, program access and targeting. The program evaluation recommends expediting the automated eligibility project, tightening eligibility determination policies, doing more frequent compliance reviews, assessing ways to review income mid-year, changing the law to allow mid-year premium increases and considering alternatives to self-reporting insurance eligibility.

As for the second question about how efficiently the department processes MinnesotaCare cases, Junod said the department has reduced the time to begin processing applications to less than a week, but the application process is vulnerable to large backlogs. Junod said the increase in work load, staffing issues and reliance on manual procedures are weaknesses in the procedures. Junod said the department has responded to the rapid increase in work load by increasing staff, improving productivity and reassigning staff. The program evaluation recommends the department ensure that the new electronic case management system collects performance data, develop standard productivity measures and set performance goals.

Brian Osberg, assistant commissioner for healthcare, said the auditor's report is a good management tool to improve the integrity and efficiency of the department's MinnesotaCare program. Osberg also outlined the corrective actions the department is taking to resolve the issues raised in the report. Henry said that in the long term, a majority of the issues raised in the report will be resolved through a fully automated eligibility system called HealthMatch.

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<b>TTY, Senate</b>	(651) 296-0250
Toll free	1-888-234-1216



**Sen. Carrie Ruud (R-Breezy Point), left, signs on to a bill as a co-author as Sen. Sandra Pappas (DFL-St. Paul) observes during a Senate floor session Thurs., Jan. 23.**

Photo by David J. Oakes

# Preview

## Monday, January 27

### Regent Candidate Advisory Council

*Chair: Rondi Erickson*

8:30 a.m. Room 400N State Office Building

**Agenda:** Approve Jan. 10 meeting minutes. Announcements. Discuss selection criteria for regents. Interview arrangements.

### State Government Budget Division

*Chair: Sen. Jane Ranum*

9:30 a.m. and immediately following Session Room 107 Capitol

**Agenda:** Overview of Legal Aid and Courts.

The Senate will be in session at 10 a.m.

### Crime Prevention and Public Safety Committee

*Chair: Sen. Leo Foley*

12:30 p.m. Room 15 Capitol

**Agenda:** Overviews: Dept. of Corrections, Dept. of Public Safety and Minnesota Sentencing Guidelines Commission.

### Environment and Natural Resources Committee

*Chair: Sen. John Marty*

12:30 p.m. Room 107 Capitol

**Agenda:** ATV damage to natural resources, public, and private property.

### State and Local Government Operations Committee

*Chair: Sen. Jim Vickerman*

12:30 p.m. Room 123 Capitol

**Agenda:** Overview of Minnesota Regional Development Organization and a program evaluation report by the Legislative Auditor on Professional/Technical Contracting.

### Commerce and Utilities Committee

*Chair: Sen. Ellen Anderson*

1 p.m. Room 112 Capitol

**Agenda:** Overview on energy issues.

## Tuesday, January 28

### Regent Candidate Advisory Council

*Chair: Rondi Erickson*

8:45 a.m. Room 400N State Office Building

**Agenda:** Interview arrangements. Interviews.

### Health, Human Services and Corrections Budget Division

*Chair: Sen. Linda Berglin*

9 a.m. Room 123 Capitol

**Agenda:** Budget overviews: Dept. of Human Services (DHS) and Dept. of Health (MDH).

### State Government Budget Division

*Chair: Sen. Jane Ranum*

9 a.m. Room 107 Capitol

**Agenda:** Dept. of Administration tour.

The Senate will be in session at 11 a.m.

### Higher Education Budget Division

*Chair: Sen. Sandra L. Pappas*

12:30 p.m. Room 123 Capitol

**Agenda:** To be announced.

### Legislative Audit Commission

*Chair: Sen. Ann H. Rest*

1 p.m. Room 316 Capitol

**Agenda:** Review of program evaluation report on the Metropolitan Airports Commission.

### Education Committee

*Chair: Sen. Steve Kelley*

3:30 p.m. Room 15 Capitol

**Agenda:** Teacher training and qualifications for ESEA.

## Wednesday, January 29

### Regent Candidate Advisory Council

*Chair: Rondi Erickson*

7:45 a.m. Room 400N State Office Building

**Agenda:** Interview arrangements. Interviews. Review of voting procedures. Reference check reports (executive session). Voting.

### E-12 Education Budget Division

*Chair: Sen. LeRoy Stumpf*

9 a.m. Room 112 Capitol

**Agenda:** Overview of E-12 finances.

### Health, Human Services and Corrections Budget Division

*Chair: Sen. Linda Berglin*

9 a.m. Room 123 Capitol

**Agenda:** Budget overviews: DHS and MDH.

### State Government Budget Division

*Chair: Sen. Jane Ranum*

9 a.m. Room 107 Capitol

**Agenda:** Report on state contract procedures from Legislative Auditor. Management analysis report from Dept. of Administration.

### Commerce and Utilities Committee

*Chair: Sen. Ellen Anderson*

12:30 p.m. Room 112 Capitol

**Agenda:** Nuclear plant safety and security.

### Crime Prevention and Public Safety Committee

*Chair: Sen. Leo Foley*

12:30 p.m. Room 15 Capitol

**Agenda:** To be announced.

### Environment and Natural Resources Committee

*Chair: Sen. John Marty*

12:30 p.m. Room 107 Capitol

**Agenda:** S.F. 94-Kleis: Technical correction on state land conveyance description in St. Cloud. Presentation of Legislative Auditor's Report on State-Funded Trails for Motorized Recreation. DNR Motorized Trail Task Force Report.

### State and Local Government Operations Committee

*Chair: Sen. Jim Vickerman*

12:30 p.m. Room 123 Capitol

**Agenda:** Rulemaking overview. S.F. 30-Betzold: Rules good cause exemption. S.F. 61-Betzold: Statement of need for administrative rules.

### Agriculture, General Legislation and Veterans Affairs Committee

*Chair: Sen. Steve Murphy*

3:30 p.m. Room 112 Capitol

**Agenda:** Resolution and testimony to commemorate WWII "first shot veterans."

### Capital Investment Committee

*Chair: Sen. Keith Langseth*

3:30 p.m. Room 123 Capitol

**Agenda:** "Debt Management of Bonds" and "Cancellations Report" from Assistant Commissioner Peter Sausen, Dept. of Finance.

## Thursday, January 30

The Senate will be in session at 9 a.m.

### State Government Budget Division

*Chair: Sen. Jane Ranum*

9 a.m. or immediately following session Room 107 Capitol

**Agenda:** Report from fiscal analyst on funding history for constitutional offices and 1981 budget balancing efforts. Department of Administration overview of CORE report.

### Joint Health and Family Security Committee and Judiciary Subcommittee on Data Practices and Information Policy

*Chair: Sen. Becky Lourey and Sen. Wesley Skoglund*

12:30 p.m. Room 15 Capitol

**Agenda:** Administrative billing data.

### Higher Education Budget Division

*Chair: Sen. Sandra L. Pappas*

12:30 p.m. Room 123 Capitol

**Agenda:** To be announced.

### Education Committee

*Chair: Sen. Steve Kelley*

3:30 p.m. Room 15 Capitol

**Agenda:** Special education in Minnesota schools. S.F. 85-Skoglund: Memorializing Congress to fund IDEA.

### Transportation Policy and Budget Division

*Chair: Sen. Dean E. Johnson*

3:30 p.m. Room 123 Capitol

**Agenda:** Review of MnDOT procedures and use of consulting contracts.

## Friday, January 31

No meetings scheduled.



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# Senate Briefly

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*An infrequent (by Minnesota standards) fresh blanket of snow embellishes the Capitol dome as school children, having completed a tour of the Capitol, depart the building via the front steps.*

*Photo by David J. Oakes*



January 31, 2003

# Senate Highlights

## Contracting procedures discussed

Members of the Transportation Policy and Budget Division met Thurs., Jan. 30, to examine the state's contract procedures, especially as they relate to the Department of Transportation (MnDOT). The panel, chaired by Sen. Dean Johnson (DFL-Willmar), heard from the Office of the Legislative Auditor (OLA) as well as the heads of the Dept. of Administration and MnDOT.

Legislative Auditor Jim Nobles said two recent OLA reports highlight the problems with Minnesota's current contracting process. The latest report, on professional/technical contracting, indicates that there is a significant gap between the process established in law and the process practiced by state agencies, he said. A May 2002 special investigation into contracts surrounding the creation of a temporary bypass for two trunk highways in the Metropolitan Area serves as a case study, Nobles said, illustrating the common problems and conflicts between MnDOT and the Dept. of Administration. However, he said, it was important to recognize that a new governor and new commissioners represent an opportunity to correct the problems of the past.

Lieutenant Governor Carol Molnau, who is also transportation commissioner, said there is room for improvement in the contracting process. She said the contracting process, both in law and in practice, will be reviewed to ensure that contracts get the best value for taxpayers. A working group appointed by the governor, she said, will focus on balancing the needs of

agencies to innovate and the need of the Dept. of Administration to regulate contracts. "What I think we both need is sensible oversight," Molnau said, that allows agencies to deliver projects while regulators ensure proper use of state funds. Sen. Satveer Chaudhary (DFL-Fridley) said he was concerned by recent newspaper reports that indicated only the largest contractors were receiving MnDOT work. Molnau said the agency lets about 3,200 contracts every year, so some contractors are being used on several contracts. Dick Stehr, a MnDOT engineer, said construction contracts are awarded to the lowest bidder, provided the bidder meets certain qualifications, including the ability to post a sufficient bond for the project. Consulting contracts, Stehr said, are value-based and require an evaluation of the consultant's ability to carry out the project within a reasonable cost structure.

Too often the issue of contracting has been viewed through the lens of either-or, said Administration Commissioner Brian Lamb. He said he prefers to think that projects can be delivered both efficiently and by following state contracting law at the same time. Lamb said state law already provides for certain emergency exceptions. The exceptions, he said, should be reexamined and possibly expanded. The department's goals include creating a reliable performance measurement system that will allow the contract regulators to evaluate agencies and monitor their violations to identify trends, he said. The department will also focus on educating agency officials, from commissioners on down, in good contract procedure and the Dept. of Administration's role in contracting, Lamb said. He said the department will also work with Legislators to ensure that operational realities and statutes are coherent and cohesive.

## 'First shot' veterans honored

The 82 St. Paul residents who served on the USS Ward as it fired the first shots of World War II were honored during the Wed., Jan. 29, meeting of the Agriculture, General Legislation and Veterans Affairs Committee. Chair Steve Murphy (DFL-Red Wing) read a resolution honoring the veterans and recognizing their unique service.

On the morning of Dec. 7, 1941, the USS Ward was patrolling the waters outside Pearl Harbor when it encountered an unknown submarine. The ship fired on

the two-man submarine and sunk it. The submarine was found, and the story of the ship's crew confirmed, Aug. 28, 2002.

Four of the 82 St. Paul reservists who manned the ship testified before the committee. Orville Ethier said the reservists were activated in January 1941, but most had been in the Naval Reserves for some time. "To be honest with you, when I left St. Paul in 1941, I thought we were just going on a nice cruise," he said, since the threat of war seemed distant and the men were leaving the Minnesota cold for sunny California and, later, Hawaii. Richard Thill said it was a miracle the first shot fired from the ship's No. 3 gun actually hit the Japanese submarine. The USS Ward was originally built in 1917 and had sat idle for 24 years before the St. Paul reservists were assigned to it, Thill said. Ethier said the No. 3 gun that fired the shot was removed from the ship in December 1942 and displayed at the Smithsonian Institution until 1958, when it came to the Capitol grounds in St. Paul.

Will Lainer said the USS Ward sank Dec. 7, 1944 in action off the Philippine Islands. In fact, he said, the ship was hit by enemy fire and started drifting, but was not sinking on its own. Lainer said the ship was blocking naval efforts and the USS O'Brien—under the command of Capt. W. W. Outerbridge, who had commanded the USS Ward on Dec. 7, 1941—was ordered to sink the ship. Lainer was able to dive with a small crew in October 2002 to see the Japanese submarine that sank. Russell Reetz said 22 of the 82 St. Paul reservists are still alive.

## Budget bill heads to conference

The Senate met briefly Tues., Jan. 28, to complete parliamentary procedures in order to send the FY 03 budget resolution bill to conference committee. The members amended the Senate language onto the House bill, H.F. 74. In offering the amendment, the chief sponsor, Sen. Richard Cohen (DFL-St. Paul), said the Senate language provides a solution to the budget difficulties for the current fiscal year.

Sen. David Knutson (R-Burnsville) argued against adopting the amendment and urged members to support the House language. He said the Senate proposal does not make significant enough permanent, baseline cuts and doesn't leave enough on the bottom line. Cohen responded that he has been urging speed in passing the

**Senate Briefly** is a publication of the Minnesota Senate Publications Office. During the 2003 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. It can be made available in alternative formats.

### Editorial Staff:

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### Photographer:

David J. Oakes





*World War II veteran Will Lainer from Stevens Point, Wis., far right, recounts his experiences aboard the destroyer USS Ward during the Japanese attack on Pearl Harbor to members of the Senate Agriculture, General Legislation and Veterans Affairs Committee Wed., Jan. 29. Also present were fellow crew members, from left, Richard Thill, Orville Ethier and Russell Reetz, all from St. Paul, as the committee passed a resolution commemorating the actions of the men of the USS Ward in firing the first shots of World War II when sinking a Japanese submarine Dec., 7, 1941.*

Photo by David J. Oakes

budget resolution, but at the same time urging members to be aware of what members are doing. He urged members to adopt the amendment and get the bill into conference committee where conferees can deliberate on the effects of the bill.

Sen. Michael Jungbauer (R-East Bethel) said the proposal is shortsighted, because cuts now have further effects on the FY 04-05 budget shortfall. Sen. Becky Lourey (DFL-Kerrick) said the House proposal cuts programs that will, in effect, cause more problems and cost more down the line.

The amendment was adopted 34-31 and the bill was repassed 35-30.

In other action, members also adopted S.R. 12, the mileage resolution. The members then recessed to await the House's refusal to concur with the Senate amendments.

The Senate returned briefly in the afternoon to accept a message from the House relating to the appointment of conferees and appointed Cohen and Senators Linda Berglin (DFL-Mpls.), Dennis Frederickson (R-New Ulm), Jane Ranum (DFL-Mpls.) and Dallas Sams (DFL-Staples) to the conference committee on H.F. 74.

### Panel compares bills

Members of the House-Senate Conference Committee on the bill to resolve the FY 03 budget shortfall, H.F. 74, began work Tues., Jan. 28. The panel met in the evening and compared the contents of the House's plan to cut \$468 million with the Senate's plan to make \$384.1 million in reductions. The panel is chaired by Rep. Jim Knobloch (R-St. Cloud) and Sen. Richard Cohen (DFL-St. Paul). The

conferees also met Thurs., Jan. 30 to continue negotiations.

### Brief sessions held

The Senate also met in very brief floor sessions Mon., Jan. 27 and Thurs., Jan. 30, in order to process bill introductions and work at the Senate Desk.

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# Committee update

## Capital Investment

### Debt management discussed

The Capital Investment Committee met Wed., Jan. 29, to discuss debt management policy and a cancellations report due Feb. 1. The panel, chaired by Sen. Keith Langseth (DFL-Glyndon), heard from Assistant Commissioner Peter Sausen, Dept. of Finance, on the state's debt management policy.

Sausen said the debt management policy was established in 1979 as an executive policy that is not established in law. He said the policy has three goals, to maintain triple-A bond ratings, minimize state borrowing costs and provide a reasonable financing capacity within a prudent limit. He also said, according to the major bond rating services—Moody's Investors Service, Standard & Poor's Corporation and Fitch Rating Service—the state has been successful in maintaining the triple-A rating. He said bonds rated triple-A are judged to be of the best quality with the smallest degree of investment risk and interest payments protected by a large or an exceptionally stable margin. He also said financial management, economic vitality, the state tax burden and the state debt burden are the factors that determine the state's bond rating.

Sausen also reviewed the policy guidelines the department uses. He said the guidelines include a 3 percent general fund debt service ratio, a 2.5 percent debt to personal income ratio and a 5 percent future commitments to personal income ratio.

In addition, he reviewed the constitutional requirements for projects eligible for bond financing and other constitutional provisions for which debt may be issued.

Members also discussed the cancellation report. Sausen said the report, which will be released Feb. 1, is a list of projects more than four years old for which funds have not yet been encumbered. He said normally the projects are canceled on July 1, but there is a provision in the other body's FY 03 budget resolution bill to have the projects cancel Feb. 1, in order to be included in the current fiscal year.

## Commerce and Utilities

### Energy issues heard

Members of the Commerce and Utilities Committee met Mon., Jan. 27, to



*Each representing an individual foster child in the system, two dolls sit in a stroller, as volunteers from a coalition of foster care and adoption agencies throughout Minnesota gathered in the Capitol rotunda Tues., Jan. 28, as part of the Foster Doll Project. Designed as a legislative awareness campaign, participants proceeded to distribute the dolls to Legislators and the governor with the intention of their becoming the doll's de facto foster parent over a 12-week period.* Photo by David J. Oakes

hear a series of overviews on energy issues of concern to Minnesotans. The panel, chaired by Sen. Ellen Anderson (DFL-St. Paul), heard first from Edward Garvey, deputy commissioner, Dept. of Commerce, who gave a brief introduction to the issues. Toby Madden, regional economist, Federal Reserve Bank, spoke on the economic impact of energy policy.

Marya White, manager, Dept. of Commerce, spoke on the impact on consumers' energy bills, and Ken Wolf, reliability administrator, Dept. of Commerce, provided an explanation of energy generation, transmission and distribution.

The panel also heard Burl Haar, executive director, Public Utilities Commission, on the variety of energy providers such as cooperatives, independent power producers, investor owned utilities and municipals.

Mike Bull, legislative analyst, Minnesota House of Representatives, explained oversight of utilities and the roles of the Public Utilities Commission, the Dept. of Commerce, the Office of the Attorney General and the Legislature.

Steve Rakow, rates analyst, Department of Commerce, provided an overview of nuclear power in Minnesota.

### Nuclear power plants discussed

The Commerce and Utilities Committee, chaired by Sen. Ellen Anderson (DFL-St. Paul), met Wed., Jan. 29, to discuss nuclear power plant safety. Members also heard testimony on plant security.

## Crime Prevention and Public Safety

### Overviews heard

The Crime Prevention and Public Safety Committee, chaired by Sen. Leo Foley (DFL-Coon Rapids), devoted the Mon., Jan. 27, meeting to hearing overviews from the Department of Public Safety, the Department of Corrections and the Minnesota Sentencing Guidelines Commission.

Speakers from the agencies outlined the organization and activities of the departments.



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## Education

### New commissioner addresses panel

The Education Committee, chaired by Sen. Steve Kelley (DFL-Hopkins), devoted the Tues., Jan. 28, meeting to a discussion of teacher training and qualifications in compliance with the federal Elementary and Secondary Education Act (ESEA). The act, known as the No Child Left Behind Act, is a major redefinition of the role of the federal government in education and includes requirements for teacher quality. Newly appointed Children, Families and Learning Commissioner, Cheri Yecke, said that, generally, there are three main teacher quality requirements under the act: they must have a bachelors degree, they must be licensed and they must demonstrate a competency in the subject being taught.

George Maurer, executive director with the Minnesota Board of Teaching, also discussed a variety of subjects relating to Minnesota's compliance with the act.

### Special ed resolution gains

The Education Committee devoted the entire hearing Thurs., Jan. 30, to a discussion of special education and a resolution memorializing Congress to fully fund the Individuals with Disabilities Education Act.

The panel, chaired by Sen. Steve Kelley (DFL-Hopkins), first heard a background presentation on special education from Norena Hale and Cecelia Dodge of the Dept. of Children, Families and Learning. Hale reviewed the eligibility requirements for special education and the numbers of children in specific disability areas in Minnesota schools. She also highlighted the Minnesota Continuous Improvement Steering Committee process and reviewed test results in reading and math over three years by disability group.

Carol Vollmar, a special education teacher, also spoke on the challenges of teaching. She said when she began teaching, she had students with one kind of disability, but now students with many types of disabilities are in the same class. She said that as a result, classroom control is difficult. "Safety concerns have over

taken educational needs," she said, "and the frustrations are beginning to outnumber the joys."

Steve Larson, executive director, ARC Minnesota, and John Guthmann, board member, PACER Center, detailed the legislative priorities of the Coalition for Children with Disabilities. Larson said the coalition, comprised of several statewide organizations, has made funding for special education, third party billing for health care related services provided in schools, improving dispute resolution and due process procedures and supporting the Interagency Committee on Autism the top four priorities this year.

Members then turned to consideration of S.F. 85. The measure, authored by Sen. Wesley Skoglund (DFL-Mpls.), is a resolution memorializing the President and Congress to carry through on their pledge to fund 40 percent of special education costs. Scott Croonquist of the Metropolitan Association of School Districts, Vernae Hesbargen of the Minnesota Rural Education Association, Dr. Colleen Bamtrog of the Minneapolis Public Schools and Brad Lundell of Schools for Equity in Education all spoke in support of the measure.

Sen. Gen Olson (R-Minnetrista) offered an amendment specifying that federal maintenance of effort requirements should only apply to state appropriations for special education and not to local school district subsidies for special education from general education funds. Members adopted the amendment. An amendment offered by Sen. Michele Bachmann (R-Stillwater), providing that Congress suspend unfunded mandates in the No Child Left Behind Act until the commitment for special education is met, was defeated. The measure was approved and advanced to the Senate floor.

## E-12 Education Budget Division

### Funding overviews continue

The members of the E-12 Education Budget Division continued the process of reviewing the elements of education funding at a hearing Weds., Jan. 29. The division, chaired by Sen. LeRoy Stumpf (DFL-Thief River Falls), heard presentations from Senate staff on a variety of revenues and aids.

## Environment and Natural Resources

### ATV damage detailed

Members of the Environment and Natural Resources devoted their first hearing, Mon., Jan. 27, to hearing testimony from a variety of individuals and groups on the damage done to both public and private property by all-terrain vehicles (ATVs).

Chair John Marty (DFL-Roseville) said the hearing was focusing only on the damage. Marty said a subsequent hearing would be devoted to land management issues and solutions to the environmental damage.

Barry Babcock, representing the Jackpine Coalition, said 85 percent of all ATV use is in 25 percent of the state, primarily in the north central area.

Larry Wannebo, from Cass County, said it was a mistake to allow ATVs to use ditches along the roadways. He said it is cheaper to protect the environment than to repair it. He outlined damage done to ditches caused by ATVs. He said ditches were constructed to filter road run-off, but that the ATVs cause erosion and result in dirt and silt flowing into wetlands, streams and lakes.

Sen. LeRoy Stumpf (DFL-Thief River Falls) said, "I want to point out that there also a lot of responsible ATV riders." We need more education, more enforcement and most importantly, more trails, Stumpf said.

Linda Bair described damage in her area and concluded that ATV users need a place to ride, but they don't need access everywhere. She also urged members to "Get on with it; damage is continuing every day."

The co-director of Minnesotans for Responsible Recreation, Jamie Jueneman, gave a presentation on environmental damage. Jueneman said the growing ecological disaster of unrestricted ATV use is at a critical stage. He said a comprehensive solution is needed, including confrontation of ecological issues, a designated routes only policy, a dedicated source of funding for additional needs, and implementation of reforms in the legislative auditor's report.

Gene Smallidge, a farmer in Cottage Grove, said ATV riders have no respect for private property. He said the state allows riding in ditches, but the riders leave the

# Committee update

ditch and go on to private property—to farmers' fields. He said enforcement just does not happen in his area and that he has made numerous citizen's arrests of riders on his property.

Jack Nelson spoke on behalf of ATV riders and said he welcomed enforcement for those who break the law. He emphasized, though, the need for trails, but said the process is extremely slow.

Tom Umphress, also representing ATV users, said every time we try to take a step forward in having a place for riders to go, we run into roadblocks. He said the riders who break the law should be held accountable. "We have the frustrations as well," he said.

## OHV reports considered

Members of the Environment and Natural Resources Committee met Wed., Jan. 29, to continue tackling the issue of motorized vehicle use on public lands. Chaired by Sen. John Marty (DFL-Roseville), the panel heard two reports on the issue, as well as citizen testimony.

John Patterson said the report prepared by the Office of the Legislative Auditor (OLA) considered what trails the state has, how the state finances the trails, how effective planning efforts have been, if adequate oversight for the grant-in-aid program exists and how well the Dept. of Natural Resources enforces regulations on motorized vehicles. Patterson said the OLA found that the state has almost 19,000 miles of snowmobile trails, but not even 1,000 miles of off-highway vehicle (OHV) trails. Trails for each type of vehicle have separate dedicated funding sources, he said, with money coming primarily from gas tax collections and vehicle registration fees. Snowmobile registrations have fluctuated since 1968, he said, but are around 300,000 now. Meanwhile, Patterson said, all-terrain vehicle (ATV) registration has risen from 12,000 in 1984 to 148,000 today.

Planning for OHV trails has been a recognized need in the DNR since the 1970s, he said, but planning did not actually begin until the late 1990s. Even then, Patterson said, the planning process lacked assessment of each community's needs, a thorough examination of environmental factors and an assessment of fiscal considerations. However, he said, the department has a new philosophy for OHV management: managed use on managed trails. The OLA recommends that environ-

mental assessment worksheets be completed for more OHV projects and that the department work for a better understanding of how many miles of trails the funding can support. Patterson said snowmobile planning has not been formal, but has been determined largely by local snowmobile clubs. However, he said, the informal system has served the state well, primarily because snowmobiles have a lower environmental impact than OHVs.

The grant-in-aid program, he said, funds 91 percent of snowmobile trail miles and 85 percent of OHV trail miles. However, trail clubs receive little oversight from either the DNR or local units of government, Patterson said. He said DNR employees and county officials reported only 32 cases of trail work violations in the past 5 years. The OLA recommends that the DNR increase its oversight of the program, consistent with its managed use on managed trails philosophy and work toward eliminating violations, he said. Patterson said the report also recommends formal training for local club officials and a plan to reduce grants if violations occur and continue.

The report also recommends increasing enforcement time for OHVs, to account for the longer OHV season and to achieve parity with snowmobiles, requiring ATV rider training and reexamining gas tax allocations to snowmobiles, ATVs and other OHVs, he said.

Greg Murray and Tom Spence presented a report from the Motorized Trail Task Force. Spence said the 21-member task force had a balance of motorized interests, non-motorized interests and centrists. However, he said, the task force initially agreed to operate by unanimous consent when making recommendations. Spence said several recommendations were blocked by one or two members. The recommendations approved include planning guidelines, creating an inventory of trails and establishing a permanent advisory committee on motorized trails. Recommendations not approved include establishing a toll-free number for reports of damage or violations and closing trails experiencing substantial environmental damage. Spence said any recommendation that included closing trails was automatically vetoed by some members. Sen. LeRoy Stumpf (DFL-Thief River Falls) said the parties need to find grey areas, instead of black and white, when considering environmental damage.

Some trails may need to be closed only during especially environmentally sensitive times, he said. Sen. Michael Jungbauer (R-East Bethel) said the state needs to meet all of the public's needs. While environmentally sensitive trails need to be closed, and the public educated about why the trails are being closed, less sensitive areas should be designated and opened, he said.

Ray Boehn, representing the ATV Association and Amateur Riders of Motorcycles Association, said the task force was the idea of OHV groups. However, he said, the task force has lost all of its credibility with OHV riders. He said the co-chairs of the task force, Murray and Spence, were anti-motorized and stifled discussion from OHV users on the task force. Sonja Bartz, president of the ATV Association, said her group has been responsible in handling cases of damage. She cited repairs made to ditches after the association's convention in Gilbert. The group, she said, tried to secure permanent trail access, but was unable to do so in time for the convention. The association then sought and received ditch right-of-way access from the Dept. of Transportation, Bartz said. However, rain right before the convention made the ditches at risk for damage, she said, and most riders did not use them. Bartz said the association undertook the task of repairing the ditches damaged by riders on their way to the convention. She said the association has also worked with the DNR for over 15 years to secure a trail system, but new trails have been blocked by lawsuits filed by environmental groups, including Minnesotans for Responsible Recreation.

Members of the public also spoke about the difficulties of living near OHV trails. Peter Hovde, Long Lost Lake Association, said he and his wife were going to retire to Long Lost Lake, which is near Lake Itasca, until they discovered that the road ringing the lake was going to be added to the OHV trail system. Hovde said OHVs should be kept away from local residents who want peace and quiet. Mark Wendt said multiple uses of state land are compatible, but that trails for motorized vehicles should not connect to non-motorized trails or areas. Jamie Jueneman said a trail that crossed his land was originally only for local residents to access the state trail system. However, he said, clubs and the hospitality industry started to promote the trail, increasing its use. He



said abuse of the trail and violations on his land escalated, but he received no responses from the DNR or local clubs. Jueneman said he finally terminated the easement allowing use of his land for the trail, only to find that OHV riders are still crossing his land. He said the DNR has not removed the trail from its maps, even though he terminated the easement three years ago. Other landowners across the state are also canceling easements, he said, and for a reason. However, Jueneman said, the solution from the Legislature and DNR seemed to be attempting to buy landowners out. "This rewards bad behavior," he said, "it doesn't solve bad behavior."

The committee also heard S.F. 94. Carried by Sen. Dave Kleis (R-St. Cloud), the bill makes a technical change in a

1993 law authorizing a land transfer. Kleis said the transfer is related to impending construction of sports facilities at St. Cloud State University. The bill was approved and recommended for placement on the Consent Calendar.

## Health and Family Security

### Health data collection discussed

A joint meeting of the Health and Family Security Committee, chaired by Sen. Becky Lourey (DFL-Kerrick) and the Judiciary Subcommittee on Data Practices, chaired by Sen. Wesley Skoglund (DFL-Mpls.), met Thurs., Jan. 30, to discuss the Dept. of Health's proposed rule on collecting medical data.

Lourey began the discussion by reminding members that the department's proposed rules were done at the direction of the Legislature. Assistant Commissioner Dick Wexler presented a history and background of the proposal to collect administrative billing data. He said administrative billing data is data that comes from the bills that doctors, clinics and hospitals send to insurance companies and HMOs for services. Under the rule, Wexler said, the department would get the billing data in two parts—demographic data and health care information. The demographic data is information such as name, birthdate and address and the health care information data is information about diagnosis and procedures. He also said



*Jamie Jueneman from Two Harbors, representing Minnesotans for Responsible Recreation, uses a gas container adorned with photos to illustrate damage to the environment as a result of irresponsible ATV usage at an Environment and Natural Resources Committee hearing Mon., Jan. 27. The "\$12.5 million" represents dedicated funds that, by Jueneman's account, are not being used responsibly for reparations and enforcement of ATV usage.*

Photo by David J. Oakes

# Committee update

most of the information is in billing codes and is not a medical record.

Wexler also said the rules have not yet been adopted. The department has delayed the final step before adoption in order to give the new administration time to review the proposal. He said that all but two states have some form of administrative billing data collection. The information gained from the data is important, Wexler said, for use in studying health care costs, comparing health care providers and for managing chronic disease.

He said the department has security measures in place to separate and protect identifying information. He also said, under the proposed rules, Social Security numbers are not collected, independent security audits must be done, a committee with consumer, industry and government representatives must review all projects, only departmental researchers may access the information and information may only be released in a form that doesn't identify patients.

Wendy Nelson, from the department, explained the process for gathering and encrypting the data. Sen. Don Betzold (DFL-Fridley) said one of the problems has been that people think the rules mean gathering data and putting it on the Internet, but that is not the intent. Sen. Warren Limmer (R-Maple Grove) said there is still a lot of concern that personal information can get out. Betzold said the Legislature had previously decided to err on the side of protecting public health by gathering the data. Wexler said the department takes security concerns very seriously and the staff has worked very hard to make sure no one could ever access identifiable information.

Sen. Sheila Kiscaden (IP-Rochester) said the gathering of the data is vital to provide information about how the health care system is operating. "We hear a lot about health care costs," she said, "but we need data to be able to judge outcomes. In my mind, this is a way to help providers, payers and patients know where there good outcomes."

Nelson said funding is not in place to fully implement the rules. However, she said the department made the decision to go forward with gathering some of the data, such as hospital discharge data, rather than redo the rules process when funding does become available.

## Health, Human Services and Corrections Budget Division

### Grant programs reviewed

The topic of Department of Health grant programs was the focus of the Tues., Jan. 28, meeting of the Health, Human Services and Corrections Budget Division.

Chair Linda Berglin (DFL-Mpls.) said she invited representatives of the department to review the programs for the benefit of the new members of the division.

Aggie Leitheiser, acting commissioner, and David Johnson, assistant commissioner, began the discussion with an overview of the department's program organization. Johnson said the department's statutory mission is to protect, maintain and improve the health of all Minnesotans. He said the core functions are preventing disease, reducing health hazards, protecting health care consumers, promoting good health and achieving success through partnership with local organizations.

Johnson also said 60 percent of the department's funding goes to local governments, non-profit organizations, community hospitals and individuals in the form of direct services. Only 18 percent of the department's funding comes from the general fund; the greatest amount is from the federal government. Johnson said the department has three major program areas: health improvement, health quality and access and health protection. A fourth area, management and support, was not covered in the discussion of grants.

Gayle Hallin, assistant commissioner, reviewed the grant programs for the health improvement area. Under health improvement, the department provides grants for community health, family health, health promotion and chronic disease, the state center for health statistics and the office of minority and multicultural health. Assistant Commissioner Richard Wexler discussed the health quality and access area. Grant programs for the area include health policy and system compliance and facility and provider compliance.

Leitheiser concluded the discussion with a review of the health protection program. Leitheiser said the health protection program is what most people think of when they think of the Department of Health. Grant areas include

environmental health, infectious disease and epidemiology prevention and control, public health laboratories and the Office of Emergency Preparedness.

### Overview continues

The Health, Human Services and Corrections Budget Division met Wed., Jan. 29, to continue hearing budget overviews. The division, chaired by Sen. Linda Berglin (DFL-Mpls.), focused on Department of Human Services (DHS) grant programs.

Assistant Commissioner Dennis Erickson began by providing a brief profile of the department. He said DHS services touch one in four Minnesotans and that services are delivered at the state level, through counties, health care providers and non-profit organizations. DHS is approximately 30 percent of the state's total budget and about 25 percent of the general fund budget, Erickson said. He also said that only about 3 percent of the DHS budget goes for program administration. In addition, Erickson said, general fund expenditures amount to about \$7.7 billion, but when all funding sources are calculated, the department's expenditures amount to \$18.2 billion.

Erickson also briefly touched on the budget management tools DHS has available. He said the items that influence expenditures are rates and payments, eligibility, and services and benefits. He said the budget structure is comprised of 11 program areas that are divided into grant programs and management programs.

Grant programs include children's services grants, basic health care grants, state operated services, continuing care grants, economic support grants and revenue/pass through grants. The administration programs are agency management, children's services management, health care management, continuing care management and economic support management. Grant program directors explained in detail the purpose of specific grants in their area and detailed the breakdown between state and federal dollars used in each program.

## Higher Education Budget Division

### Panel hears HESO overview

Members of the Higher Education Budget Division, chaired by Sen. Sandra



Pappas (DFL-St. Paul), met Tues., Jan. 28, to hear an overview of the Higher Education Services Office.

Robert Poch, director of the office, gave a history of the office and the Higher Education Services Council, which oversees the office and makes policy recommendations to the governor and Legislature. HESO provides services to students, parents, policymakers, education providers at all levels and the public at large, Poch said. The office has a staff of 77 employees., of which only 32 are state-funded, he said. Of the office's \$285 million FY 2002 budget, Poch said, 97 percent went directly to grants to students and institutions. Fifty-seven percent of the budget is state funds, he said.

The office works to ensure that Minnesotans know what it takes to attend higher education institutions, both academically and financially, Poch said. As early as fourth grade, he said, HESO and school districts are working together to give students and families a realistic concept of what education costs, what financing options are available and what is required academically to gain admission. The office also ensures the legitimacy of private education providers, Poch said. One of the office's main functions is to help Minnesota families afford higher education, through various grant and loan programs, he said. During FY 2002, the state grant program distributed \$125 million to 71,000 undergraduates, the state work-study program distributed \$12 million to 12,000 students and the child care grant program distributed \$4.6 million to 2,429 students. The Student Educational Loan Fund (SELF) issued 28,000 loans totaling \$104 million in FY 02. Poch said the office also administers the Minnesota College Savings Plan, which is regulated by section 529 of the U.S. Internal Revenue Code. The plan accumulated \$70 million in assets, for over 16,000 recipients, in its first 14 months, he said.

HESO also facilitates information sharing and information technology among institutions and about higher education, Poch said. The office has supported the Learning Network of Minnesota, which connects school districts, public libraries and post-secondary education institutions. HESO has also supported the library information systems that make library materials from across the state available in any participating library

in Minnesota, he said. Poch said the office, through its website, makes customized enrollment data available to the public and maintains other data for government institutions.

### **Business community offers funding distribution suggestions**

Members of several business organizations offered suggestions for maintaining Minnesota's commitment to higher education while the state confronts a massive budget shortfall to members of the Higher Education Budget Division during the panel's Thurs., Jan. 30, hearing.

Duane Benson, executive director of the Minnesota Business Partnership, said that if general fund spending continued to grow at the rates it did during the 1990s, biennial spending would be \$85 billion by FY 2020-2021. He said the partnership formed a panel to come up with principles for the state to use in reining in state spending and refocusing spending priorities. The principle most relevant to higher education, he said, is funding people, not institutions. Benson said the partnership advocates increasing the proportion of state higher education spending that goes to grants and other forms of student aid, while decreasing the proportion of spending that goes to the institutions. He presented data showing that families with adjusted gross incomes of \$20,000 or less receive large amounts of grant aid and bear almost none of the costs of higher education at a state institution. Above \$20,000, he said, the amount of family responsibility increases, until the amount of responsibility levels off at full tuition, or around an adjusted gross income of about \$60,000. Benson said most families with incomes of \$60,000 or more who have students in state universities do not realize they are receiving a state-subsidized education.

Senior Vice President of the Minnesota Chamber of Commerce Bill Blazar said this Legislative Session presents an opportunity to redistribute higher education funding so that more money follows students. He said funds should be distributed based on students' and families' ability to pay. Blazar summarized the impressions chamber members have of Minnesota's higher education providers, especially the MnSCU system and the

University of Minnesota. Blazar said chamber members recognize the various options for funding education, including tuition, financial aid, fees for services, contributions and state support. He said research can also be funded by all of those sources, except for aid. However, Blazar said, businesses ask how much funding is enough. He said the state and education providers need to set goals for higher education and measure progress toward those goals. Resources can then be targeted to meet the goals, Blazar said. He said chamber members recognize that tuition will increase, and they believe tuition should more closely reflect the cost of education. However, Blazar said, chamber members also support increasing student aid in order to help low-income students have opportunities for education and to join the workforce.

As tuition increases and state funding falls, said Division Chair Sandra Pappas (DFL-St. Paul), there may be an erosion of quality or a deterioration of the ability for some students to attend higher education institutions. Blazar said the issue will have a lot to do with perception. He said resources may be available to many families, but because they will not be aware of them, the families will consider higher education unaffordable and not pursue their options. Benson noted that even though tuition is already rising, enrollment is reaching record levels. He said higher education will always be considered a good investment by employees and employers.

Mitch Pearlstein, executive director of the Center for the American Experiment, offered five goals for the state. He said funding should be increased for student aid and decreased for institutional funding. The state should reconcile its commitment to wide access and the focus on research and graduate education, especially in regard to the University of Minnesota, he said. Pearlstein said the University's advantage lies in its research power, on which much of the state depends. He said the state should focus the University on its research and graduate operations over its undergraduate education, even though such an approach is not congruent with Minnesota's populist tradition. Pearlstein urged Legislators not to be convinced that cuts will translate

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into decreasing access for students. He also suggested that the Legislature avoid micromanaging how the University implements cuts. The Board of Regents and the University's president deserve wide latitude in that area, he said.

Brian Axell said the Minnesota State College Student Association has strong concerns about decreasing institutional support in favor of aid. He said many part-time students are not eligible for state aid. Also, Axell said, many students and potential students are not aware of financial aid opportunities and suffer sticker shock as tuition increases. He said the association supports the state's current policy, which keeps tuition low, thus helping all students. Sen. Lawrence Pogemiller (DFL-Mpls.) said that tuition will rise, because of the state's budget shortfall. Less money will be available overall for higher education, he said, but the question is whether the higher education funding system will be biased to lower-income or higher-income students. Frank Viggiano, Minnesota State University Student Association, suggested eliminating the Higher Education Services Office in favor of making block grants to the University, MnSCU and the private sector. Under such a system, he said, each institution could tailor its program to its students.

## Jobs, Housing and Community Development

### Panel hears presentations

Members of the Jobs, Housing and Community Development Committee met for the first time Thurs., Jan. 30. The panel heard presentations relating to Minnesota's current employment statistics and heard a report from the Unemployment Insurance Advisory Council. In addition, members heard an update on Minnesota's economic and workforce development programs reorganization.

## State and Local Government Operations

### Contracting report discussed

Senators heard a report characterizing as deficient state agencies' compliance with statutes and guidelines regarding professional/technical contracts during the introductory meeting of the State and

Local Government Operations Committee, Mon., Jan. 27. The panel, chaired by Sen. Jim Vickerman (DFL-Tracy), also heard a response to the report from the new commissioner of administration.

Legislative Auditor Jim Nobles said that while the Office of the State Auditor examines local governments, the Office of the Legislative Auditor (OLA) examines state agencies. The Legislative Audit Commission, he said, oversees the office and approves its evaluations. The bipartisan commission, he said, expressed Legislators' concerns and conflicts over the use of the private sector by state agencies to improve services provided to the public. Contracts for outside services can, in some cases, be more effective and efficient than using state employees to deliver those services, Nobles said. However, he said, at the first sign of budgetary problems, funds for contracting are trimmed or eliminated. Also, Nobles said, the public, the press and Legislators share a suspicion about contracts and their abuse. To protect the public, the Legislature has established a rigorous process that relies heavily on the Dept. of Administration to oversee contracts, he said. The OLA found that Minnesota's contracting procedure is good on paper, Nobles said, but is not working in practice. The Dept. of Administration is overwhelmed, he said, with only 2 employees to examine over 4,000 contract-related documents every year. At the same time, he said, agencies were found to bypass and ignore the department, legal requirements and good contracting practices.

Professional/technical contracts are used for services that are primarily intellectual, such as identifying technical needs, conducting studies or designing the state's roads and bridges, said project manager Jo Vos. She outlined the general contract process and requirements imposed by the Legislature. The department has made the process easier for agencies by creating a standard contract template, Vos said. Total spending on professional technical contracts amounted to \$358 million in FY 2001. Between FY 1996 and FY 2001, annual increases in contract spending outpaced inflation, but was at the low end of state spending increases, Vos said. In that period, inflation rose 2.9 percent annually, professional/technical contract spending increased 5.3 percent annually, employee compensation grew at an annual rate of 5.7 percent and overall state

operating expenditures rose 6.5 percent per year. From 1996 to 2001, she said, the number of contracts processed by the department rose 64 percent and the number of contract amendments rose 152 percent. Over two-thirds of the contracts handled by the department in a sample year, Vos said, were for amounts less than \$50,000. However, she said, the 18.8 percent of contracts for amounts greater than \$100,000 represented over 85 percent of total contract spending in that year. Vos also reviewed the effects of the moratorium on contracts imposed in earlier rounds of budget cutting.

In the OLA's review of 60 contracts in 6 agencies—the Departments of Administration; Children, Families and Learning; Human Services; Natural Resources; Revenue; and Transportation—Vos said the auditors found little documentation about the needs for the contracts or exploration of alternatives, such as using state employees. She said 36 contracts did not contain adequate descriptions of the state's responsibilities, 33 contracts lacked adequate performance standards and 30 contracts did not have adequate monitoring tools. In almost two-thirds of the contracts, she said, agencies allowed work to begin before the contract was signed; in 10 cases, the contract was signed 5 months later and in 2 cases the signing came 10 months after the work began. Vos said in over one third of the contracts, agencies allowed contractors to begin work before funds for the contract were encumbered, or set aside. In six cases, she said, three months elapsed between the start of work and the encumbrance of funds, and in the most egregious case funds were not encumbered until two weeks before the contract was to expire. Agencies were deficient in monitoring contracts and reviewing the work after the contract expired, she said. Vos said the OLA found that the Dept. of Administration plays a weak oversight role because of its philosophy—contract facilitation instead of contract monitoring—because of its limited staff resources and because the department lacks enforcement tools.

Vos said the report included several recommendations. Among them were refocusing the Dept. of Administration on its oversight role and clarifying contracting statutes and guidelines, she said. The OLA also recommends delegating more responsibility to agencies that have complied with contract guidelines, she said, and





***Lt. Gov. and Transportation Commissioner Carol Molnau fields questions regarding MnDOT's procedures and use of consulting contracts from members of the Senate Transportation Policy and Budget Division Thurs., Jan. 30.*** Photo by David J. Oakes

increasing the oversight of the Dept. of Administration over poorly performing agencies. Such a policy, Vos said, represents a carrot-stick approach to encourage agencies to follow contract guidelines. The OLA report also recommends removing the requirement that the Attorney General's Office approve all contracts for form; since most agencies use the Dept. of Administration's template, almost all contracts meet format requirements, Vos said. The OLA report also recommends requiring a performance evaluation of contractors after work has been completed and the enactment of legislation specifically prohibiting agencies from allowing contractors to begin work before the contract is signed and funds are encumbered.

Ryan Church, a consultant with the Dept. of Administration Management Analysis Division, conducted a similar study of the contracting process. He said his report came to many of the same

conclusions. Church said he found that the department is fast and efficient in its review and approval of contracts. The report includes several recommendations, he said, including promoting a broader understanding of contracting requirements among state agency heads. Brian Lamb, commissioner of the Department of Administration, said the challenge many agency contract coordinators face is that they are employees of agencies—responsible to agency heads and obligated to advance the agency's mission—but are also responsible for following state contracting guidelines. He said the department, and the new governor's administration, is examining the issue and is already taking steps to improve the process.

Committee members also heard an overview of regional development organizations. Craig Rubis, Southwest Regional Development Commission, and John Chell, Arrowhead Regional Development Commission, described the efforts

their organizations are making to foster development in the southwestern and northeastern sections of the state.

### **Administrative rules discussed**

The State and Local Government Operations Committee, chaired by Sen. Jim Vickerman (DFL-Tracy), devoted the Wed., Jan. 29, hearing to a discussion of administrative rules and to consideration of two bills dealing with rulemaking.

Senate Counsel George McCormick gave members some background about the committee's responsibility regarding administrative rules. He said agencies may only develop rules because the Legislature delegates the authority and that it is the role of the committee to provide oversight on the process of rulemaking. He said the Administrative Procedures Act is one of the most complex in the nation, but the upside is that by the time a rule is completed, all interested parties have had input into it.

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David Orren, from the Dept. of Health, provided members with an overview of state agency rulemaking. He said the most important thing to know about state agency rules is that rules have the force and effect of law. Rules are used to administer programs created by the Legislature and to fill in any necessary details in the law. He said rules were the Legislature's response to problems with informal policies, fulfilled the public's desire to know how agencies intended to implement laws and provide certainty and consistency. Both agencies, through their expertise, and public participation add value to the rulemaking process, Orren said. All rules are reviewed by an administrative law judge, Orren said, but 80 percent of all rules are noncontroversial and are adopted without a hearing. Orren said suggestions for improved legislative oversight include giving rulemaking authority only when necessary, narrowly defining rulemaking authority, monitoring rules as they are being developed and monitoring administration and enforcement of rules.

John Knapp, an attorney with Winthrop and Weinstein, also spoke about the rulemaking process. He said there have been three major improvements in recent years to the rulemaking process. He cited the expanded role of the governor, more regulatory analysis of benefits, results and costs of rules and a recent law allowing parties to challenge an agency trying to enforce a policy without going through the rulemaking process.

Administrative Law Judge George Beck also provided an overview of the role of administrative law judges in the rulemaking process.

Members then considered two measures, sponsored by Sen. Don Betzold (DFL-Fridley), relating to rules.

The first bill, S.F. 30, imposes notice requirements for the use of the "good cause exemption." According to Betzold, the good cause exemption is a provision that allows an agency to find that the rulemaking process is unnecessary, impracticable or contrary to the public interest when adopting, amending or repealing a rule. Betzold said the good cause exemption is intended primarily for those cases in which rules must be adopted in order to comply with federal law. However, he said, he thought there should be some notice provision. Under the bill an agency that intends must use the

exemption to notify interested parties no later than the date the agency submits the proposed rule to the Office of Administrative Hearings. Under the bill, the notice must state the proposed rule, an explanation of why the rule meets the requirements of the exemption and a statement that interested parties have five days to submit comments.

The bill was amended to include an immediate effective date and sent to the Senate floor with a recommendation to pass.

The second bill, S.F. 61, clarifies the requirements for the statement of need and reasonableness (SONAR) that agencies must prepare before adopting a rule. Currently, agencies must list the probable costs of complying with the rule, Betzold said. The bill specifies that the agency list the probable costs and include the portion of the costs that will be borne by affected parties, such as governmental units, businesses or individuals.

Sen. David Senjem (R-Rochester) offered an amendment requiring agencies to determine if the cost of complying with a proposed rule will exceed \$100 million over the first 10 years the rule is in effect. Further, the amendment specifies that if the cost exceeds \$100 million, the rule may not take effect until the rule is approved by the Legislature. Betzold argued the amendment should be submitted as bill, rather than as an amendment to his bill. He also said the amendment has the effect of making the Legislature act twice on essentially the same item. Senjem withdrew the amendment.

The bill was approved and sent to the Senate floor.

## State Government Budget Division

### Legal Aid, judiciary overviewed

The financial realities of Minnesota's legal aid and judicial systems were the focus of the Mon., Jan. 27, meeting of the State Government Budget Division. Representatives of legal aid providers and the state courts stressed the countercyclical nature of the judicial system to the panel.

Kent Germander said the Legal Services Coalition, which is made up six regional legal aid programs, has already taken cuts in funding from other sources. Germander, a former president of the Minnesota State Bar Association, said the

coalition's annual budget, which is distributed to the aid programs, is about \$22.5 million. Of that, he said, one-third is state funds, one-third is federal support, primarily from the federal Legal Services Corporation, and the remaining third is made up of support from foundations, attorney registration fees and interest on lawyer trust accounts. Germander said legal aid makes the work of the court system more efficient by screening cases to turn away potential plaintiffs that have no case and by finding non-court solutions, such as mediation, for other cases. Legal aid also keeps families together, helps ensure the collection of child support and makes sure those who should be getting state benefits are getting them, he said.

Steve Witort, corporate counsel for 3M Corp., said legal aid services are philosophically and pragmatically necessary in a nation of laws. "An independent judiciary has no meaning without access," he said, and legal aid provides access to the courts for those who would otherwise lack that access. Women, he said, represent 70 percent of legal aid clients in Minnesota. Every year, Witort said, the legal aid system recovers over \$5 million in child support payments, saving the state that money in support for the deserving recipients. Additionally, legal aid recovers \$4 million in Social Security payments, he said. Screening cases, Witort said, saves the court system about \$1,000 per case, or \$5.1 million a year. Legal aid efforts also keep families out of subsidized housing and homeless shelters, he said. Judge Thomas Mott, chief judge of the Second Judicial District, said legal aid is in even more of a countercyclical position than the courts. As the economy sours, he said, the need for the services provided by legal aid increases sharply.

State Court Administrator Sue Dosal said almost all aspects of the judicial system's work are grounded in the state constitution. Not only must the courts handle both criminal and civil cases, but they must do so promptly, she said. The states 297 judges, supported by 2,900 employees, handle about 2 million cases a year, Dosal said. She presented data showing that major case filings—for felony and gross misdemeanor criminal cases, general civil cases, probate cases and family and juvenile cases—have increased by 50,000 over the past 10 years, an increase of 33 percent. During the same period, Dosal said, the number of judges



has increased only 12 percent. Two years ago, Dosal said, the legislative auditor studied the judicial system and found that it meets or exceeds the processing times of other states and that Minnesota judges carry a caseload, per judge, 49 percent higher than in comparable states. To meet the average caseload of other states, Dosal said, Minnesota would need 130 more judges. Because of the larger caseload, Dosal said, "an assembly line approach to justice" has evolved. In addition to the caseloads, she said, the courts have taken on three major initiatives: a children's justice project, CriMNet and the state takeover of court funding from the counties.

Dosal said the governor's proposed reductions in the judiciary's budget will result in the reduction of law clerks at the Supreme Court and delay the major initiatives. Chief Judge of the Court of Appeals Edward Toussaint said the governor's proposal will result in an increased backlog at the appellate level and delay consideration of all cases. Mott, the Second District's chief judge, said the trial courts will see a slowdown or even a shutdown of case processing. In some Greater Minnesota courts, he said, there may be only one judge or one law clerk. Mott said some prosecutors may look at their charging policies because they will not be able to prosecute every case in a timely manner. If that happens, he said, it is likely some nonviolent offenders will not be tried, even at the felony level.

### **Panel tours agency**

The State Government Budget Division, chaired by Sen. Jane Ranum (DFL-Mpls.), devoted their Tues., Jan. 28, hearing to a tour of the Dept. of Administration.

### **Contracting procedure discussed**

How agencies handle professional/technical contracts, and how the Dept. of Administration enforces existing contracting procedures and statutes, were the focus of the Wed., Jan. 29, meeting of the State Government Budget Division. Sen. Jane Ranum (DFL-Mpls.), chair of the division, said that even though many members were bothered by recent news investigations of specific contracts entered into by the Dept. of Transportation (MnDOT), her intent was to examine the broader picture of contracting procedure.

George McCormick, Senate Counsel, reviewed laws covering contract procedure for division members. He said statutes give primary authority to the commissioner of administration. As of Jan. 1, 2002, McCormick said, the commissioner of administration was specifically ordered to review all contracts entered into by MnDOT. He also reviewed the power of the commissioner to delegate contract oversight. Statutes require that such instances of delegation be specific in scope and that documentation of the delegation be filed with the secretary of state. McCormick said three delegations of contract oversight were made by the commissioner of administration to the commissioner of transportation during April and May 2001.

Of the three, he said, only one was specific to single contract, while the other two were broader in scope. McCormick said the two delegations also made reference to a memorandum of understanding dated May 1, 2001. However, he said, the memorandum was not included in either filing and was, in fact, not completed until several months later. "One could certainly make a good argument," McCormick said, that the delegations were not legal.

Legislative Auditor Jim Nobles previewed a report on professional/technical contracting procedures. He said state laws are tough and rigorous about contract procedure, but that a conflict exists among government officials and workers between getting necessary work done and following good contract procedures. Nobles suggested that division members interested in a case study of conflicts over contract procedure read a May 2002 investigative analysis conducted by the Office of the Legislative Auditor (OLA) into a specific MnDOT contract.

He said recent newspaper reports have been more interesting to read than an audit, but both activities have brought the issue to the front burner for policymakers. Even the OLA, Nobles said, confronted a MnDOT that was hostile to oversight, unwilling to admit it was ever wrong and focused on image control and spin. However, he said, the people who set that tone at the agency have since left it.

Jo Vos, OLA, presented the report to the panel. Vos's presentation was similar to the presentation she made to the State and Local Government Operations Committee Mon., Jan. 27. Ryan Church, who also spoke at the earlier committee hearing, presented a study conducted by the Dept. of Administration into contract procedure.

Sen. David Knutson (R-Burnsville) said it seemed strange that contractors are entering into agreements with state agencies and beginning work, even though the contracts have not been fully executed or funds encumbered for the work. He said contractors should be put on notice that they will not be paid if work begins before the agency has completed the contracting process. Commissioner of Administration Brian Lamb said better controls do need to be put in place, while also allowing for special circumstances. Nobles said a potential for legal hazard exists, because an aggrieved party may sue the state and contractor over a range of issues, including contract procedure violations.

Ranum said she believed the governor had recommended changes to contract procedure in his budget reconciliation plan and the other body had included those recommendations in its bill. McCormick said H.F. 74 does contain the governor's recommendations, which make it easier for agencies to enter into contracts. He said the bill repeals requirements that agencies seek state employees to do work, instead of contracting for the work, that the Dept. of Employee Relations keep an employee skills inventory for agencies to access before seeking contractors and that the Dept. of Administration provide central printing and duplicating services for the state.

Lamb said PrintComm, the state printing office, has lost about \$1 million. The services it provides, he said, can be performed most capably in the private sector. The state, Lamb said, cannot continue to subsidize PrintComm or other money-losing operations. The department had attempted to shut PrintComm down, but a judge said two state laws prevented it from doing so, Lamb said. He said the administration is trying to provide flexibility for agencies as they examine various business functions and prioritize what they can afford to do.

# Preview

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## Monday, February 3

The Senate will be in session at 10 a.m.

### Commerce and Utilities Committee

Chair: Sen. Ellen Anderson

12:30 p.m. Room 112 Capitol

**Agenda:** S.F. 157-Scheid: Homeowners insurance cancellation prior notice requirement. S.F. 156-Kelley: Internet consumer information disclosure regulation provisions clarification.

### Environment and Natural Resources Committee

Chair: Sen. John Marty

12:30 p.m. Room 107 Capitol

**Agenda:** Continuation of public testimony on ATV issues.

## Tuesday, February 4

### Health, Human Services and Corrections Budget Division

Chair: Sen. Linda Berglin

9 a.m. Room 123 Capitol

**Agenda:** DHS: Continuation of overview of grant programs. Overview of entitlement programs.

The Senate will meet at 11:30 a.m. in Joint Session with the House of Representatives for the State of the State address.

### Jobs, Housing and Community Development Committee

Chair: Sen. Linda Scheid

3:30 p.m. Room 112 Capitol

**Agenda:** Overview of Minnesota's job creation activities. Testifying: representatives of Dept. of Trade and Economic Development, Minnesota Technology, Iron Range Resources and Rehabilitation Board and U of M.

## Wednesday, February 5

### E-12 Education Budget Division

Chair: Sen. LeRoy Stumpf

9 a.m. Room 112 Capitol

**Agenda:** S.F. 101-Kubly: Increasing general education aid proportionately for school districts (discussion only).

### Health, Human Services and Corrections Budget Division

Chair: Sen. Linda Berglin

9 a.m. Room 123 Capitol

**Agenda:** Corrections grant programs overview.

### State and Local Government Operations Committee

Chair: Sen. Jim Vickerman

12:15 p.m. - Meet bus in front of Capitol

**Agenda:** Tour of the Minneapolis/St. Paul International Airport and presentation by Metropolitan Airports Commission.

### Commerce and Utilities Subcommittee on Liquor

Chair: Sen. Sandra Pappas

12:30 p.m. Room 112 Capitol

**Agenda:** Overview of liquor laws and issues.

### Crime Prevention and Public Safety Committee

Chair: Sen. Leo Foley

12:30 p.m. Room 15 Capitol

**Agenda:** CriMNet annual report.

### Environment and Natural Resources Committee

Chair: Sen. John Marty

12:30 p.m. Room 107 Capitol

**Agenda:** S.F. 203-Higgins: Restricting the use of phosphorus in dishwashers and detergents.

## Thursday, February 6

The Senate will be in session at 9 a.m.

### Environment, Agriculture and Economic Development Budget Division

Chair: Sen. Dallas Sams

12:30 p.m. Room 107 Capitol

**Agenda:** To be announced.

### Health and Family Security Committee

Chair: Sen. Becky Lourey

12:30 p.m. Room 15 Capitol

**Agenda:** Presentation on Health Boards. S.F. 127-Skoglund: Health related licensing boards disciplinary proceedings costs and penalties collection authority clarification. S.F. 39-Berglin: Hennepin County Community Clinic as essential community provider.

### Higher Education Budget Division

Chair: Sen. Sandra L. Pappas

12:30 p.m. Room 123 Capitol

**Agenda:** To be announced.

### Jobs, Housing and Community Development Committee

Chair: Sen. Linda Scheid

3:30 p.m. Room 112 Capitol

**Agenda:** To be announced.

## Friday, February 7

### Commerce and Utilities Committee

Chair: Sen. Ellen Anderson

10:45 a.m. Front of Capitol

**Agenda:** Tour of Prairie Island Nuclear Plant.



### Tour the Capitol on CD-ROM

Senate Media Services has announced the release of a CD-ROM tour of the Capitol, called "A Building for All..."

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A special section called "Other Neat Places" takes you to more obscure areas that you may not see on an in-person visit to the building like the inner dome, the underground tunnel system, or the newly restored "Rathskeller" cafeteria.

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# Senate Briefly

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*In honor of the seven astronauts who lost their lives in the space shuttle Columbia disaster, the flags on the State Capitol flew at half staff.*

*Photo by David J. Oakes*



*February 7, 2003*

# Senate Highlights

## Conference Committee deadlocks

Despite meeting into the early hours Friday morning, members of the Conference Committee on H.F. 74, the FY 03 budget resolution bill, failed to reach an agreement. Negotiations broke down when Senate members declined to accept a final House offer.

Senators said permanent budget cuts made in the House proposal were too extensive and that there has not been public debate on those reductions. House negotiators said the reductions need to be made in order to go forward in dealing with the FY 04-05 shortfall.

The Conference Committee met during the afternoon Thurs., Feb. 6, and continued negotiations throughout the evening. The panel, chaired by Rep. Jim Knoblach (R-St. Cloud), did reach agreement on a total reduction package of \$461 million. However, several items could not be resolved by the deadline set by the governor.

With the break off of negotiations, it falls to the governor to begin a process called "unallotment" to balance the budget for the current fiscal year. The governor's unallotment order, issued Fri., Feb. 7, cuts more than \$281 million in state spending.

In addition, the commissioner of revenue was directed to delay payments under the capital equipment sales tax reimbursement program, which will save \$50 million.

Finally, the state's reserve of \$24 million will also be used to balance the budget for the current fiscal year.

**Senate Briefly** is a publication of the Minnesota Senate Publications Office. During the 2003 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. It can be made available in alternative formats.

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## Pawlenty delivers State of State

Gov. Tim Pawlenty delivered his first State of the State address to members of the Senate and House of Representatives Thurs., Feb. 6. Pawlenty set forth the broad framework of his agenda for the next four years. "Our state is awesome and remains one of the best in the country," he said. But, quoting Bob Dylan, the governor said the times are changing and Minnesotans are faced with a new kind of war, a new kind of economy and a new kind of budget.

Minnesota's problems are not caused by a lack of spending or caring, he said. "The deficit is caused by spending too much, not by taxing too little," the governor said. Pawlenty said the budget for the next biennium, fiscal years 2004 and 2005, will be larger than the budget for FY 02-03. Bringing state spending into line with revenues will nonetheless require some sacrifices, Pawlenty said.

The governor noted that President Abraham Lincoln set himself to two tasks: maintaining the Union and building an intercontinental railroad. Lincoln knew securing the present wasn't enough, Pawlenty said, but that building for the future was also necessary. He said that if the state makes tough budget decisions now, the budget situation can turn around within three years. The broad framework Pawlenty laid out fell into five major areas: education, jobs, public safety, transportation and health care.

To return to the forefront, he said, Minnesota's education system must return to its core mission. Pawlenty said the Dept. of Children, Families and Learning should be renamed the Dept. of Education. He also stressed the importance of parent accountability, the replacement of the Profile of Learning, a rededication to educating the state's neediest children that will include greater school choice, rewarding teachers with performance pay and redesigning education funding so it is fair and understandable.

Pawlenty said the state needs to create job zones that will encourage business and job development. The State Board of Investment, comprised of the state's constitutional officers, should be investing primarily in Minnesota companies, he said. The future of Minnesota's economic health depends upon advances made in medical technologies, Pawlenty said, including research done at the University of Minnesota. When the state

is in a better fiscal position, he said, it should provide greater incentives for those who provide venture capital to Minnesota businesses.

Public safety is a government's first duty, the governor said. He urged the Senate to pass H.F. 1, which requires foreign visitors' drivers licenses to be imprinted with their visa expiration dates. Pawlenty also said he would use federal anti-terrorism dollars to help authorities communicate with each other during crisis situations. Information must also be shared between local, state and federal agencies, he said. Pawlenty said the state needs to do a better job serving crime victims and said he is creating an office of justice programs to consolidate those efforts.

Pawlenty said the way transportation projects are delivered in the state needs to change, to become faster, less expensive and more effective. He said Lt. Governor Carol Molnau, who is also serving as transportation commissioner, is the best person to lead that effort. Health care, the governor said, is the state's costliest problem and its greatest opportunity for change. He announced that former U.S. Senator David Durenburger will be leading a task force that will report, within eight months, on a long-range cost control strategy.

The governor said Minnesota cannot afford not to move forward with these issues, even when the money is tight. A vision of a greater Minnesota, he said, will connect people to a great and noble purpose. Pawlenty called upon Minnesotans to serve in their community and thanked those, from public servants to police officers to volunteers, who already are doing so.

Earlier in the day, the Senate met to grant final passage to one bill on the Consent Calendar. Bills on the Consent Calendar have been approved by committee and are considered noncontroversial. S.F. 94, authored by Sen. Dave Kleis (R-St. Cloud), corrects the description of certain state land adjacent to St. Cloud state university conveyed by the commissioner of administration to the city of St. Cloud.

The Senate also met very briefly Fri., Feb. 7, but no business was conducted.

## Phosphorus testimony begins

A bill requiring reductions in the amount of phosphorus contained in



automatic dishwasher detergents was the only agenda item at the Wed., Feb. 5, meeting of the Environment and Natural Resources Committee. S.F. 203, carried by Sen. Linda Higgins (DFL-Mpls.), requires that domestic dishwasher detergent sold or used in Minnesota contain no more than 0.5 percent phosphorous by weight. For commercial and institutional dishwashers, the bill requires such machines use a nonphosphorous detergent by 2007.

John Tuma, Minnesota Environmental Partnership, said dishwasher detergent has been regulated by the state since 1976. When the regulations were first enacted, he said, no alternatives to phosphorus existed for dishwasher detergent. A very small amount of phosphorous in surface water, Tuma said, allows algae to bloom. As algae spreads across a lake, river or other body of water, he said, it is destructive to the ecosystem and prohibits recreational use of the body of water. Tuma said alternatives to phosphorous are now available and effective in cleaning dishes. However, he said, the free market has not worked in reducing the amount of phosphorous in dishwasher detergent. The question, Tuma said, is not whether to regulate phosphorous, but whether detergents with as much phosphorous as Miracle-Gro plant food should be allowed on the market.

Phosphorous is one of the two greatest problems facing the Cannon River Watershed, said Justin Watkins. He said reducing phosphorous will allow watershed managers more time to protect surface and ground water and require less money to protect and preserve those resources. Watkins presented estimates of how much phosphorous is contributed to the state's wastewater by dishwasher detergents, which he said may represent as much as 14 percent of the total phosphorous present. Wastewater treatment managers, he said, have lined up in support of the bill because they prefer remedying a problem at its source rather than trying to treat it at a wastewater plant. Sen. Gen Olson (R-Minnetrista) said it seemed more logical to address the 86 percent of phosphorous not coming from dishwashers. Watkins said the four largest sources of phosphorous are human waste, industrial waste, phosphorous in pipes intended to reduce corrosion and dishwasher detergent. The easiest to tackle, he said, is the dishwasher detergent.

A representative of a nonphosphorous dishwasher detergent manufacturer, 7th Generation, testified via telephone. Martin Wolf said many

products are already on the market, including those made by his company and others. In independent tests, he said, nonphosphorous products were comparable to major label products in performance and actually had lower alkaline levels than the major label products. Wolf said a high alkalinity is dangerous and corrosive. Phosphorous is cheap, he said, but alternatives are not significantly more expensive. The cost differential between a 7th Generation product and a major label product is about one cent per ounce, he said. Consumers may end up paying more for alternatives because such products are not distributed directly to retailers and are sold primarily in natural foods stores, which have a higher margin than other retailers, he said. Wolf said that as distribution of nonphosphorous products increases, the price differential is likely to decrease.

Sen. Michael Jungbauer (R-East Bethel) said an Australian government study had found that sodium citrate, an alternative to phosphorous, had a detrimental impact on aquatic animals, including decreasing their ability to reproduce, even when the water had been treated. Wolf said he wasn't aware of the study and was surprised by its result. Sodium citrate, he said, is biodegradable and a Danish government study said it was not toxic. "I agree there's a problem" with phosphorous, Jungbauer said, but the state should not risk exposing itself to the untreatable hazards posed by alternatives to avoid the treatable hazard of phosphorous.

A Dassel resident, Doug Hedin, presented data he compiled using Pollution Control Agency information. He said 1.2 million households are connected to Minnesota sanitary sewers. Of those homes, he said, 70 percent have dishwashers, which each contribute 4.4 pounds of phosphorous to wastewater every year. At a cost of about \$20 per pound, Hedin said, dishwasher detergent phosphorous costs the state about \$71.6 million per year to remove. All the major dishwasher manufacturers, he said, have tested their products with nonphosphorous detergents and determined that the alternative detergents do not affect the machines' operation or warranties.

Dishwasher detergents contribute only about 0.5 to 0.75 percent of the total phosphorous in surface water, said Dennis Griesing. Griesing, a vice president of the Soap and Detergent Association, said there will be no environmental benefit from banning phosphorous in dishwasher detergents. He cautioned the committee against equating the amount of phosphorous in a detergent with the amount of

phosphorous that will reach the water system. Griesing said septic systems and wastewater treatment facilities are very effective at removing phosphorous. The total market for dishwasher detergents is about \$631 million annually, he said, of which only \$221,000 is nonphosphorous detergents. Banning major label detergents in Minnesota, he said, will not be effective because the alternatives cannot meet market demand and consumers will get the products they want elsewhere. The industry has worked to reduce phosphorous, he said, so that even while the number of dishwashers has increased, the amount of phosphorous entering water systems has decreased.

Terry Evenson said Ecolab has been developing a non-phosphorous detergent for commercial and institutional dishwashers. The main agent is nitrotriacetate (NTA), he said, which is on the U.S. government's suspected carcinogen list. The NTA-based product is being test-marketed in Scandinavia, Evenson said, but Ecolab is withdrawing the product because of performance issues. Pat Hayes said Procter and Gamble has tried to create a nonphosphorous detergent that meets the company's standards. However, he said, no product has been effective. Nonphosphorous compounds have been found to be less effective at cleaning across a variety of wash conditions, he said. Hayes said detergent manufacturers have compelling reasons, including production efficiencies and public relations, to seek to reduce phosphorous and move toward nonphosphorous detergents, but only if the products are effective.

Other environmental concerns must also be weighed, he said, including the use of water and heat. As environmental guidelines require reducing the amount of water and the temperature of the water used in dishwashers, Hayes said, the washing cycle relies more on the detergent. If a detergent isn't effective, he said, consumers may run the machine more times to clean the same load of dishes. He also noted that wastewater treatment facilities—including five of seven Metro Area facilities—are employing or moving toward employing biological processes that remove phosphorous from water. The biological removal, Hayes said, is sustainable and lower in cost.

Because a majority of the time had been spent hearing testimony from and asking questions of the bill's proponents, Committee Chair John Marty (DFL-Roseville) said the committee would hold another hearing on the issue to provide equal time to both sides.

# Committee update



*President of the Senate James Metzen (DFL-South St. Paul), left, and Speaker of the House Steve Sviggum (R-Kenyon) greet Gov. Tim Pawlenty prior to the governor's delivery of his first State of the State address to a joint meeting of the Senate and House in the House Chambers Thurs., Feb. 6.*

Photo by David J. Oakes

## Commerce and Utilities

### Internet protection bill gains

Members of the Senate Commerce and Utilities Committee met Mon., Feb. 3, to advance a bill making technical corrections to existing law protecting Internet consumers' personal information. The committee, chaired by Sen. Ellen Anderson (DFL-St. Paul), approved S.F. 156 and re-referred it to the Judiciary Committee.

Sen. Steve Kelley (DFL-Hopkins), chief author of the bill, said Minnesota is one of two states seeking to protect information about consumers held by Internet service providers (ISPs). The original law, passed last year, has a

delayed effective date because such efforts are new in the nation, he said. The amendments proposed in S.F. 156, Kelley said, are effective on the same day, March 1, as the original law. The bill exempts aggregate information from the definition of personally identifiable information, so long as the aggregate information cannot be used to determine the identities of individual consumers. The bill also amends the requirement that ISPs provide consumers with their own personal information and includes a reasonable authentication of the consumer's identity before the information can be disclosed. Kelley offered an amendment, adopted by the committee that includes a provision requiring ISPs to provide information about individual consumers in compliance

with federal child pornography laws. Kelley said the federal agency that investigates child pornography charges is not a law enforcement agency and thus is not included in an existing provision requiring ISPs to disclose information to law enforcement agencies. The bill also includes provisions noting that ISPs are not required to create new information in order to comply with the law and that the law does not apply to non-Internet related business operations of ISPs. Kelley said some ISPs are also cable-providers. Cable providers, and personal information about cable consumers, are already regulated in state law, he said, but in a different manner.

Jim Erickson, representing the United States Internet Service Provider Associa-



tion, said the industry supports S.F. 156, though it does have other issues with the existing law. He said the industry will continue to work with Kelley to resolve those issues.

The committee also considered S.F. 157, carried by Sen. Linda Scheid (DFL-Brooklyn Park). The bill requires insurance companies sending notices of cancellation to consumers, if the premium is paid by a mortgage lender from an escrow account, to send the notices via certified mail, with return receipt requested. The bill also prohibits insurers from canceling such policies without ensuring that the homeowner has received the cancellation notices and has had 10 days to pay the premium.

Ted McLaughlin, a Brooklyn Center resident, related his experience with a home fire in December 2000. McLaughlin's homeowners policy was paid by his mortgage lender from an escrow account every year, he said. The policy was up-to-date at the time of the fire, he said, although the insurer claimed it had never received payment and sent notices of cancellation to both himself and the mortgage company. McLaughlin said the mortgage lender and the insurer finally resolved the matter after nine days, when the mortgage lender proved it had sent payment with all appropriate account numbers. "Those were flat out the worst nine days of my life," he said, as he stayed with friends and began replacing his possessions, all of which had been lost in the fire.

A system requiring the use of certified mail would not be workable, said Bob Johnson, Insurance Federation of Minnesota. Johnson noted that most people aren't home during the day to sign for the certified letter. He said the system currently in place works in almost all cases. McLaughlin's case is unfortunate, he said, but represents an isolated incident. Current law, Johnson said, requires a 30-day notice of intent to cancel and a second letter indicating cancellation. He said the federation supports the current system, which is enforced by the Dept. of Commerce and includes civil penalties imposed on violators.

The committee set S.F. 157 aside for further consideration by the Subcommittee on Consumer Protection and Banking.

## Overview of liquor laws heard

The Commerce and Utilities Subcommittee on Liquor met for the first

time Wed., Feb. 5, to hear an overview of laws relating to alcoholic beverages and issues relating to liquor.

The panel, chaired by Sen. Sandra Pappas (DFL-St. Paul), heard from Senate staff on the history of liquor laws in Minnesota. According to staff, Minnesota has a three-tier system for alcoholic beverages—manufacturers, distribution and retailing—all of which are kept separate with no common ownership between levels. There are exceptions, though, for brewpubs, farm winery licenses, brew on premises stores, winemaking on premises stores, reciprocal wine shipments and brewer financial interest in wholesalers. Retail licensing is regulated by the state.

Members also heard from representatives of a variety of organizations about issues related to alcoholic beverages and from Frank Ball, director, Alcohol and Gambling Enforcement Division, Dept. of Public Safety.

Carole Basil, representing the Beer Wholesalers Association, said the association provides accountability and promotes responsible use of alcoholic beverages. She said the three-tier system is efficient.

A representative of the Licensed Beverage Association said liquor retailers are primarily small, family-owned businesses. She said the association understands the public safety concerns surrounding alcoholic beverages and recognizes the need for regulation.

Sheila Nesbit, representing the Join Together Coalition to Reduce Underage Drinking, said the organization has three priorities. She urged having more alcohol compliance checks, increasing the alcohol excise tax to 10 cents per drink and opposing expansion of the availability of alcoholic beverages, particularly in grocery stores.

Pappas said members of the Minnesota Grocers Association had not asked to speak at the hearing because specific issues were not going to be addressed.

## Panel tours Prairie Island

Members of the Commerce and Utilities Committee, chaired by Sen. Ellen Anderson (DFL-St. Paul), met Fri., Feb. 7, to visit a nuclear electric generation facility operated by Xcel Energy. Senators were given a tour of the plant, located at Prairie Island, near Red Wing.

## Crime Prevention and Public Safety

### CriMNet annual report presented

The CriMNet 2002 Annual Report was the focal point of the Wed., Feb. 5, meeting of the Crime Prevention and Public Safety Committee. The panel, chaired by Sen. Leo Foley (DFL-Coon Rapids), heard from members of CriMNet on the progress of the criminal justice information system and integration efforts.

Dale Good, Courts, and Reggie David, CriMNet acting executive director, provided a presentation on the status of specific projects within CriMNet. Good said CriMNet is a program to improve public safety in Minnesota by facilitating higher quality decisions at various points in the criminal justice process through better information and integrated business processes. Many individual projects and efforts are funded and managed by different agencies, but they work together toward common CriMNet goals, he said.

Good said there are three fundamental program goals that provide direct benefit to public safety—identifying individuals, determining individual's records and determining individual's current status.

Good also said there are two general categories of objectives: those that facilitate making systems person-based resulting from a biometric identification and those that provide for defendant status checks at justice decision points.

David said CriMNet is comprised of multiple projects and effort. The CriMNet team is made up of representatives of the executive branch, the judicial branch and local and county agencies. She outlined the status of the Statewide Supervision System project, the Minnesota Repository of Arrest Photos project and the Predatory Offender Registry. Good also outlined the status of the Minnesota Court Information Systems project.

Sen. Jane Ranum (DFL-Mpls.) and Foley both asked about steps being taken to ensure the accuracy of the data in the CriMNet system. Good said that ultimately they want to be able to link back to biometric data, such as fingerprints.

# Committee update

## E-12 Education Budget Division

### Proportionate aid bill heard

The Wed., Feb. 5, meeting of the E-12 Education Budget Division was devoted to a presentation by Children, Families and Learning Department staff and consideration of a bill to provide additional general education aid to districts with smaller numbers of students.

Jim Bartholomew, of the department, detailed the number of full time equivalent (FTE) staff reductions the department has made since budget cuts began in 2002. According to Bartholomew, 97.6 FTEs, funded from the general fund, have been eliminated over the course of the last 12 months. He said that no positions funded by federal dollars have been reduced. Bartholomew said most of the general fund money at the department is for curriculum and instruction, Indian education, statewide assessments, program finance, technology and libraries, education licensing and agency finance.

The division, chaired by Sen. LeRoy Stumpf (DFL-Thief River Falls), also focused on reductions in the area of Indian Education. Yvonne Novack, supervisor, said the Indian Education Office is totally state funded. She said the department has closed offices in Bemidji and Duluth and consolidated operations in Roseville. However, she said the programs operated by the office have continued.

Discussion then turned to a bill, S.F. 101 that increases general education aid proportionately for rural and metropolitan school districts. The measure, carried by Sen. Gary Kubly (DFL-Granite Falls), provides additional revenue for districts with small enrollment. Pete Ziegler, Minnesota River Valley Education District, said the area covered by his education district is approximately 6,000 square miles in central Minnesota. However, he said there were only 6,000 students spread among 7 school districts and 16 communities. Ziegler said the area has done as much consolidation as possible and now relies heavily on cooperative efforts and the use of technology. He said additional aid is needed for those districts.

Kubly acknowledged that the bill's passage was problematic because of the funding involved. However, he said it is important to begin the discussion of assisting districts with small enrollments. No action was taken on the measure.

## Environment and Natural Resources

### ATV testimony continues

The Environment and Natural Resources Committee continued their review of the issue of ATV use in Minnesota at its Mon., Feb. 3, hearing. The panel, chaired by Sen. John Marty (DFL-Roseville), heard public testimony on the issue. At the conclusion of the hearing Marty said the issue would rest until bills concerning ATV use are before the committee.

Marty began by providing Tom Spence, co-chair of the Motorized Trail Task Force, with an opportunity to rebut testimony from a previous hearing. Spence said accusations were made at the previous hearing that he, the other co-chair and the task force facilitator had stifled discussion and abused those with different views. He said the preposterous accusations tell more about the accusers than about the accused. He said, "No one who knows me will tell you that I have ever belittled or abused people who want to speak." Spence also defended the facilitator and said that the facilitator, a DNR employee, maintained a very strict separation of personal opinion and the work of the task force.

Members also heard from Gene Larimore, representing the Jackpine Coalition, who said the "managed use on managed trails" recommendation must include adequate enforcement for the various regions of the state and that trails should not be put in areas where people live. He suggested funding from the dedicated accounts and said that maintenance and repair of trails need to be done regularly. He also said trails need to be environmentally sound and clearly posted as open to ATV use.

Dell Erickson, of the Izaak Walton League, suggested limiting use to county or logging roads, creating separate use areas, restricting nighttime use and increasing enforcement. "It is the resource that matters and everything done should be with that in mind," he said.

Sherry Casey, an ATV enthusiast, said responsible users are in the majority. She said her ATV club has done a great deal of volunteer work in order to maintain trails. She urged education as a method of reining in violators.

Matt Norton, a member of the task force, said he wanted to tell the panel that good recommendations did come from the task force report. However, he said, "There are several reigning dogmas that are false." He said the beliefs that if more trails are built the problem will go away, that ATVs are just like snowmobiles, that maintenance and repair stops with every lawsuit and that problems are limited to north central Minnesota are all false.

Finally, Brad Moore, of the Dept. of Natural Resources, offered several suggestions. He said policy makers need to devise a comprehensive recreational use plan. He suggested, too, that a comprehensive recreational plan be for one or two areas at first, rather than statewide. In addition, he said there needs to be an inventory of trails currently in existence and an allocation of an area between uses. Moore said, "We need to start small, rather than make sweeping changes." He also recommended involving local partners for enforcement.

## Health, Human Services and Corrections Budget Division

### Grant overviews continue

Members of the Health, Human Services and Corrections Budget Division met Wed., Feb. 5, to continue hearing overviews of Dept. of Human Services grant programs. Several DHS employees offered testimony to the panel, chaired by Sen. Linda Berglin (DFL-Mpls.).

Don Eubanks outlined the chemical dependency grants. He said the programs include culturally appropriate substance abuse treatment for Native Americans, court-ordered juvenile assessments and reimbursement to counties for transportation to detoxification facilities. Eubanks said the department has had to restrict eligibility, for the remainder of FY 03, for Tier II chemical dependency consolidated non-entitlement fund treatment because of budget cuts.

HIV and AIDS grants were reviewed by Jim Huber. He said the program is relatively small, with a \$6.5 million annual budget, of which only \$2.35



million is state money. He said the state funds are used for case management programs and help pay insurance premiums for recipients, keeping infected persons off more expensive public programs.

Grants also fund the AIDS drug access program, he said, and a program that seeks to work with recent African immigrants whose culture does not address how the infection is spread and how to prevent the spread.

Jim Chase, Kathy Henry and Kathleen Cota provided an overview of the health care grants administered by DHS. Henry said the department will be piloting an online MinnesotaCare application that asks only those questions relevant to the prospective enrollee. She said other grant programs exist to educate people about MinnesotaCare and assist them in the enrollment process. Other programs the trio reviewed included grants in Medical Assistance basic care,

General Assistance Medical Care and prescription drug benefits.

Shirley Patterson, Bob Held, Jim Varpness and Janel Bush reviewed the continuing care grant programs. Patterson said home care services grants are used for programs that help prevent people who would normally enter a long-term care facility from needing to enter an institution. She said other waivers are used to help those who have been identified as at-risk of institutional placement from being placed in an institution. Patterson said the waivers require that the home- or community-based services must be cost neutral compared with the institution. The waivers have actually been cost effective and saved money, per capita, because they offer flexibility, she said. For example, children who require long-term care, she said, may not need 24-hour staffing because the parents are available. Held also discussed rate disparities in nursing care reimbursement with the panel.

## Higher Education Budget Division

### Private colleges overview

Representatives of Minnesota's Private Colleges made their case for increasing the proportion of state higher education spending that is used for need-based aid, primarily through the state grant program, to the Higher Education Budget Division Thurs., Jan. 6. The meeting was the latest in a series of hearings held by division members on how to maintain the state's commitment to quality, accessible higher education in tight budgetary times.

Mary Lyons, president of the College of St. Benedict, said students who attend private colleges actually save the state money. Such students, she said, assume more of the cost of their own education, saving the state as much as \$200 million every year. The state's private colleges



Justin Watkins, center, with the Cannon River Watershed Partnership, presents the Environment and Natural Resources Committee with his findings of the harmful effects of phosphorus on the environment, Wed., Feb. 5. Sen. Linda Higgins (DFL-Mpls.), right, authored a bill restricting the use of phosphorus in dishwasher detergent and presented examples of phosphorus-free detergent as John Tuma, left, representing the Minnesota Environmental Partnership, looks on. Photo by David J. Oakes



# Committee update

have 39,000 undergraduate and 14,000 graduate students enrolled, she said. The colleges award one third of bachelor's degrees in the state and one third of the graduate and professional degrees, Lyons said. About 60 percent of students at private colleges graduate in 4 years, and about 71 percent graduate within 6 years, she said. Minnesota should be proud that over 25 percent of its working-age adult population has completed college, Lyons said, a feat that could not have been achieved without the array of private and public institutions the state enjoys.

A major misconception about private college students, she said, is that they are all from wealthy families. A 1999 survey conducted by the Higher Education Services Office and the Dept. of Children, Families and Learning showed that private college students' median family income was between \$40,000 and \$50,000, the same as MnSCU student families, she said, but lower than University of Minnesota student families. In fact, Lyons said, more students whose family incomes are less than \$25,000 attend private colleges than either MnSCU or the University.

Despite all of this, she said, only 2.6 percent of the state's spending on higher education ends up at the private colleges—all of it through the state grant program, which offers individual aid to the neediest students.

David Laird, president of the private college council, said three major challenges will face the state. He said significant demographic changes—including the first time in the state's history when the population aged 55 years and older will outnumber people younger than 20 years—insufficient performance of the



*Prior to a floor session Tues., Feb. 4, freshman Senators, from left, Sean Nienow (R-Cambridge), Betsy Wergin (R-Princeton) and David Gaither (R-Plymouth) converse in the Senate Chamber.*

Photo by David J. Oakes





**Members of the Twin Cities area Native American drumming and singing group Midnight Express fill the Capitol rotunda with song Wed., Feb. 5, as part of Urban Indian Day at the Capitol, a day dedicated to bringing greater visibility and understanding to urban Indian issues and their communities.**

Photo by David J. Oakes

education system and a chronic shortage of educated labor will influence how the state is able to compete in a new global reality. Laird said brainpower is the key element in competition, and has driven Minnesota's growth and leadership over the past several generations. However, he said, Minnesota will now fall behind the rest of nation in major indicators, including high school graduation rates. Laird said the demand for educated workers will be higher than the supply of those workers, in almost every field, when the state and nation emerge from the recession. He outlined several of the council's policy goals, including setting a target high school graduation rate of 90 percent by 2010, expanding in-state post-secondary education participation to 65 percent by 2010 and dedicating 30 percent of higher education spending to need-based aid awarded directly to students.

The panel also heard from John Brandl, a former state senator. He gave the members a brief history of the state

grant program, which he helped to create in 1983 as a Legislator. He said the program was created to help deal with a budget deficit facing the state, because the total state appropriation could be lower if funds were targeted towards lower income students. Brandl said private colleges were included in the program because studies showed students who were attending those colleges would have switched to state institutions if the aid wasn't available, thereby increasing the costs of the state institutions. A zero-tuition or low-tuition model may be tempting, he said, but is prohibitively expensive and unfair. Increasing funding for the grant program focuses dollars on those in need while fostering competition and allowing students to choose what sort of college experience they want, Brandl said. He said policy making is essentially design and encouraged lawmakers to design the objectives of higher education funding and then design the policy tools that best achieve those objectives. Sen. Sandra

Pappas (DFL-St. Paul), division chair, said she was concerned that the current climate doesn't permit such design. Rather, she said, the climate is all about cutting—leading to high tuition, low aid and low quality.

The panel also heard from several students, including Steven Messick of Hamline University and Tometria Bean of Augsburg College, about their experiences and the need for continuing state funding for higher education. Kristin Doll, a graduate student at the University of Minnesota, urged the panel to keep tuition as low as possible, instead of shifting towards grants.

## Jobs, Housing and Community Development

### Job creation discussed

Job creation activities in Minnesota provided the focal point for discussion at the Thurs., Feb. 6, meeting of the Jobs,



# Committee update



**Gov. Tim Pawlenty, right, presents his plan for unallotment, Fri., Feb. 7, to solve a projected \$356 million shortfall for the current biennium. The governor announced his decision to use the budget trimming tool because the Senate and House failed to reach a budget balancing compromise of their own. Commissioner of Finance Dan McElroy was also in attendance to field questions from members of the media.**

Photo by David J. Oakes

Housing and Community Development Committee.

The panel, chaired by Sen. Linda Scheid (DFL-Brooklyn Park), heard first from Charles Muscoplat, vice president and dean, University of Minnesota. Muscoplat outlined the University's return on investment of state funding in jobs, entrepreneurial opportunities and people. He said 39 jobs are created for every \$1 million invested in university based research and university researchers capture federal dollars at a rate of more than 1.5 times their annual salary. He said the University plays a key role in workforce development and is a magnet for drawing students from other states and nations who subsequently stay in Minnesota.

Muscoplat also said the University ranks fourth in the nation in the number of start-up companies resulting from university based research.

Members also heard from Mark Lofthus, director, Marketing and Business Development, Dept. of Trade and Economic Development. Lofthus said the goal of the department is to create and sustain quality jobs. To that end, he said, the department provides integrated program delivery, including technical assistance, business financing, community infrastructure financing and research and information. Technical assistance, Lofthus said, is delivered through small business development centers, buildings and community profiles, finance assistance and training, export assistance and connection with outside resources. The department also provides marketing information to businesses, he said. Lofthus also provided a case study of integrated job creation involving Firmenich, a New Ulm food ingredient manufacturer.

Jacques Koppel, president of Minnesota Technology, and Brian Hiti, commis-

sioner of the Iron Ranges Resources and Rehabilitation Board, also provided overviews of job creation activities in their agencies.

## Judiciary

### Data practices policy reviewed

The Judiciary Subcommittee on Data Practices met for the first time Thurs., Feb. 6, to hear a history of data practices in Minnesota and to take action on one bill.

The panel, chaired by Sen. Wesley Skoglund (DFL-Mpls.), heard a historical overview from Don Gemberling, Dept. of Administration. Gemberling, who heads the Information Policy Analysis Division, detailed Minnesota's Data Practices Act from its beginning in the early 1970s. The act outlines how government data on individuals should be handled and is based



on fair information practice principles. Beginning in 1977, Gemberling said, the Legislature has enacted various other statutes dealing with issues of information policy, privacy and data practices. Among those statutes are the medical records statute, the private sector employee access to personnel records statute, the insurance fair information practices statute, the Internet privacy statute, the "do not call" statute and the video privacy statute.

The subcommittee also took action on a bill specifying that the location of a National Night Out Event is public data. S.F. 146, authored by Sen. Don Betzold (DFL-Fridley), provides an exception to the classification of security information. Betzold said he had asked communities in his district to provide the locations for National Night Out events, but was told by the city of Blaine that the information was not public. Betzold asked for a commissioner's opinion on the issue. The commissioner's opinion upheld the city's position, because National Night Out events are often held at the homes of Neighborhood Watch participants and the names and addresses of Neighborhood Watch participants are not public. Betzold said rather than fine communities that do release the location of the events, he decided to bring the bill forward. He said, too, the National Night Out event organizers try to encourage participation and are substantively different than Neighborhood Watch programs. Members approved the contents of the bill for inclusion in the subcommittee's omnibus bill.

## Rules and Administration

### Changes to rules considered

The Rules and Administration Subcommittee on Permanent and Joint Rules met briefly Wed., Feb. 5, to consider several non-controversial changes to the Temporary Rules. The panel, chaired by Sen. Ann Rest (DFL-New Hope), considered and approved the changes, which were all of a procedural nature. Rest said she wanted to begin the process of reviewing the rules and then allow time for members to bring forward other, more substantive, changes for consideration at a later hearing.

## State and Local Government Operations

### Committee tours MAC

The State and Local Government Committee meeting Wed., Feb. 5, was devoted to a tour of the Minneapolis/St. Paul International Airport and a presentation by Metropolitan Airports Commission. Sen. Jim Vickerman (DFL-Tracy) is chair of the committee.

## State Government Budget Division

### Cuts' impact detailed

Members of the State Government Budget Division devoted the Thurs., Feb. 6, meeting to hearing from Dept. of Public Safety division directors about the impact of proposed FY 03 cuts as outlined by the governor and the other body. Division Chair Jane Ranum (DFL-Mpls.) said she wanted members to better understand how the proposed cuts would affect the operations of specific divisions within the department.

State Fire Marshall Tom Brace said the proposed \$97,000 cut in the Fire Marshall Office will come primarily from the hotel, motel and resort inspection program. He said the number of inspections will be reduced and the time frame for inspections will be expanded, but the program will continue. Brace said two individuals are retiring and the positions will not be filled.

Brace said the statute requires hotel, motel and resort inspections once every three years. He said the result of the cuts may be that the inspections may occur once every three and half years. He pointed out that the State Fire Marshall is also responsible for inspecting schools, day care centers, hospitals and nursing homes. He said the division has been understaffed for the diversity of activities for which it is responsible.

Sen. Tom Saxhaug (DFL-Grand Rapids) asked Brace if fees are charged for Fire Marshall inspections. Brace responded that last year for the first time legislation was enacted to collect fees for day care inspections.

Members also heard from Frank Ball, director of the Alcohol and Gambling Enforcement Division. Ball said the division plans on not filling one vacancy,

eliminating all out of state travel and grouping instate travel as methods for meeting the proposed cut. Ball said the division is acting to accommodate the cuts without affecting services.

Ball said fees and fines associated with the regulation and enforcement of alcohol and gambling generate revenue for the general fund. He also said expansion of gambling will require more investigators.

Gerry Rosendahl, director of the Division of Emergency Management, said the division plans on accommodating the proposed cuts by letting six positions remain vacant and cutting travel, training, equipment and supply costs. He said the major effect would be that processing grants may take longer. Rosendahl also briefed members on the status of grant awards for anti-terrorism funds. He said the program is on track, but that the requirement for a 25 percent local match and a June 30 deadline have resulted in grant applications coming in at a slower rate than expected.

## Transportation Policy and Budget Division

### LRT update presented

An update on the progress being made in constructing Minnesota's first light-rail transit (LRT) line was the focus of the Thurs., Feb. 6, meeting of the Transportation Policy and Budget Division. The panel, chaired by Sen. Dean Johnson (DFL-Willmar), heard from officials from a variety of agencies involved in the project.

John Caroon, project manager, said the Hiawatha line is just one step in the progress towards an expanded regional transit system. The corridor stretches from downtown Minneapolis to the Mall of America, and runs parallel to TH 55 for most of its length. The project has a total budget of \$675 million, he said. About half of that money, Caroon said, is coming from the federal government and the other half is from various state and regional agencies, including \$100 million in state bonds and \$87 million from the Metropolitan Airports Commission. He said the first vehicle will arrive during the middle of March 2003, and partial service will begin in April 2004, with full service beginning by December 2004. The project was 67.4 percent complete at the end of

# Committee update

December, he said. Caroon said the project is on schedule and within its budget. Utility relocation, he said, has been a high-profile issue, but has been resolved.

Michael Setzer, Metro Transit general manager, said the agency intends to operate the LRT line with a unified fare structure. He said passengers will pay the same fares to ride the line as they will to ride a bus. However, he said, a funding source has not been identified for operation, but the agency and the administration are in discussions on that issue.

## Floor action

### Moment of silence observed

Senators observed a moment of silence—in honor of the astronauts lost over the weekend—during their brief floor session Mon., Feb. 3. The Senate conducted procedural business during the session. Majority Leader John Hottinger (DFL-St. Peter) said the Senate would meet Tues., Feb. 4, to observe the National Day of Mourning. He said the governor had postponed the State of the State address until Thurs., Feb. 6, in light of the day of mourning.

### Senate commemorates Columbia

The Senate met Tues., Feb. 4, in order to honor the seven astronauts lost in the space shuttle disaster. Members adopted Senate Resolution 24, a resolution honoring the memory of the crew members of the space shuttle Columbia.

Sen. Dean Johnson (DFL-Willmar) said of the astronauts, "They were young and filled with adventure. The earth was not large enough and so they sought further challenges." He said, "The seven brave and dedicated astronauts lost their lives while in pursuit of their dreams." Johnson said the astronauts taught us courage, to go to the unknown and to seek passage to the stars, despite the danger. "These astronauts were living examples of profiles in courage," he said, "For these lessons of dreaming, lessons of unity and lessons of courage, we thank you."

Sen. Mark Ourada (R-Buffalo) also spoke in memory of the seven astronauts. "We can only imagine the sadness of the families, friends and co-workers of the Columbia astronauts," he said. "No quest, no desire, no dream has prevailed more strongly than reaching for the stars; I must believe as they look down upon us, it is

their fervent hope we continue their quest."

Sen. Mike Jungbauer (R-East Bethel) and Sen. Don Betzold (DFL-Fridley) also paid tribute to the astronauts.

Majority Leader John Hottinger (DFL-St. Peter) concluded the brief memorial session with a motion to adopt the resolution. The motion was approved unanimously.

## Video streams, archives available

Streaming video coverage of Senate committees and floor action is available on the Senate website (<http://www.senate.mn/media>). Provided by Senate Media Services, the coverage is also archived and available for later viewing. Other archived material includes weekly editions of "Capitol Report," special events and press conferences.

Also available from Senate Media Services are instructional videos about the legislative process. Offerings include "Power in the Process," which explores one young Minnesotan's effort to get an anti-hazing law passed after her own traumatic experience, "How to Testify at the State Capitol," and "How to Read a Bill."

Two other videos—"Discover the Capitol" and "Rules, Laws and Process"—are available through the Legislature's youth pages (<http://www.leg.mn/leg/youth/video.htm>). These videos are excellent sources of information on the history of the Capitol building and on how laws are made in Minnesota.

For more information, including how to get a tape of these programs, contact Senate Media Services at (651) 296-0264.

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Kate Havelin of St. Paul displays a list of children killed by gun violence in the Twin Cities over the past four years. Havelin and other members of the Million Mom March gathered on the front steps of the Capitol Mon., Feb. 3, to promote their agenda of passing "sensible gun laws."

Photo by David J. Oakes



# Preview

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## Monday, February 10

The Senate will be in session at 10 a.m.

### Commerce and Utilities Committee

Chair: Sen. Ellen Anderson

12:30 p.m. Room 112 Capitol

**Agenda:** S.F. 240-Marty: Closing loopholes in the "do-not-call list."

### Crime Prevention and Public Safety Committee

Chair: Sen. Leo Foley

12:30 p.m. Room 15 Capitol

**Agenda:** Department of Corrections: concentration of level III sex offenders.

### State and Local Government Operations Committee

Chair: Sen. Jim Vickerman

12:30 p.m. Room 123 Capitol

**Agenda:** S.F. 151-Sams: Lakes Area Economic Development Authority. S.F. 172-Foley: Anoka County wireless. S.F. 102-Pappas: St. Paul billboards amortization. S.F. 231-Pappas: St. Paul civil service effective date.

### Agriculture, General Legislation and Veterans Affairs Committee

Chair: Sen. Steve Murphy

3:30 p.m. Room 112 Capitol

**Agenda:** S.F. 36-Pappas: Restricting ethanol producer payments for facilities located in cities of the first class. S.F. 178-Kubly: Providing assistance for the relocation of an urban ethanol plant to a rural site in Minnesota. S.F. 187-Dille: Eliminating a prohibition on circuses around state fair time.

## Tuesday, February 11

### Health, Human Services and Corrections Budget Division

Chair: Sen. Linda Berglin

9 a.m. Room 123 Capitol

**Agenda:** Department of Human Services: Mike Tessner, chief executive officer, overview of state operated services, and Dept. of Corrections: Overview of grant programs.

### State Government Budget Division

Chair: Sen. Jane Ranum

9 a.m. Room 107 Capitol

**Agenda:** Report from fiscal analyst on funding history for constitutional offices and 1981 budget balancing efforts; Department of Administration overview of CORE report.

### Environment, Agriculture and Economic Development Budget Division

Chair: Sen. Dallas Sams

12:15 p.m. Front of Capitol Building

**Agenda:** Tour History Center.

### Health and Family Security Committee

Chair: Sen. Becky Lourey

12:30 p.m. Room 15 Capitol

**Agenda:** Overview of the variety of entities that provide public health.

### Higher Education Budget Division

Chair: Sen. Sandra L. Pappas

12:30 p.m. Minneapolis Community and Technical College

**Agenda:** Presentation and discussion of state budget and impact on higher education.

### Judiciary Committee

Chair: Sen. Don Betzold

12:30 p.m. Room 112 Capitol

**Agenda:** S.F. 40-Berglin: Graffiti civil damages recovery. S.F. 116-Knutson: Animal care and memorial trust funds. S.F. 92-Real property titles, liens and mortgages registration provisions modifications and clarifications. S.F. 112-Betzold: Uniform Probate Code relating to guardianship.

### Education Committee

Chair: Sen. Steve Kelley

3:30 p.m. Room 15 Capitol

**Agenda:** To be announced.

### Jobs, Housing and Community Development Committee

Chair: Sen. Linda Scheid

3:30 p.m. Room 112 Capitol

**Agenda:** Overview of the state's job training system. Testimony from Governor's Workforce Development Council, Job Skills Partnership, Dislocated Workers, Displaced

Homemakers, Workforce Service Areas, Workforce Development Centers, Minnesota State Colleges and Universities Customized Training Program.

### Transportation Policy and Budget Division

Chair: Sen. Dean E. Johnson

3:30 p.m. Room 123 Capitol

**Agenda:** Municipal street construction and maintenance overview - League of Minnesota Cities, MnDOT technology overview, Minnesota ports overview.

## Wednesday, February 12

### Joint Senate Environment, Agriculture and Economic Development Budget Division and House Environment and Natural Resources Finance Committee

Chair: Sen. Dallas Sams

8 a.m. Front of State Office Building

**Agenda:** Tour Science Museum.

### E-12 Education Budget Division

Chair: Sen. LeRoy Stumpf

9 a.m. Room 112 Capitol

**Agenda:** To be announced.

### Health, Human Services and Corrections Budget Division

Chair: Sen. Linda Berglin

9 a.m. Tasks Unlimited, Minneapolis

**Agenda:** The committee will be taking a tour of Tasks Unlimited, a non-profit organization providing supported employment and supported housing to people with serious mental illness.

### State Government Budget Division

Chair: Sen. Jane Ranum

9 a.m. Room 107 Capitol

**Agenda:** Tour of Department of Revenue.

### Tax Committee

Chair: Sen. Lawrence Pogemiller

9 a.m. Room 15 Capitol

**Agenda:** Discussion of committee goals and objectives. Confirmation of appointments: Sheryl Ramstad, Tax Court, Kathleen Hvass Sanberg, Tax Court, Dan Salamone, commissioner, Department of Revenue. Bills: S.F. XXX-Sams: Valuation and deferment of taxes on certain homestead resorts.

# Preview

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## **Commerce and Utilities Committee**

*Chair: Sen. Ellen Anderson*

12:30 p.m. Room 112 Capitol

**Agenda:** Overview of health insurance issues.

## **Crime Prevention and Public Safety Committee**

*Chair: Sen. Leo Foley*

12:30 p.m. Room 15 Capitol

**Agenda:** S.F. 41-Berglin: Minnesota alternative policing strategies (MAPS) program pilot project. S.F. 42-Berglin: Community crime prevention groups criminal investigations and proceedings outcome notice. S.F. 105-Cohen: Crime Victim Ombudsman Office reestablishment. S.F. 136-Foley: Crime of first degree murder expansion.

## **Environment and Natural Resources Committee**

*Chair: Sen. John Marty*

12:30 p.m. Room 107 Capitol

**Agenda:** S.F. 203-Higgins: Restricting the use of phosphorus in dishwashers and detergents. Continuation of testimony.

## **State and Local Government Operations Committee**

*Chair: Sen. Jim Vickerman*

12:30 p.m. Room 123 Capitol

**Agenda:** S.F. 49-Johnson, D.E.: Kandiyohi Economic Development Authority. S.F. 78-Stumpf: Emergency services cost reimbursement. S.F. 163-Wiger: Washington County well disclosure. S.F. 174-Bakk: St. Louis County political activity. S.F. 177-Chaudhary: Taxicabs at Minneapolis/St. Paul International Airport

## **Thursday, February 13**

**The Senate will be in session at 9 a.m.**

## **Environment, Agriculture and Economic Development Budget Division**

*Chair: Sen. Dallas Sams*

12:30 p.m. Room 107 Capitol

**Agenda:** Minnesota Project Innovation Program - Randy Olson, director. 21st Century Minerals Fund: Mesabi LLC, Steve Rutherford; Manager Engineering Tech Cominco, Dave Kodluski; Minnesota Iron & Steel, John Lefler, CEO & President

## **Health and Family Security Committee**

*Chair: Sen. Becky Lourey*

12:30 p.m. Room 15 Capitol

**Agenda:** S.F. 215-Solon: Psychology practice definition clarification. S.F. 216-Solon: Psychologists or psychological practitioners emeritus registration. S.F. 217-Solon: Psychology practice electronic supervision. S.F. 233-Higgins: Nurses temporary permit issuance conditions modification and title use restriction.

## **Judiciary Subcommittee on Data Practices**

*Chair: Sen. Wesley Skoglund*

12:30 p.m. Room 112 Capitol

**Agenda:** S.F. 99-Knutson: Data on nonpublic school students. S.F. 156-Kelley: Internet consumer data.

## **Jobs, Housing and Community Development Committee**

*Chair: Sen. Linda Scheid*

3:30 p.m. Room 112 Capitol

**Agenda:** Preview of "Minnesota Inventory of Employment and Training Programs" update and related testimony.

## **Friday, February 14**

**No meetings scheduled.**



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# Senate Briefly

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*A lone figure descends the Senate's grand staircase as another busy week at the Capitol comes to a close.  
Photo by David J. Oakes*



February 14, 2003

# Senate Highlights

## Pledge requirement falters

Members of the Education Committee, meeting Thurs., Feb. 13, defeated a bill requiring the pledge of allegiance to be recited weekly in all public and charter schools. On a 5-4 vote, the committee voted down S.F. 287, carried by Sen. Steve Murphy (DFL-Red Wing). Another pledge bill—S.F. 14, carried by Sen. Mady Reiter—was tabled by the panel.

Murphy said his bill represented the language that left the Senate during last year's Legislative Session. Both bodies passed differing pledge requirements and the bill that came out of the conference committee was vetoed by the governor. S.F. 287 includes a requirement for schools to also set aside time each week for civics education, including the history and meaning of the pledge, patriotic songs and historical documents. The bill also requires that the teacher or principal shall annually discuss the history and reason for the pledge with students and inform the students that persons who choose not to recite the pledge may make that choice and not be considered unpatriotic. The legislation also requires districts to include flag etiquette training in their curricula, recommended for the fifth grade. The bill provides that school boards may waive the pledge requirement. Murphy said he has talked with students, teachers and school board members and they have agreed that the bill represents a fair, balanced approach to a recitation requirement.

S.F. 14, Reiter said, is the bill that came out of the conference committee and approved by both bodies, but vetoed. The bill also provides for a weekly

recitation of the pledge, but requires annual civics education related to the pledge. It also requires districts with student handbooks to include a statement about student rights relating to opting out of pledge recitation. S.F. 14 requires school boards that waive the pledge requirement to annually renew that waiver. Reiter said 32 other states have formal pledge requirements. Last year, she said, 230 school districts responded to a survey and only 169 districts indicated students were regularly reciting the pledge in their classrooms. Reiter said students should be instructed in the pledge and flag etiquette as early as possible.

Tyler Newcomb, a fourth-grader, testified in support of S.F. 14. He said the pledge is said daily in his classroom and serves as a reminder of those serving America. He said the flag and the pledge unite people, even though there are so many differences among Americans. Newcomb said his class has discussed the meaning of the flag and pledge. Molly Donovan, a St. Paul kindergarten teacher, said it is important students know and say the pledge, because it instills a sense of pride and unity. Dan Williams testified about the importance of the pledge as a unifier as he was growing up during the racially divisive 1950s and 1960s. Tom Pritchard, Minnesota Family Council, said the pledge embodies the values and principles at the heart of the American experiment. Connie Rowley said parents do have the option to teach the pledge at home, but that the classroom setting allows students to unify. Rowley said that, at one time, she found the use of the words "under God" offensive, but she changed her mind when she noted that the majority of Americans believe in a god. John Klow, deputy director of the U.S. Immigration and Naturalization Service's St. Paul district, said the pledge is not formally used as part of the naturalization process. Klow said federal judges often like to have new citizens recite the pledge after they have taken the oath of allegiance used in the citizenship ceremony.

Testifying on S.F. 287, Craig Roble said teaching methodology is crucial, especially when it comes to the pledge. Roble, a seventh and eighth grade teacher in West St. Paul, said that as his students learn about the history of American currency, national holidays, the pledge and the words in patriotic songs, they develop a sense that shaping America's heritage is an ongoing process. He said

lessons in service and applying American values are more valuable than mere recitation. Roble said his students are familiar with the pledge's words, but not really its meaning, when they enter his class.

August Berkshire, Minnesota Atheists, said mandating pledge recitation threatens freedom. He questioned how adults can teach freedom of speech by requiring pledge recitation or freedom of religion by requiring a god-based oath. Berkshire said students who opt out are likely to be singled out as unpatriotic, regardless of what a teacher says. The bills, he said, are solutions in search of a problem. The legislation assumes a lack of patriotism unless students are forced to recite a loyalty oath, Berkshire said. The goal should be to educate, not indoctrinate, he said.

Sen. Michele Bachmann (R-Stillwater) said students and teachers should be able to exercise their right to decline to recite the pledge, but that the statement included in S.F. 287 creates a thought police. She said telling students how they may consider others is instructing them in how to view people and what to think. Committee Chair Steve Kelley (DFL-St. Louis Park) said the language should be read more broadly, to indicate that the government does not consider those who decline as unpatriotic. He said the language is consistent with U.S. Supreme Court decisions on pledge requirements.

After S.F. 287 was defeated, S.F. 14 was laid on the table. A motion to take the bill off the table was defeated, 5-4. Kelley said the committee would be returning to the issue at a later hearing.

## Detergent ban moves to floor

After two meetings on the issue, members of the Environmental and Natural Resources Committee, chaired by Sen. John Marty (DFL-Roseville), approved a bill that effectively bans phosphorous in automatic dishwasher detergents sold and used in the state. The bill, S.F. 203, was advanced to the Senate floor on a 7-5 vote during the panel's Wed., Feb. 12, meeting.

The bill's author, Sen. Linda Higgins (DFL-Mpls.), offered an amendment to the bill that restricts the legislation's application to household dishwashers. During a previous hearing, the panel heard testimony that questioned whether a nonphosphorous detergent has been

**Senate Briefly** is a publication of the Minnesota Senate Publications Office. During the 2003 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. It can be made available in alternative formats.

### Editorial Staff:

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David J. Oakes





**Sen. Geoff Michel (R-Edina), foreground, studies a bill that requires schools to incorporate the Pledge of Allegiance into the school day on a weekly basis.**

Photo by David J. Oakes

developed for commercial dishwashers. The amendment also delays the effective date by one year, to Aug. 1, 2004. The amendment was adopted.

Sen. Michael Jungbauer (R-East Bethel) said studies have indicated that some phosphorous substitutes are dangerously toxic, especially to aquatic life. Because the kind of substitute varies between nonphosphorous detergents, he said, the bill opens the state up to the dangers of the various alternatives. Sen. Sean Nienow (R-Cambridge) cited reports from Sweden, a United Nations agency and the United Kingdom that

noted the dangers of some nonphosphate detergents. Nienow and Martin Wolf, a representative of a nonphosphorous detergent maker, said that all detergents—both phosphorous-based and non-phosphorous—will work in some cases and not work in others, depending on a variety of factors. Pat Hayes, Proctor and Gamble, said the company has worked over the years to reduce the phosphorous in its detergents, but has not found a formula that cleans effectively with less phosphorous than is contained in the current formulation.

The Minnesota Pollution Control Agency (PCA) is concerned about the amount of phosphorous in Minnesota waters, said Marvin Hora. He said the agency is focused on removing phosphorous from wastewater discharge and preventing it from entering the state's lakes, rivers and streams. The PCA has set a limit of 1 milligram per liter, Hora said, for phosphorous in water that will directly impact a lake. There is no limit, he said, on water that will not reach a lake but will remain in a river or stream. Hora said lakes need more protection because they are more static bodies of water than rivers or streams. The agency has no position on S.F. 203 because it wants to reduce phosphorous but is also concerned about the replacement products that may be used by consumers, Hora said. He said the PCA has no information on those products or their effects on the state's waters.

Jungbauer said no one on the committee was questioning the harmful effects of phosphorous. He said that everyone wants to remove phosphorous or minimize its impact. However, the real question is "is the alternative more toxic than phosphorous," Jungbauer said. Nienow noted that less than 10 percent of phosphorous has been attributed to dishwasher detergent, leaving the bulk of phosphorous still to be removed at wastewater treatment facilities. Sen. Thomas Neuville (R-Northfield) said he believed the motives of the bill's authors and proponents are good, but that they also bear the burden of proof. He said the PCA has long had rulemaking authority to ban phosphorous from dishwasher detergent, but has not done so because the agency is unsure of the alternatives' effects. Neuville said the science is not yet available to support a ban. However, said Sen. LeRoy Stumpf (DFL-Thief River Falls), something is obviously wrong in Minnesota's lakes when they are overburdened with algae. Very soon, he said, communities will be asking the Legislature for money to build or upgrade wastewater treatment plants. Passing the bill, he said, will send a message to the PCA that it should move aggressively to combat phosphorous.

### **Brief floor sessions held**

The Senate met in floor session Mon., Feb. 10 and Thurs., Feb. 13, to process bill introductions and paperwork at the front desk.

# Committee update

## Agriculture, General Legislation and Veterans Affairs

### Metro Area ethanol plant debated

Members of the Agriculture, General Legislation and Veterans Affairs Committee, during its Mon., Feb. 10, hearing, took up two pieces of legislation that envision closing a St. Paul ethanol plant. The committee laid both bills aside for further consideration.

Sen. Sandra Pappas (DFL-St. Paul) reviewed the plant's history, including its many violations of state and federal environmental laws and St. Paul noise ordinances. The St. Paul facility, operated by Gopher State Ethanol (GSE), is the only ethanol plant located in the Metropolitan Area. Pappas said the plant has received over \$5.2 million in state subsidies. The plant was operated in the same facility as a brewery, she said, but the brewery has closed. While the brewing operation employed over 200 people, the ethanol plant has only about 30 employees, Pappas said. S.F. 36, carried by Pappas, restricts ethanol plants located in cities of the first class—Duluth, Minneapolis and St. Paul—from receiving payments under the state's ethanol producer program.

The St. Paul plant is in a unique location and has presented unique problems, said Mike Unger. He said much of the pollution control equipment installed at the GSE plant has been effective in reducing distance emissions, but has been unable to address the emissions and odors that plague nearby residents. Unger, an attorney, also outlined the many legal battles the residents and the city of St. Paul have waged to clean up the plant. However, he said, the plant has misrepresented itself and not been a good neighbor, contrary to its original promise. Many of the dollars the plant has received from the state have been paid out as fines for its many violations, Unger said. Pappas said the plant claimed, in a 1998 statement to the Pollution Control Agency, that an environmental impact statement was unnecessary because noise and odors would not go beyond the plant's boundaries. However, several St. Paul residents testified that the plant's odors and noise have interrupted their lives and made their yards unusable. Terry Marklee

testified his daughter was diagnosed with asthma, which her doctor attributed to the ethanol plant.

Sen. Gary Kubly (DFL-Granite Falls) offered an amendment providing that payments could be withheld and reinstated if GSE moved its operation outside the Metropolitan Area. However, Sen. David Hann (R-Eden Prairie) said much of the testimony was critical of the operator of the plant. He questioned why the state should cease to subsidize a bad operator only to resume the subsidy if the plant moves. The testimony indicated there is a problem with the company, Hann said. The problem has been a combination of factors, said Committee Chair Steve Murphy (DFL-Red Wing), including the operator, location and situation. If the owner decided to move the plant, he said, it would be in a new location with a new facility and newer environmental equipment. The amendment was adopted on a voice vote.

Dick Anfang, Building and Construction Trades Council, said he respects the people who live near the plant, but that the state made a deal with the ethanol industry, including GSE, and should follow through on that deal. The allegations about the plant, he said, have not been substantiated to a degree that warrants passage of the bill. Closing the plant threatens not only workers at the plant, but also construction workers who install and maintain equipment, including environmental mechanisms. Sen. Jim Vickerman (DFL-Tracy) said the St. Paul plant was originally conceived of as a way to get broader support for the industry beyond Greater Minnesota. Pappas said a bad plant should be removed to maintain public support for the ethanol industry as a whole. Sen. Rod Skoe (DFL-Clearbrook) said the ethanol operation was also a way for the brewery operation to remain viable. However, he said, the brewery has closed and those jobs were lost.

Kubly carried S.F. 178, which offers a financial incentive for relocating the plant. He said people in his district are considering ways to draw the plant away from St. Paul into the area. Orville Molenaar said he has conducted a feasibility study on establishing the plant's operations in Renville County. Larry Hansen and Robert Olsen said Lincoln County former investors in a plant sold to ADM may be interested in investing in a

new plant. Hansen said many shareholders didn't want to sell and are interested in a long-term investment in ethanol production. Olsen said the jobs and economic development possibilities are very tempting.

In other action, the committee approved S.F. 187. Carried by Sen. Steve Dille (R-Dassel), the bill repeals a statute prohibiting traveling circuses from performing during the days preceding the State Fair. State Fair Executive Vice President Jerry Hammer said the Ringling Bros. Circus held its event within days of the State Fair in both 1928 and 1932. Shortly after the 1932 fair, he said, the state agricultural society petitioned the Legislature for protection from competing events that could draw crowds away from the fair. The State Fair Board, Hammer said, no longer believes traveling circuses pose a threat. The bill was approved for placement on the Consent Calendar.

## Commerce and Utilities

### Do-not-call 'loopholes' discussed

A bill to tighten perceived loopholes in the do-not-call list legislation approved last year consumed the discussion at the Mon., Feb. 10, meeting of the Commerce and Utilities Committee. Chaired by Sen. Ellen Anderson (DFL-St. Paul), members laid the bill, S.F. 240, over for further consideration.

Sen. John Marty (DFL-Roseville), chief author, said almost everything in the bill passed the Senate last year, either in committee or on the floor. He said the conference committee never met to hear public comment, or suggestions from then-Commissioner of Commerce James Bernstein, and the other body offered the Senate weaker language on a take-it-or-leave-it basis. Marty said about 250,000 phone lines were signed up onto the state do-not-call list in its first week. The list now includes over 1 million residential phone lines out of over 2 million residential lines in the state, he said, but many of those consumers are upset because they are still getting a lot of telemarketing calls. Marty identified four types of calls as loopholes: those that seek to establish a business relationship, those that rely on a prior business relationship, those that use computer-assisted or predictive dialing and those that seek to set an appointment for completing the sale at a face-to-face meeting.





*To illustrate the effective cost to society of choosing the “wrong path” in the absence of Youth Intervention Programs, young volunteers participate in role-playing during a rally in the Capitol rotunda Thurs., Feb. 13.* Photo by David J. Oakes

Don Tomsche, state advocacy chair, said most AARP members believe the number of calls they receive has dropped. He said members also feel more empowered to challenge and question callers. The organization supported the face-to-face meeting exception, he said, because it was assured that the provision was meant to protect local salespeople. However, Tomsche said, most members have reported that they are receiving calls from people arranging calls for others. The Federal Trade Commission has approved rules governing telemarketing nationally, said Prentiss Cox, Attorney General's Office. He said the face-to-face exception was removed by the FTC, but the federal rules have a more precise definition of an existing business relationship. Cox said the FTC has agreed not to preempt state

action, as long as state lists and policies can be harmonized with the federal action. Because Minnesota's law is stronger, he said, it is not likely to be preempted.

Several representatives of business organizations and business owners testified against the bill. Laura Bordelon, Minnesota Chamber of Commerce, said the law has only been in effect for a few months. In fact, she said, businesses are still operating in a grace period with regard to removing do-not-call list subscribers from their marketing lists. The bill is premature, Bordelon said, and the Chamber has concerns about how it limits businesses from reaching potential customers. Minnesota Retailers Association representative Bruce Anderson said existing law should be given time to prove itself. In

fact, he said, the law may already be working, since AARP members perceive a decline in calls. Anderson also said Senators should consider the economic costs of restricting business activity. However, said Sen. Steve Kelley (DFL-Hopkins), telemarketing calls, e-mail solicitations and “junk mail” have costs to their recipients, including the time spent sorting through them or interrupting other activity. Sen. Linda Scheid (DFL-Brooklyn Park) said that people who do not want to be interrupted by telemarketing have options, including phone products and just turning their phones off. Sen. Mark Ourada (R-Buffalo) said government cannot continue down the path of solving everyone's irritants.

Glenn Dorfman, Minnesota Association of Realtors, said real estate has been

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the one bright spot in an otherwise dark economy. He urged the committee to consider every issue, and especially this bill, in light of its impact on Realtors. One colleague, Dorfman said, has wondered aloud why policymakers urge solicitation be done by mail, which uses ink, paper and gasoline, rather than more environmentally friendly methods, like telemarketing. Dorfman said Senators should consider which is more important—a few seconds every now and then from consumers or the jobs provided by telephone solicitation. Craig Carpenter and Ken and Kathy Wolfbauer, owners of competing home improvement businesses, said their revenue streams depend on telemarketing, because it is the most effective manner of bringing in business. Jordan Savageau, an insurance agent, said startup businesses will not be able to get customers, because they must start cold and do not have prior or existing relationships to draw upon. Bill Dooley, also an insurance agent, said many agents call lapsed customers, who would be excluded under an amendment drafted by committee counsel. The amendment defines established business relationships as those in which a financial transaction occurred within the previous 18 months or the consumer requested information within the past 3 months. Both the amendment and the bill were laid aside.

## Health insurance issues reviewed

The Commerce and Utilities Committee, chaired by Sen. Ellen Anderson, met Wed., Feb. 12, to review health insurance issues. Members heard from John Gross, Dept. of Commerce; Scott Leitz, Dept. of Health; Julie Brunner, Minnesota Council of Health Plans; Robyn Rowen, Insurance Federation of Minnesota; and Lynn Gruber, Minnesota Comprehensive Health Association.

## Crime Prevention and Public Safety

### Sex offender placement issues

The Mon., Feb. 10, meeting of the Crime Prevention and Public Safety Committee was devoted to a discussion of residential placement issues for level III sex offenders and the predatory offender's registration process.

Steve Huot, director, Sex Offender Chemical Dependency Unit, Dept. of Corrections, guided members through a

presentation on level III sex offender residency issues. Huot said about 80 percent of all sex offenders are in the community under supervision. He said registration began in 1991 and as of January 2003, 11,000 sex offenders have registered. The registration is the basis of the community notification process, which began in 1997, Huot said. Community notification applies to any registered offender released from prison, he said.

Huot said the classification of offenders is done at an End of Confinement Review Committee meeting that sets the risk level for the offender; the Dept. of Corrections then sends out information to the appropriate law enforcement agencies. "What we hear most about," Huot said, "are the level III offenders, which trigger the full community notification process."

He said there were more than 2,500 offender relocations in 2002 and that there is a housing shortage, particularly for level II and III offenders. He also said most offenders were able to find and maintain employment.

There have been a number of positive outcomes from the community notification process, Huot said. He said after many meetings, law enforcement agencies report increased participation in a variety of other crime prevention programs. In addition, Huot said all parts of the criminal justice system involved with the process became more aware of what their records and actions present, there has been an improvement in communication between and within agencies and there has been greater communication between law enforcement agencies and communities.

Huot also reviewed information relating to the rearrest and reincarceration rates for sex offenders. He said 5 percent of all sex offenders released from 1997 through 1999 were rearrested for a new sex offense by 2002 and about 30 percent were returned to prison during the first 3 years after release, most for technical violations of their conditional release. He also compared the recidivism rate of offenders released in 1992 with those released in 1997, 1998 and 1999. The comparison showed a lower rate of recidivism for those released after the community notification law took effect. He said potential reasons for the decrease were longer supervision periods, improved supervision by fully trained agents, better

treatment programs, highest risk offenders being civilly committed and the registration and community notification processes.

Finally, Huot reviewed the data relating to the residential concentration of level III offenders. He said other states have adopted restrictions to limit offender residency near parks, schools, or day care centers, but the restrictions have not been proven to increase public safety and have not yet been tested in the courts. According to Huot, proximity restrictions would severely limit already scarce residential options and there is no evidence that proximity to parks or schools has been a factor in reoffending. He also said there is no evidence that a concentration of level III offenders increases the likelihood of reoffending against the general public, but information on Level III offenders negatively affects the perception of safety within a neighborhood. He said the report recommends retaining current offender-by-offender restrictions, retaining public notification, conducting a legislative hearing on housing options and directing the department to continue the inter-agency work group on housing for offenders.

Members also heard from Eric Knutson, Bureau of Criminal Apprehension, on compliance by offenders with predatory offender registration. He said, currently, about 82 percent of 12,000 offenders are in compliance. Further, Knutson said 95 percent of Level III offenders are in compliance and 90 percent of Level II offenders are in compliance. Knutson said of the 2,000 not in compliance, the largest category did not return the annual registration update card in a timely manner. The second largest category not in compliance was mail returned by the post office. He said the passage of Katie's Law has allowed the department to gain a great deal of compliance information.

## Education

### Departmental staff introduced

Commissioner Cheri Pierson Yecke, former education secretary of Virginia and newly appointed commissioner of the Minnesota Dept. of Children, Families and Learning, appeared before the Education Committee Tues., Feb. 11, to introduce members of the department and participate in a wide ranging discussion



about standards in education. Sen. Steve Kelley (DFL-Hopkins), chair of the committee, urged the members to keep the discussion general and indicated future hearings will go into more depth on education standards.

## E-12 Education Budget Division

### Unallotment impacts detailed

Members of the E-12 Education Budget Division met Wed., Feb. 12, to hear testimony from representatives of groups that were affected by the governor's unallotment of state funds Fri., Feb. 7. Division Chair LeRoy Stumpf (DFL-Thief River Falls) said the meeting's purpose was for members to gain an understanding of the general impact of the unallotment, but was not intended to establish new funding sources for programs, hear the details of each program's operations or criticize the governor.

Fiscal Analyst Eric Nauman reviewed the baseline budgets for the division, according to the November forecast, and the cuts the governor made in his unallotment plan. Nauman also compared the unallotments to the governor's original budget balancing plan and the Senate plan. Senate Counsel Peter Wattson provided an overview of the statutory basis for, and history of, the governor's unallotment powers. He said contracts cannot be nullified by any act of the Legislature, but that parties to contracts can cancel them, as provided in the specific contract, or break the contract and be required to pay certain penalties. Wattson said many state contracts have a notification provision if any party wishes to cancel the contract. In some cases, he said, the length of the notification period may mean that money is still expended, thus reducing the projected reduction of general fund expenditures.

Representatives of the Department of Children, Families and Learning and programs that receive money through various grants, including adult basic education, best practices seminars and special projects, after school enrichment, violence prevention and economic opportunity outlined the effects of the unallotment.

Sen. Keith Langseth (DFL-Glyndon) said there are so many programs that Minnesota has supported that many states have not supported. Often, he said, the programs are preventive and save the state money in the long-term. Langseth said the after school enrichment grants have been used in his district and have substantially decreased teen pregnancies. Sen. Betsy Wergin (R-Princeton) said she didn't want to appear insensitive or to be simplifying the issue, but while the programs are beneficial, parents need to be responsible for their children after school. Sen. Linda Scheid (DFL-Brooklyn Park) countered that many parents feel a



*Minnesota Supreme Court Chief Justice Kathleen Blatz lights a "candle of hope" to honor a promise to protect the abused and neglected children of Minnesota during a ceremony in the Capitol rotunda Tues., Feb. 11, sponsored by the Minnesota Association of Guardians ad litem.*

Photo by David J. Oakes

# Committee update



*Rose Kramer of Brainerd stands next to a plywood silhouette, representing a woman who was a victim of domestic violence, during a rally in the Capitol rotunda Fri., Feb. 14, to honor domestic abuse victims and make a plea for increased awareness and adequate funding.*

Photo by David J. Oakes

strong responsibility for their families and must work during the after school hours to provide for their children.

Much has been made of the ability of faith-based organizations to meet the needs of local communities with programs, said Sen. Ellen Anderson (DFL-St. Paul). However, she said, she didn't know what the funding structure was for many

of the faith-based groups that already receive state support for their programs. Jerry Moline, Duluth Lutheran Social Services, said the state support is crucial, because only 10 percent of its program's after school enrichment budget has come from donations and another 10 percent has come from foundation support. Moline noted that foundations have had

to reduce their giving because of losses in the equities markets.

## Environment, Agriculture and Economic Development Budget Division

### History Center tour

Members of the Environment, Agriculture and Economic Development Budget Division devoted the Tues., Feb. 11, meeting to a tour of the Minnesota History Center.

The division is chaired by Sen. Dallas Sams (DFL-Staples).

### Panel tours Science Museum

The Environment, Agriculture and Economic Development Budget Division, chaired by Sen. Dallas Sams (DFL-Staples), met with the House Environment and Natural Resources Finance Committee and devoted the Wed., Feb. 12, meeting to a tour of the Minnesota Science Museum.

### Mineral fund projects heard

Members of the Environment, Agriculture and Economic Development Budget Division met Thurs., Feb. 13, to hear about various public-private partnership projects in progress throughout Minnesota. The panel, chaired by Sen. Dallas Sams (DFL-Staples), heard about three projects taking advantage of the 21st Century Minerals Fund. Teck Cominco representative John Key, Mesabi LLC representative Steve Rutherford and Minnesota Iron Steel CEO John Lefler told division members about their projects in Northeastern Minnesota. Randy Olson, executive director of Minnesota Project Innovation, and Tom Wyrobek, president of Hysitron Inc., also testified.

## Health and Family Security

### Public health overview heard

Members of the Health and Family Security Committee met Tues., Feb. 11, to hear from the various entities providing public health services in Minnesota. The committee is chaired by Sen. Becky Lourey (DFL-Kerrick).

Dr. Ed Ehlinger, director of Boynton Health Service at the University of Minnesota, told Senators that public health is a philosophy of how to think



about health and how to provide health care for entire populations. Ehlinger contrasted medical care with public health, noting that the major difference is the scope. While medical care deals primarily with individuals seeking treatment for specific ailments, he said, public health focuses on a population of people and seeks to prevent the spread of disease or promote healthier living.

Members also heard from representatives of public health providers, including the University of Minnesota School of Public Health, Minnesota Council of Nonprofits, United Family Practice, American Heart Association, Lifetrack Resources, Elderberry Institute, Minnesota Association of Community Mental Health Programs, Human Development Center, American Cancer Society, Women's Cancer Resource Center, Minnesota AIDS Project and Family Tree Clinic.

### **Psychology bills advance**

The Health and Family Security Committee met Thurs., Feb. 13, and advanced five bills with little debate. The panel, chaired by Sen. Becky Lourey (DFL-Kerrick), heard a nursing bill and four bills relating to psychologists.

The nursing bill, S.F. 233, authored by Sen. Linda Higgins (DFL-Mpls.), modifies provisions relating to temporary licensure of nurses. The bill authorizes the Board of Nursing to revoke a temporary permit if the applicant is the subject of an inquiry, a disciplinary action or disqualified. The measure also allows the board to release information relating to actions taken by the board relating to issuance or revocation of temporary permits. Finally, the bill prohibits the use of the title "nurse" unless an individual is licensed to practice practical or professional nursing. The bill was approved and advanced to the floor. Later in the hearing, the measure was reconsidered in order for the committee to consider an additional amendment. The amendment, offered by Sen. Sheila Kiscaden (IP-Rochester), specifies that a graduate of a foreign nursing school who has successfully completed an approved competency evaluation is eligible to administer medications in a nursing facility upon completion of a medication training program for unlicensed personnel. The amendment was adopted. The bill was approved and sent to the full Senate.

The four bills relating to psychology, sponsored by Sen. Yvonne Prettnner Solon (DFL-Duluth), were all recommended by the Minnesota Board of Psychology. S.F. 215 clarifies the definition of the practice of psychology. S.F. 217 provides that interactive, visual electronic communication may be used in supervising a licensed psychological practitioner or an applicant for licensure as a licensed psychologist. Both measures were advanced to the full Senate.

S.F. 216 provides for psychologist emeritus registration. The bill was approved and re-referred to the Finance Committee. S.F. 328 authorizes the Board of Psychology to require an independent examination of a practitioner if the board has probable cause to believe the practitioner has demonstrated an inability to practice psychology. The measure was approved and re-referred to the Judiciary Committee.

## **Health, Human Services and Corrections Budget Division**

### **State operated services reviewed**

The Health, Human Services and Corrections Budget Division devoted the Tues., Feb. 11, meeting to a review of Dept. of Human Services State Operated Services and an overview of the Dept. of Corrections grant programs. The panel, chaired by Sen. Linda Berglin (DFL-Mpls.), heard from Mike Tessner, chief executive officer, State Operated Services and Ken Merz, Dept. of Corrections.

### **Division tours site**

The Health, Human Services and Corrections Budget Division, chaired by Sen. Linda Berglin (DFL-Mpls.) toured Tasks Unlimited in Minneapolis Wed., Feb. 12. Tasks Unlimited is a non-profit organization providing supported employment and supported housing to people with serious mental illness.

## **Higher Education Budget Division**

### **Panel travels to Minneapolis**

The Higher Education Budget Division hearing Tues., Feb. 11, took place at the Minneapolis Community and Technical College. The panel, chaired by Sen. Sandra Pappas (DFL-St. Paul), heard

a presentation and discussed the state budget and its impact on higher education.

### **Anoka-Hennepin toured**

A site visit of the STEP Program at Anoka-Hennepin Technical College was the focus of the Thurs., Feb. 13, meeting of the Higher Education Budget Division. Members traveled to the Technical College to discuss the state budget and its impact on higher education.

## **Jobs, Housing and Community Development**

### **Job training system reviewed**

The Jobs, Housing and Community Development Committee met Tues., Feb. 11, and reviewed the state's job training system. The panel, chaired by Sen. Linda Scheid (DFL-Brooklyn Park) heard testimony from representatives of the Governor's Workforce Development Council, the Job Skills Partnership, the dislocated workers program, the displaced homemakers program, Workforce Service Areas, Workforce Development Centers and the Minnesota State Colleges and Universities customized training program.

### **Job training review continued**

The Jobs, Housing and Community Development Committee, chaired by Sen. Linda Scheid (DFL-Brooklyn Park), continued their review of job training programs at the Thurs., Feb. 13, meeting.

Representatives of the Minnesota State Colleges and Universities resumed their presentation on MnSCU's customized training programs. In addition, the committee heard a preview of the "Minnesota Inventory of Employment and Training Programs."

## **Judiciary**

### **Graffiti bill advances**

The Judiciary Committee, chaired by Sen. Don Betzold (DFL-Fridley), met Tues., Feb. 11, and took action on four bills. Most of the discussion in the committee centered on a bill creating a civil cause of action to recover costs associated with cleaning up and restoring property from graffiti.

S.F. 40, authored by Sen. Linda Berglin (DFL-Mpls.), provides that an

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action for damage to property caused by graffiti may be brought by the owner of public or private property on which graffiti has been placed. The bill specifies that damages of up to three times the cost of restoring the property and attorneys' fees may be recovered by the property owner. The measure also specifies that the parent of a minor who placed graffiti on property may be liable for damages up to a limit of \$1,000.

Members adopted an author's amendment specifying that property includes transportation equipment and set the maximum liability for parents at \$5,000.

Jack Baker, speaking in support of the bill, said, traditionally, governments have used the criminal justice system to combat graffiti, but that approach has not been very effective. He said creating a cause of action provides property owners and neighborhood organizations with a powerful tool to eradicate graffiti.

Sarah Janecek, speaking on behalf of the Canadian Pacific Railroad, said graffiti is a significant problem for railroads,

because it costs up to \$5,000 to clean and restore a railroad car that has been tagged with graffiti. She also said there is a public safety concern when individuals are spraying paint on railroad cars in the switching yards and get hit by passing trains.

Committee members debated the amount of damages that may be recovered under the bill. In addition, the provision specifying parent's liability also generated debate. Sen. Julianne Ortman (R-Chanhassen) said there is already a common law cause of action for damaging property and that creating a special cause of action isn't needed. She also said the bill could create a burden on low-income parents who may be held liable for their children's actions. Berglin countered that the equipment needed for graffiti on the scale the bill was trying to address would be obvious and that parents should be aware of their children's activities.

Sen. John Marty (DFL-Roseville) also expressed concern about the provision authorizing damages of up to triple the amount of the costs of restoring the

property. Sen. Thomas Neuville (R-Northfield) offered two amendments. The first specifies that "reasonable" attorney fees may be awarded in an action for graffiti. The second amendment changes the statute specifying parental liability to specify a cap of \$3,000, instead of the current \$1,000 and eliminates the \$5,000 parental liability cap specified in the bill. Both amendments were adopted. The bill was approved and advanced to the full Senate.

Members also approved S.F. 116, a bill incorporating recommendations from the probate and trust law section of the Minnesota Bar Association. The measure, authored by Sen. David Knutson (R-Burnsville), authorizes the establishment of trusts for the care of an animal and authorizes the creation of trusts for purposes of establishing a memorial fund. The bill also makes a number of other technical changes relating to trusts. The bill was advanced to the Senate floor.

The final two bills considered by the committee were approved and recommended for placement on the Consent



*Flanked by members of the Gay, Lesbian, Bisexual and Transgender community, Sen. Scott Dibble (DFL-Mpls.) addresses the media during a press conference Tues., Feb. 11, in opposition to a proposal by the House to eliminate domestic partner benefits from state employees' contracts.*

Photo by David J. Oakes



Calendar. S.F. 92, authored by Neuville, modifies and clarifies provisions relating to real property titles, liens and mortgage registration. S.F. 112, sponsored by Betzold, adopts Article 5 of the Uniform Probate Code relating to guardianship and conservatorship. Members adopted an amendment integrating the uniform act into current Minnesota law.

## State and Local Government Operations

### Lakes Area Economic Development Authority bill ok'd

The State and Local Government Operations Committee met Mon., Feb. 10, to take action on three bills. The panel, chaired by Sen. Jim Vickerman (DFL-Tracy), advanced all three measures.

S.F. 151, authored by Sen. Dallas Sams (DFL-Staples), creates an economic development authority in and around the city of Alexandria. Under the bill, the Lakes Area Economic Development Authority includes the city of Alexandria, the city of Garfield and the townships of Alexandria or La Grand. The measure was approved and re-referred to the Tax Committee.

A bill, S.F. 172, authorizing the use of Anoka County facilities for commercial wireless service providers and allowing the lease of sites for public safety communications equipment was also approved. The bill, authored by Sen. Leo Foley (DFL-Coon Rapids), was amended to take out references to Anoka County; thus making the measure applicable state-wide. The bill was sent to the full Senate.

The final measure before the committee, S.F. 231, was approved and recommended for placement on the Consent Calendar. The bill, authored by Sen. Sandra Pappas (DFL-St. Paul), corrects an error relating to the local approval of a special law enacted for the city of St. Paul and Independent School District No. 625. The measure establishes a retroactive effect date for separating the human resources functions of the two bodies.

### Taxi bill tabled

A bill making changes in the Metropolitan Airports Commission (MAC) regulation of taxicabs generated considerable discussion at the Wed., Feb. 12, meeting of the State and Local Government Operations Committee.

S.F. 177, authored by Sen. Satveer Chaudhary (DFL-Fridley), provides that the MAC must not limit the age of a vehicle that is permitted to be operated as a taxicab to less than six years if the vehicle is subject to an annual safety inspection. Current law specifies vehicles must not be more than five years old. In addition, the bill requires the MAC to allow a taxicab owner to pay in quarterly installments, rather than annually, and allows the transfer of a taxicab permit to a family member if the permit holder dies.

John Choi, speaking on behalf of the Minneapolis/St. Paul International Airport Taxi Driver Association, said since Sept. 11, 2001, there has been a sharp decrease in fares from the airport and the bill is an attempt to ease the restrictions on drivers. He said the measure has a positive impact for drivers, but little or no negative impact on public safety. Choi said concerns about allowing the vehicles to be in service an additional year is addressed by the MAC inspection process. In addition, Choi said the fee of \$2,500 is substantial and allowing quarterly payments would make it easier on permit holders.

Mitch Kilian, MAC, said the Metropolitan Airports Commission operates much in the same manner as a city government. The MAC Board has the authority to regulate ground transportation and has set the current restrictions. Kilian said the \$2,500 fee is a break-even fee for the MAC and just covers the MAC costs. "A quarterly fee would put additional administrative costs on the MAC," Kilian said. He also said commercial vehicles are held to a higher standard than private vehicles and the MAC has found that of those vehicles entering the 4th or 5th year of service, 85 percent failed the inspection. Finally, Kilian said the issue of transferring a permit to a family member until the expiration date of the permit is not an issue, but continuing beyond the permits expiration could not be guaranteed.

After discussion on the criteria for setting the number of permits and further testimony in opposition to the measure, Sen. Dean Johnson (DFL-Willmar) moved that the bill be laid on the table. Johnson said, "My hope is we can work out a compromise and the motion is meant to aid conversation on the issue." Johnson's motion was adopted.

In other action, the committee, chaired by Sen. Jim Vickerman (DFL-

Tracy), advanced three additional bills. S.F. 78, authored by Sen. LeRoy Stumpf (DFL-Thief River Falls), provides for reimbursement to fire departments for expenses incurred in extinguishing motor vehicle fires and provides cities and towns the authority to collect unpaid bills from non-residents. The bill was approved and re-referred to the Finance Committee. S.F. 49, carried by Johnson, authorizes Kandiyohi County to exercise the powers of a city for the purposes of establishing an economic development authority and permits the joint exercise of powers by Kandiyohi County and the city of Willmar. The measure was also approved and re-referred to the Tax Committee.

S.F. 174, sponsored by Sen. Thomas Bakk (DFL-Cook), modifies political activity restrictions for St. Louis County officers and employees in the classified service. The bill was approved and recommended for placement on the Consent Calendar.

## State Government Budget Division

### Panel considers CORE report

Members of the State Government Budget Division heard a brief review of a report on reorganizing government issued during the early 1990s. The report was the result of work done by a blue-ribbon commission appointed by then-Gov. Arne Carlson in 1991. The division, chaired by Sen. Jane Ranum (DFL-Mpls.), met Tues., Feb. 11.

The Commission on Reform and Efficiency (CORE) was the 14th major study of organizational changes conducted in the 20th century, said Kent Allin. Allin, now the director of the Materials Management Division in the Dept. of Administration, assisted the commission as it did its work. He said the commission represented a public-private partnership in examining government and how it provided services to the public. At the time, Allin said, the state was facing a deficit of \$800 million. The governor, he said, did not see CORE as the solution to the budget problem. Rather, the commission was charged with identifying \$15 million in savings as it performed its work. The panel identified over \$17.5 million in general fund savings and \$21 million in savings overall, Allin said, though only about \$11.2 million of the savings

# Committee update

recommendations were adopted. CORE had a long-term focus, Allin said, on reforming government to stress accountability, customer service and streamlining. He briefly reviewed the recommendations made in several areas of government, including environmental services, human services, budgeting, human resources, administrative rules and local services funding. In some of the areas, Allin said, none of the recommendations were adopted, while other areas saw great progress made.

Ralph Brown, a senior consultant with the Management Analysis Division of the Dept. of Administration, provided an overview of the CORE recommendations regarding reorganization of the executive branch. He said the model proposed by the panel is unlikely to save much money. In the early 1990s, Brown said, the panel estimated it would save about \$6 million annually. Most of the savings come from reducing the overall number of high-level administrators and consolidating staff functions and support

services for those administrators, he said. At its most basic level, the recommendation was to move to a secretary-coordinator form of executive government, Brown said. Under such a model, state agencies would be consolidated into clusters, overseen by a secretary who reported directly to the governor. Agency heads would report directly to the cluster's secretary. A secretary's staff would be very small, he said, and could only be enlarged by consolidating positions within agencies. The model was designed primarily to



*Katrina Robinson, left, and LaJuanna Beal, both residents of the Harriet Tubman Center for the homeless in Minneapolis, listen to a presentation in the Capitol rotunda as part of a HousingMinnesota "Houses for All" rally Tues., Feb. 11.*

Photo by David J. Oakes



improve the process of how the executive branch operates, Brown said. Interestingly, he said, records indicate the state's very first reform effort—the Minnesota Efficiency and Economy Commission—made many of the same recommendations in 1913 and 1914.

Division members also heard a presentation from Peter Wattson, Senate Counsel, on the limits of the governor's unallotment authority. He said some indications are that the governor's office relied upon a paragraph in the unallotment statute (M.S. 16A.152) to reduce the budget for the judicial system. The paragraph—subdivision 4, paragraph (d) of the statute—indicates that the commissioner may consider if an agency has other sources of revenue, including the power to raise fees, from which it may draw. However, Wattson said, the unallotment authority depends upon statutes granting allotment authority to the commissioner of finance. Specifically, he said, the allotment statute (M.S. 16A.14) makes it clear that allotment does not apply to the legislative or judicial branches. The Legislature and courts are protected from the unilateral unallotment authority of the governor, Wattson said, as part of the fundamental separation of powers.

State Court Administrator Sue Dosal said the judicial branch does not recognize the authority of the governor to unallot from it, but is willing to participate in the solution to Minnesota's budget problem for FY 03 voluntarily. She said the courts and the Dept. of Finance are already in discussions and expect to reach an agreement soon. Dosal said the agreement will include a statement from the commissioner acknowledging the governor does not have the authority to unallot from the courts. Were an agreement not to be reached and the Dept. of Finance to attempt to withhold funds, she said, the courts would respond to it in any manner necessary to protect the fundamental separation of powers. Sen. Ann Rest (DFL-New Hope), a member of the division and assistant majority leader, said the Senate is also ready to participate in budget savings, but is concerned about the separation of powers issues. She said the administrators of the House and Senate are meeting to determine how much will be cut from each body, in an attempt to meet the target suggested by the governor. Ranum stressed to division members that though it may seem to some people to be merely an academic exercise, the issue of separation of powers was crucial to

maintaining the state's and nation's heritage.

### **Panel tours agency**

The State Government Budget Division, chaired by Sen. Jane Ranum (DFL-Mpls.), devoted the Wed., Feb. 12, meeting to a tour of the Dept. of Revenue.

## **Taxes**

### **Appointments approved**

Members of the Tax Committee, chaired by Sen. Lawrence Pogemiller (DFL-Mpls.), met Wed., Feb. 12, to consider three gubernatorial appointments, hear a bill relating to tax relief for small resorts and discuss goals and objectives for the committee.

The committee recommended confirmation of the appointments of Kathleen Hvass Sanberg and Sheryl Ramstad as judges to the Tax Court. In addition, the panel approved the appointment of Daniel Salomone as commissioner of the Dept. of Revenue.

A bill to alter the valuation of small, seasonal resort properties that include the homestead of the owner was also discussed by the committee. Chief author of the bill, Sen. Dallas Sams (DFL-Staples), said the measure, S.F. 322, relieves the tax burden on small, family owned resorts by providing that the value be based on the use of the property as a resort, rather than on the market value. Sen. Carrie Ruud (R-Breezy Point), a co-author of the bill, said the measure is important to preserve and protect small resorts for the benefit of families.

Joel Carlson, speaking in support of the bill said there has been a rapid growth in demand and land values for residential lakeshore, which has made the financial operation of a small resort extremely difficult. The bill aids small resorts by allowing a lower valuation on the property. Sams added that if the resort is sold, the bill allows for revenue recapture.

No formal action was taken on the measure. Pogemiller said the bill would be set aside for consideration in the committee's omnibus bill.

In other action, members discussed a proposed list of objectives for the committee presented by Pogemiller. The list set forth a goal statement and then a series of objectives under which bills before the committee would be classified. Sen. William Belanger (R-Bloomington), lead Republican member of the panel, said the

committee members from his caucus did not want to participate in the setting of the objectives. "No other committees have a list of objectives and we want to be able to vote bills up or down," Belanger said.

Sen. Mee Moua (DFL-St. Paul) countered, "It is good to be able to communicate to citizens our goals and objectives. I think it is important to be able to communicate the basis of our decisions."

Sen. Julianne Ortman (R-Chanhassen) also spoke against setting objectives. "I appreciate the process of setting the objectives—and it will be valuable—but I don't think there should be filters that eliminate bills from consideration." Sen. David Tomassoni (DFL-Chisholm) responded, "I think the chairman is trying to group the bills into priorities to make better decisions."

Pogemiller said he would lay the list aside, but "My experience is that a list of objectives informs the debate and helps members be more rigorous."

### **LGA report debated**

State Auditor Pat Awada appeared before the Tax Committee, Thurs., Feb. 13, to present the Special Study on Local Government Aid and its Effect on Expenditures. Awada said because of the budget crisis all programs are being reviewed for their effectiveness and efficiency. One program that has been the target of debate has been the local government aid program (LGA), she said. The study examines the effect of local government aid on city spending. Awada said, "The study found that those cities which received the highest levels of LGA per capita also spent significantly more per capita than those cities that received little or no LGA." In addition, Awada said, "LGA, as it is currently structured, appears to provide the means for cities to spend well above the median and average on both essential and non-essential services."

According to the report, cities above the median in LGA per capita spend 42 percent more on total current expenditures than those below the median LGA per capita. Also, according to the report, the cities that receive the most LGA per capita appear to have enough resources to offer both essential and non-essential services at a level significantly above those cities that receive LGA per capita below the median.

# Committee update

Awada said Greater Minnesota cities receive the highest per capita amounts of LGA and those cities that receive the most LGA per capita have tax levies that are significantly lower than those that receive the lowest LGA. She also said one of the key findings is that the top quarter of cities ranked by LGA per capita are predominantly in Greater Minnesota and spend 35 percent on essential and over 3 times more on non-essential services than those cities ranked lowest in LGA per capita.

Awada also reviewed the conclusions in the report. She said LGA is supposed to ensure essential services for all cities, but not a high quality of life for just some cities. However, she said LGA cannot be totally eliminated without forcing deep cuts in essential services or large increase in local property taxes.

Several committee members questioned Awada on the definition of “essential” and “non-essential” services. Sen. David Tomassoni (DFL-Chisholm) said people might consider some services, such as libraries and public health, as being essential, but the report classified such services as non-essential. Awada said for purposes of the report, general government, public safety and streets and highways were grouped as essential services and all other services were grouped as non-essential services. Sen. John Marty (DFL-Roseville) said in this discussion, though, the definition drives the political debate.

Awada concluded her remarks by saying, “There is an appropriate role for LGA for cities that don’t have economies of scale found in larger metropolitan areas, but still must provide essential services.”

Members also heard from Jim Miller, representing the League of Minnesota Cities. Miller said, “The Office of the State Auditor is using a faulty methodology and suspect data to reach sweeping conclusions about the effectiveness of an important program.” He also said the report’s recommendations would have a crippling effect on the services and quality of life in many parts of the state. Duluth Mayor Gary Doty also took issue with the report. He said, “It would be a disaster if the recommendations were carried out. Cities need to be part of the solution to the budget crisis, but should not be a disproportionate part.” Karen Anderson, mayor of Minnetonka and current president of the National League of Cities, said one of the unique aspects of local

government in Minnesota is the willingness of city governments to form partnerships with other units of government.

Committee Chair Lawrence Pogemiller (DFL-Mpls.) concluded the hearing and said the issue would continue to be discussed throughout the session.

## Transportation Policy and Budget Division

### LMC street report heard

A report on how municipalities fund roads and bridges was presented to members of the Transportation Policy and Budget Division when they met Tues., Feb. 11. The division is chaired by Sen. Dean Johnson (DFL-Willmar).

Tom Eggum, Matt Shands, Tom Colbert and Brenda Johnson presented the report on funding street construction and maintenance in cities. The report was sponsored by the League of Minnesota Cities, City Engineers of Minnesota and the Minnesota Chapter of the American Public Works Association. According to the report, over 19,000 miles of roadway and 1,247 bridges are owned and operated by the state’s 854 cities. Cities fund streets and bridges using local, state and federal sources. However, according to the report, most cities rely primarily on local resources. The most significant source of state funds is the Municipal State Aid (MSA) program. However, the report indicates that only 15 percent of city roadway mileage is funded through the MSA.

The report recommends providing funding for a local road improvement program, giving cities greater flexibility to generate revenues through special assessments, providing cities with additional local taxing authority, authorizing cities to establish impact fees, allocating a portion of existing funds to cities not eligible for MSA funding, allocating a portion of motor vehicle sales tax revenues to cities with populations smaller than 5,000 and increasing funding for the MSA program.

The division also heard from Dick Lambert, MnDOT, and Ray Skelton, Duluth Port Authority, on state ports. Lambert reviewed the traffic and operations of Minnesota’s ports on the Great Lakes system and on the Mississippi River. Skelton provided a detailed examination of the Port of Duluth-Superior.

Doug Differt, deputy commissioner, and Jim Kranig, director of the Office of Advanced Transportation Systems,

provided an overview of MnDOT technology initiatives.

### Public safety, transit discussed

Members of the Transportation Policy and Budget Division met Thurs., Feb. 13, to hear an update on the Dept. of Public Safety and to review transit systems throughout Minnesota.

Rich Stanek, newly appointed commissioner of the Dept. of Public Safety, said the three areas of the department under the panel’s jurisdiction include the State Patrol, the Division of Driver and Vehicle Services and Capitol Security.

“The mission of the department is to keep Minnesotans safe and provide public service through service, enforcement and prevention,” Stanek said. He added that he has heard the mission summed up as “cops, cash and cars.” He said the Driver and Vehicle Services Division has the widest public contact and that many services have been improved dramatically in recent years. The State Patrol is primarily charged with traffic safety and had over 697,000 driver contacts last year, Stanek said. He added, even though seat belt compliance has risen from 57 percent in the early 90s to the current rate of over 80 percent, over 600 people die each year in traffic accidents. He contrasted the number to the 200 homicides in the state per year.

Stanek, along with Col. Anne Beers, chief of the State Patrol, said Capitol Security has maintained continuity of service through the change in administration. Beers also said she anticipates a drop in the level of travel this year because of the state’s budget crisis.

The balance of the hearing, chaired by Sen. Dean Johnson (DFL-Willmar), was devoted to an update on transit. Sherry Munyon, representing the Minnesota Public Transit Association, provided an overview of transit in Greater Minnesota. Dave Tripp of the St. Cloud Metropolitan Transit Commission, Tony Knauer of Rochester City Lines and Tom Poul of the Suburban Transit Association profiled transit in their communities.

Sam Grabarski, president and CEO of the Minneapolis Downtown Council, spoke on the importance of transit for vibrant downtown areas. Barb Thoman, representing Transportation for Livable Communities, Jim Erkel of the Minnesota Center for Environment Advocacy and Mathews Hollinshead of the Sierra Club Northwest Chapter also spoke in support of transit alternatives.



# Preview

## Monday, February 17

The Senate will be in session at 10 a.m.

### Commerce and Utilities Committee

Chair: Sen. Ellen Anderson

12:30 p.m. Room 112 Capitol

**Agenda:** S.F. 299-Sams: Ambulance services liability insurance availability and cost study. S.F. 164-Sams: No-fault automobile insurance benefit and claim dollar amounts inflation adjustments (testimony only).

### Crime Prevention and Public Safety Committee

Chair: Sen. Leo Foley

12:30 p.m. Room 15 Capitol

**Agenda:** S.F. 225-Marko: State Fair Police Department part time peace officers employment limit exemption. S.F. 105-Cohen: Crime Victim Ombudsman Office reestablishment. S.F. 256-McGinn: Search warrants issuance and service procedures modification.

### State and Local Government Operations Committee

Chair: Sen. Jim Vickerman

12:30 p.m. Room 123 Capitol

**Agenda:** S.F. 293-Hottinger: Ratifying state employee labor agreements.

## Tuesday, February 18

### State Government Budget Division

Chair: Sen. Jane Ranum

9 a.m. Room 107 Capitol

**Agenda:** Tour of BCA at DPS.

### Environment, Agriculture and Economic Development Budget Division

Chair: Sen. Dallas Sams

12:30 p.m. Room 107 Capitol

**Agenda:** Overview of BOWSR and OEA.

### Health and Family Security Committee

Chair: Sen. Becky Lourey

12:30 p.m. Room 15 Capitol

**Agenda:** S.F. 39-Berglin: Hennepin County Community Clinic as essential community provider. S.F. 224-Kiscaden: Health plan company purchasing alliance stop loss fund account provisions modifications. S.F. 127-Skoglund: Health related licensing boards disciplinary proceedings costs and penalties collection authority clarification. S.F. 134-Kelley: Acupuncture, respiratory care practitioner and licensed traditional midwifery advisory councils and health care professionals services program advisory committee expiration date extension.

### Higher Education Budget Division

Chair: Sen. Sandra L. Pappas

12:30 p.m. College of St. Catherine

**Agenda:** Presentation and discussion of state budget and impact on higher education.

### Education Committee

Chair: Sen. Steve Kelley

3:30 p.m. Room 15 Capitol

**Agenda:** S.F. 212-Foley: Teachers duplicative license filing requirement elimination. S.F. 159-Rosen: School districts staff development programs requirements modification. S.F. 296-Michel: Children, Families and Learning Department renaming. S.F. 311-Wiger: Students educational achievement improvement.

### Jobs, Housing and Community Development Committee

Chair: Sen. Linda Scheid

3:30 p.m. Room 112 Capitol

**Agenda:** Overview of government-related housing programs.

### Transportation Policy and Budget Division

Chair: Sen. Dean E. Johnson

3:30 p.m. Room 123 Capitol

**Agenda:** Review of design-build projects.

## Wednesday, February 19

### E-12 Education Budget Division

Chair: Sen. LeRoy Stumpf

9 a.m. Room 112 Capitol

**Agenda:** S.F. 54-Betzold: Authorizing a levy for IDS No 14, Fridley. S.F. 64- Kubly: Authorizing a severance levy for ISD No 2853, Lac qui Parle Valley. S.F. 74-Rest: Creating an exception for new construction based on emergency closing of an operating school building. S.F. 205-Skoe: Making the levy for career and technical programs permanent. S.F. 209-Ruud: Making the levy for career and technical programs permanent. S.F. 252-Scheid: Allowing an intermediate school district to receive proceeds of safe schools levy. S.F. 337-Bakk: Modifying the levy for retired employee health benefits.

### Health, Human Services and Corrections Budget Division

Chair: Sen. Linda Berglin

9 a.m. Room 123 Capitol

**Agenda:** Representatives from the Departments of Health and Corrections will present the governor's 2004-05 Budget.

### State Government Budget Division

Chair: Sen. Jane Ranum

9 a.m. Room 107 Capitol

**Agenda:** Overview of governor's 2004-05 budget.

### Commerce and Utilities Committee

Chair: Sen. Ellen Anderson

12:30 p.m. Room 15 Capitol

**Agenda:** Testimony from Prairie Island Indian Community on legal issues relating to the Prairie Island Nuclear Power Plant.

### Crime Prevention and Public Safety Committee

Chair: Sen. Leo Foley

12:30 p.m. Room 15 Capitol

**Agenda:** To be announced.

### State and Local Government Operations Committee

Chair: Sen. Jim Vickerman

12:30 p.m. Room 123 Capitol

**Agenda:** S.F. 280-Tomassoni: State and local construction; regulating the use of certain iron and steel materials. S.F. 188-Pogemiller: Law enforcement; officer and firefighter health insurance benefits. S.F. 189-Pogemiller: Public safety; public safety officer death benefit.

## Thursday, February 20

The Senate will be in session at 9 a.m.

### State Government Budget Division

Chair: Sen. Jane Ranum

9 a.m. Room 107 Capitol

**Agenda:** Overview of governor's 2004-05 budget.

### Health, Human Services and Corrections Budget Division

Chair: Sen. Linda Berglin

Following session Room 123 Capitol

**Agenda:** Representatives from the Department of Human Services will present the governor's 2004-05 Budget.

### Environment, Agriculture and Economic Development Budget Division

Chair: Sen. Dallas Sams

12:30 p.m. Room 107 Capitol

**Agenda:** To be announced.

### Higher Education Budget Division

Chair: Sen. Sandra L. Pappas

12:30 p.m. Room 123 Capitol

**Agenda:** Presentation and discussion: Inter Faculty Organization, Minnesota State Universities; Minnesota State College Faculty; Private career schools; Higher Education Services Office.

### Judiciary Committee

Chair: Sen. Don Betzold

12:30 p.m. Room 112 Capitol

**Agenda:** S.F.156-Kelley: Internet consumer data. S.F. 230-Skoglund: Serving a summons and scheduling a hearing for a housing violation. S.F. 345-Ranum: Domestic abuse testimony criminal proceedings admissibility prohibition. S.F. 364-Foley: Judicial selection and task force study.

### Health and Family Security Committee

Chair: Sen. Becky Lourey

2 p.m. Room 15 Capitol

**Agenda:** Presentations on Wisconsin Works (W2) welfare reforms and results.

### Jobs, Housing and Community Development

Chair: Sen. Linda Scheid

3:30 p.m. Room 112 Capitol

**Agenda:** Overview of public/private housing partnerships.

## Friday, February 21

No meetings scheduled.

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# Senate Briefly

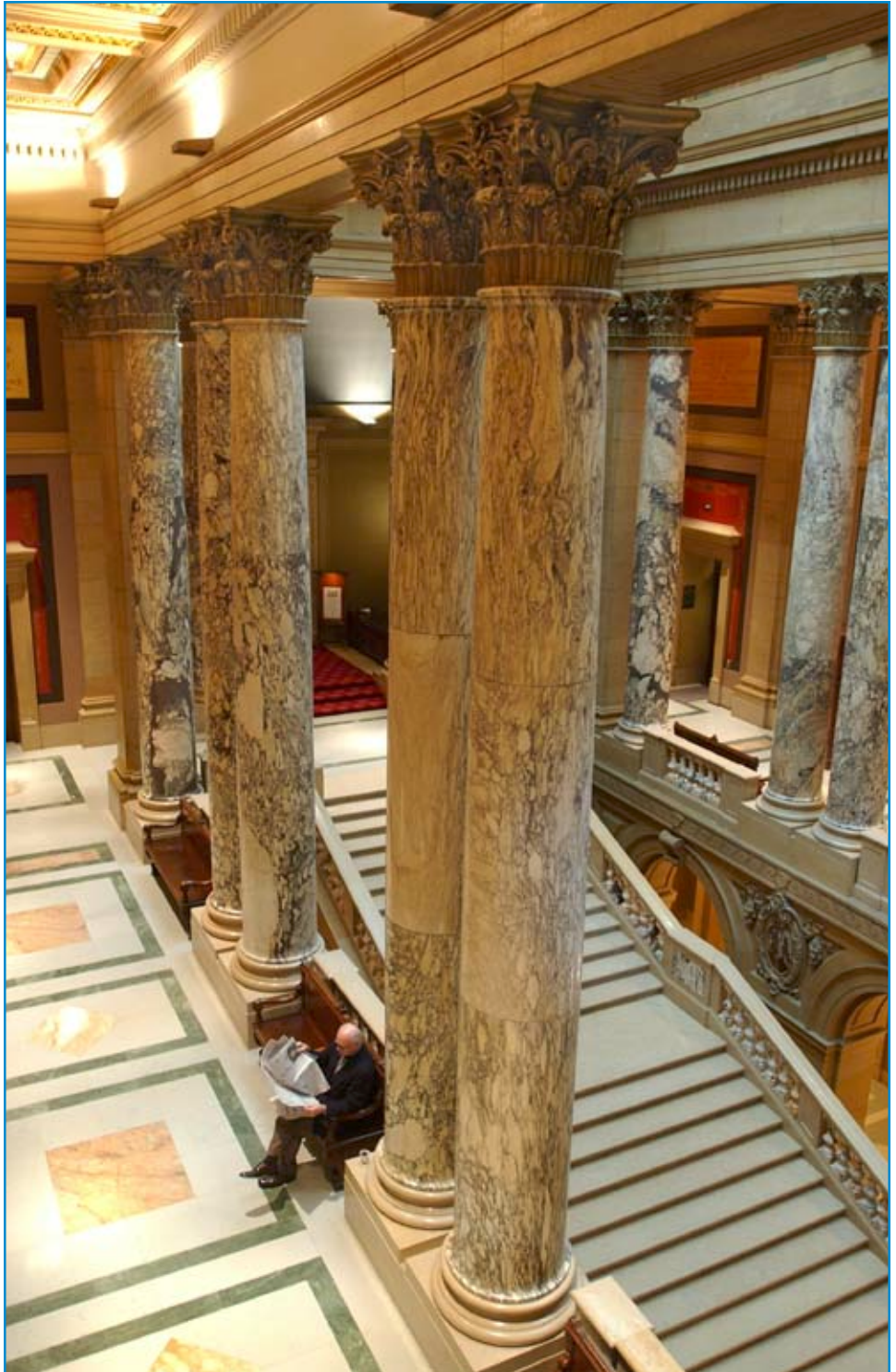
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*A lobbyist catches up on the news as he takes advantage of a recent quiet afternoon in a second floor corridor just outside the Senate chamber.  
Photo by David J. Oakes*



February 21, 2003



# Senate Highlights

## Governor unveils budget

News at the Capitol this week was dominated by the governor's budget proposal for fiscal years 2004-2005. Gov. Tim Pawlenty and Commissioner of Finance Dan McElroy presented the plan Tues., Feb. 18.

The proposal sets FY 04-05 general fund spending at \$28.12 billion. E-12 education remains the largest area of state spending, with over \$12 billion dedicated to education. Health and human services spending is the second largest area at over \$7 billion. Rounding out the top five are property tax aids and credits and higher education spending, at over \$2 billion each, and criminal justice at over \$1 billion.

Taxes are not raised in the proposal, as promised by the governor during and since his campaign. The plan eliminates the tobacco endowment and transfers the remaining \$1 billion to the general fund. It also repeals the buyback of the June accelerated sales tax payment, scheduled for 2005, saving \$160 million. The proposal also includes some fee increases and other transfers from special funds. Finally, the plan includes taking action on \$186 million of FY 03 spending and creates a budget reserve of \$500 million.

However, the budget does include large cuts to projected spending from the November forecast. Health and human services spending is cut \$880 million, local government aid payments are cut \$638 million and higher education spending is trimmed by \$358 million. To close the \$4.2 billion gap between

projected spending and revenues, other spending is also trimmed by over \$1 billion. Beginning Wed., Feb. 19, Senate budget divisions began discussing the budget plan.

## Pledge bill revived, approved

A bill requiring public and charter schools to include the pledge of allegiance and civics education in their classrooms was returned to consideration and sent to the Senate floor when the Education Committee met Tues., Feb. 18. The bill, S.F. 287, failed to gain committee approval during a previous meeting.

After a check of rules in Mason's Manual of Legislative Procedure, the committee approved a motion by Sen. LeRoy Stumpf (DFL-Thief River Falls) to reconsider the vote by which the bill was defeated. Sen. Gen Olson (R-Minnetrista) offered two amendments to the bill. The first added a requirement that school boards wishing to waive requirements in the bill do so annually. Olson noted that another paragraph in the bill already indicated an annual waiver by school boards. Sen. Sandra Pappas (DFL-St. Paul) said she wasn't comfortable with requiring boards to revisit the issue annually. Sen. Steve Murphy (DFL-Red Wing), chief author of the bill, said there were good arguments on both sides but that he didn't believe that boards are prevented from revisiting a waiver decision without the annual requirement. Bob Meeks, School Boards Association, said that once boards pass a motion it is in effect until the board decides to change it. If the amendment is adopted, he said, the waiver would be the only item handled with an annual renewal requirement. The amendment was not adopted. Pappas offered an amendment removing the reference to annual waiver later in the bill; the amendment was adopted.

Olson also offered an amendment to address concerns she and others had, she said, about language requiring teachers to tell students they should not consider those who chose not to say the pledge unpatriotic. The amendment instructs teachers to tell students that others should respect the right to make that choice. After much discussion, and the consideration of modifications to the amendment, the amendment was adopted in its original form. Olson said the amendment was important because it goes back to the rights of students and teachers and avoids telling students how to think. Sen. Michele Bachmann (R-Stillwater) said all

students should have the right to make up their own minds about others. S.F. 287, as amended, was sent to the Senate on an 8-2 roll call vote.

The committee also considered two other bills. S.F. 212, carried by Sen. Leo Foley (DFL-Fridley), eliminates a duplicative filing requirement for teachers. Craig Holje, Anoka Hennepin School District, said districts can check teacher licenses through the Dept. of Children, Families and Learning website. Sen. Steve Kelley (DFL-Hopkins), committee chair, suggested the bill be included in the committee's policy bill.

Sen. Geoff Michel (R-Edina) carried S.F. 296. The bill renames CFL as the Department of Education. He said the bill has significant symbolic value, including refocusing the department on its core mission and increasing clarity for citizens. He said the renaming of the department under Gov. Arne Carlson was the right move in the mid-1990s because providers of education-related services had a silo mentality. That mentality has been broken, he said. Jim Bartholomew, representing the department, said the agency has already done internal work on a name change and the bill will have a minimal fiscal impact. Several committee members, however, expressed concern about the governor's plans for reorganization. Stumpf said reorganization suggestions have come from the administration in a piecemeal fashion. Sen. Jane Ranum (DFL-Mpls.) said she would be more comfortable if the governor's reorganization plan was fully unveiled before acting on a renaming and refocusing of the department. The committee laid S.F. 296 over for further consideration.

## Noncontroversial bills passed

Members of the Senate met Thurs., Feb. 20, to consider bills on the Consent Calendar and bills on General Orders.

Bills on the Consent Calendar are noncontroversial in nature, have been approved by committee and are eligible for final passage. Members granted final passage to four measures. S.F. 231, authored by Sen. Sandra Pappas (DFL-St. Paul), corrects an error in a special law relating to the St. Paul School District and the city of St. Paul separation of human resources. S.F. 187, sponsored by Sen. Steve Dille (R-Dassel), eliminates the prohibition on circuses around State Fair time. Dille said the original law was enacted in the 1930s and prohibited

**Senate Briefly** is a publication of the Minnesota Senate Publications Office. During the 2003 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. It can be made available in alternative formats.

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David J. Oakes



**Supported by DFL colleagues from both bodies of the Legislature, Senate Majority Leader John Hottinger (DFL-St. Peter), center, offers a response to the governor's budget proposal for the next biennium during a press conference Tues., Feb. 18. Flanking Hottinger are House Minority Leader Matt Entenza (DFL-St. Paul), left, Senate Assistant Majority Leader Ann Rest (DFL-New Hope), right, and Sen. Linda Higgins (DFL-Mpls.), far right.**

Photo by David J. Oakes

circuses within 18 days and 6 miles of the Fair Grounds. S.F. 112, carried by Sen. Don Betzold (DFL-Fridley), adopts Article 5 of the Uniform Probate Code relating to guardianship and conservatorship. S.F. 174, carried by Sen. Thomas Bakk (DFL-Cook), modifies political activity restrictions for officers and employees in the St. Louis County classified service.

The appointments of Kathleen Hvass Sanberg and Sheryl Ramstad to the Tax Court were also confirmed.

Members also approved two measures on General Orders. Bills on General Orders are considered by the Senate acting as one large committee, known as "the Committee of the Whole." Each bill on General Orders has been reported out of one or more committees and is eligible

for preliminary passage. Bills on General Orders have had two readings and may be debated and amended.

S.F. 61, sponsored by Betzold, clarifies the requirements for the statement of need and reasonableness (SONAR) that agencies must prepare before adopting a rule. The bill specifies that the agency list the probable costs and include the portion of the costs that will be borne by affected parties, such as governmental units, businesses or individuals.

A second bill relating to administrative rules, S.F. 30, was also approved. The bill, sponsored by Betzold, imposes notice requirements for the use of the "good cause exemption." The good cause exemption is a provision that allows an agency to find that the rulemaking process is unnecessary, impracticable or contrary

to the public interest when adopting, amending or repealing a rule, Betzold said.

A motion, offered by Sen. Pat Pariseau (R-Farmington), to withdraw S.F. 222, the Minnesota Citizens' Personal Protection Act of 2003, from committee and to place the measure on General Orders generated considerable discussion. Pariseau said she had requested a hearing on the bill, but had not had a response. "This is too large an issue to delay," Pariseau said, "It is time for the full body to hear the bill and take action."

Sen. Dallas Sams (DFL-Staples) urged members to defeat the motion. "I will support the bill, but I would prefer that we go through the committee process. If it doesn't, we lose the opportunity for public input on this issue."

The motion failed on a vote of 32-34.



# Committee update

## Capital Investment

### Vetoed projects reviewed

The Capital Investment Committee, chaired by Sen. Keith Langseth (DFL-Glyndon), met Wed., Feb. 19, to consider the higher education projects contained in S.F. 2. The bill, authored by Langseth, restores bonding for a variety of projects vetoed in last year's bonding bill.

Langseth said he is interested in moving quickly to take advantage of stimulating economic activity as soon as possible. "I'm afraid that if we wait until late May or June, it will be too late in the construction season to move forward," Langseth said.

Al Johnson, vice chancellor for facilities, Minnesota State Colleges and Universities, reviewed the projects the MnSCU system is requesting and said MnSCU is ready to proceed quickly should bonding for the projects be approved. He said projects totaling \$50.716 million were vetoed last year. Johnson said the projects emphasize renovation of existing space, asset preservation, and projects for science and technology.

Of the projects approved last year, Johnson said, 78 percent of the \$99

million in line item projects have been obligated and 55 percent of the \$60 million appropriation for Higher Education Asset Preservation (HEAPR) projects have been obligated. Johnson said S.F. 2 contains three construction projects, six design/construction projects, seven design projects and one land acquisition project. Finally, Johnson said a bonding bill can move money into the economy quickly and that MnSCU projects have statewide impact.

Richard Pfitzenreuter, treasurer and associate vice president for finance, University of Minnesota, reviewed the priorities for the University. S.F. 2 contains \$48.3 million in projects that were vetoed last year, he said. He said the highest priority for the University is a \$24.7 million appropriation for the Minneapolis translational research facility. The project also requires an additional \$12.3 million through fundraising, Pfitzenreuter said.

Other projects include Jones Hall renovation, the Morris Social Science Building, the Minneapolis teaching and technology center, the St. Paul Veterinarian Diagnostic Lab and research and outreach centers, he said.

## Commerce and Utilities

### No-fault insurance discussed

The Commerce and Utilities Committee, chaired by Sen. Ellen Anderson (DFL-St. Paul), met Mon., Feb. 17, to consider two bills.

S.F. 299, authored by Sen. Dallas Sams (DFL-Staples), requires the commissioner of commerce to study the availability and cost to ambulance services of vehicle and malpractice insurance. The measure also requires the study to include the factors influencing cost increases. The measure was approved and advanced to the Senate floor.

The second measure, S.F. 164, also sponsored by Sams, was before the panel for discussion purposes. The bill adjusts no-fault auto insurance benefit and claim dollar amounts to reflect inflation. The bill also provides for future inflationary adjustments.

Jack Davies, former Senator and retired Appeals Court Judge, and Bob Johnson, representing the Insurance Federation of Minnesota, testified on the bill and led the members in a wide ranging discussion of no-fault auto insurance. No formal action was taken on the measure.



Senators Linda Berglin (DFL-Mpls.), left, and David Knutson (R-Burnsville) confer on the floor.

Photo by David J. Oakes

## Plant neighbors air views

The concerns and legal position of the Prairie Island Indian Community were presented to members of the Commerce and Utilities Committee Wed., Feb. 19. Chair Ellen Anderson (DFL-St. Paul) said she had offered Xcel Energy, which operates the Prairie Island nuclear power plant, the opportunity to testify at the hearing. However, she said, the company did not want to give anyone the appearance of an adversarial relationship between Xcel and the community, which are in negotiations over expanding dry cask storage of nuclear waste on the island. Scott Wilensky, representing the company, said it does have a different interpretation of some factors, but that it believes negotiations are the best route to a solution right now.

Audrey Bennett, president of the Prairie Island Indian Community, said the nuclear facility is only 600 yards away from residences. No one in the nation, she said, lives closer to such a plant. Bennett said there is only one permanent road providing access to the island. The road is often blocked by train traffic, she said, which means that community members might be unable to evacuate if an accident were to occur. The community has never received any benefits from having the plant so close, Bennett said, and does not even rely on the electricity the plant generates. When authorization to store 17 casks was obtained by NSP, Xcel's predecessor, the community did receive legal standing to limit the number of casks, Bennett said.

Seattle-based attorney Marc Slonim, who represents the community, said the 1994 contract between the state and the utility permitting dry cask storage grew out of legislation passed the same year. However, he said, the contract creates rights and obligations that are independent of the legislation. Slonim reviewed the history behind the 1994 authorization and said several groups opposed waste storage at that time. The then NSP chief executive, Slonim said, indicated that the company needed time to seek out-of-state storage options or phase the plant out of the state's power supply. The casks permitted in 1994 were supposed to be enough to meet either of those needs, Slonim said. In no way, he said, was the authorization intended to give the company time to find more reasons to

expand its waste storage. The only exception to the limit, Slonim said, is for storage related to decommissioning the plant.

The contract cannot be amended by the state and Xcel, he said, because of the community's standing. Slonim said some have argued the contract is illegal because it bound future Legislatures. However, he said, courts have ruled that contracts can be used to prevent changes in state law. Also, if the contract was void, then the legislation that required the contract never went into effect, he said, and the casks are illegally sitting on the island. Slonim said the contract can be amended if all three parties—the community, the state and the utility—agree to the changes.

Sen. Sheila Kiscaden (IP-Rochester) said she assumed the community was open to a variety of outcomes and that, if its conditions were met, it might support expanded storage of waste. Bennett said that was the case and that the community's needs and concerns have not changed. She said the community's concerns were improving road access, dealing with homes that are directly under transmission lines, finding suitable relocation lands for the community and taking care of residents' health and safety.

## Crime Prevention and Public Safety

### Victim ombudsman bill okayed

A bill to reestablish the Office of Crime Victim Ombudsman cleared its first hurdle at the Mon., Feb. 17, meeting of the Crime Prevention and Public Safety Committee.

S.F. 105, authored by Sen. Richard Cohen (DFL-St. Paul), reestablishes the Crime Victim Ombudsman as an unclassified position and replaces statutory references to the commissioner of public safety with references to the Crime Victim Ombudsman. Cohen explained that the 2002 Legislature abolished the office and transferred the duties to the commissioner of public safety; a reorganization order was then issued transferring the duties to the Ombudsman for Mental Health and Mental Retardation. The bill, Cohen said, simply returns the office to the status it had prior to the 2002 session. "The elimination of the office was a mistake; the Office of Crime Victim

Ombudsman needs to remain an independent entity," Cohen said.

Adam Lockhard, deputy ombudsman, said the office is authorized to investigate various complaints made by victims and that to do so effectively, the office must be independent. In addition, Lockhard said that currently, nothing in statute gives the office authority to operate.

Sen. Linda Berglin (DFL-Mpls.) said she has long supported the co-location of various agencies in order to take advantage of economies of equipment and rent, but that the Crime Victim Ombudsman did not belong with the Ombudsman for Mental Health and Mental Retardation. She said the budget for the office has never been a part of the health, human services and corrections budgeting.

The measure was approved and advanced to the Finance Committee.

The committee, chaired by Sen. Leo Foley, approved two additional bills. S.F. 225, authored by Sen. Sharon Marko (DFL-Cottage Grove), authorizes the State Fair Police Department to employ more part-time peace officers. Jerry Hammer, general manager of the State Fair, said that two years ago legislation was enacted that limited the number of part-time peace officers an agency could hire. He said, "For the past two years, the State Fair has applied to the Peace Officers and Standards Training Board for an exemption in order to hire more part-time peace officers." Hammer said the board suggested new legislation creating the authorization for the State Fair. Art Blakely, chief of the State Fair Police Department, said the department must provide for public safety throughout the year and it is much easier to have a cadre of part-time officers from which to draw. The measure was approved and sent to the full Senate.

Members also approved and sent to the Senate floor a bill making changes related to search warrants. S.F. 256, carried by Sen. Mike McGinn (DFL-Eagan), provides that search warrants may be issued to peace officers for searches outside their jurisdiction. The panel amended the bill to ensure notice is given to the local jurisdiction and to specify that notice is not needed for the initial application of a telephonic warrant, though notice must be given as soon as practical.



# Committee update

## DNA collection bill okayed

The Crime Prevention and Public Safety Committee met Wed., Feb. 19, and advanced two bills. The panel, chaired by Sen. Leo Foley (DFL-Coon Rapids), re-referred both measures to the Finance Committee.

S.F. 239, authored by Sen. Dave Kleis (R-St. Cloud), makes permanent the requirement that DNA samples be collected from all felony offenders. The law requiring the collection of biological specimens was enacted last year and is scheduled to end June 30, Kleis said. He also said more than 8,000 specimens have been collected and that in one month, 7 cases were solved through the use of DNA samples. Kleis said the collection of DNA samples has proven to be cost effective in solving crimes and preventing future crimes by solving cases earlier. In addition, Kleis said Minnesota is likely to get federal funding to provide for outsourcing analysis of samples currently on hand.

Sen. Jane Ranum (DFL-Mpls.) expressed concern about the on-going costs of collecting and storing samples if the requirement is made permanent. She offered an amendment, which was adopted, to continue the collection of DNA samples until June 30, 2005. Kleis said the amendment was a reasonable compromise and supported the motion. The bill was approved on a voice vote.

The second measure, S.F. 136, sponsored by Foley, modifies the crime of first degree murder for child abusers. Currently, the law specifies the crime of first degree murder when the offender has engaged in a past pattern of child abuse upon the victim. The bill expands the crime to include situations in which the past pattern of child abuse was upon any child, not just the victim. The measure was also approved on a voice vote.

## Education

### Development changes debated

Much of the discussion at the Thurs., Feb. 20, meeting of the Education Committee centered on a bill making changes in staff development revenue distribution.

S.F. 159, authored by Sen. Julie Rosen (R-Fairmont), also eliminates the requirement that school boards must

establish advisory staff development committees. In addition, the bill eliminates percentage requirements in the distribution of staff development revenue and provides that the board may withhold the revenue if the board determines that the staff development outcomes are not being met. An amendment was adopted that eliminates the need for a majority vote of the licensed teachers in the district for a district to waive the requirement to reserve its basic staff development revenue. Under the amendment, a majority vote of the school board is still needed to waive the requirement.

Debate on the bill focused on eliminating the mandatory requirement for having an advisory staff development committee and the removal of the requirement for a majority vote of teachers to waive the requirement to reserve revenue.

Bob Meeks, Minnesota School Board Association, said the bill provides that revenue decisions rest with those accountable, the elected school board. In addition, Meeks said, there are multiple needs for staff development for other staff besides teachers.

Jan Alswager, Education Minnesota, argued against the bill and said current law requires communication between teachers and school boards through the advisory staff development committees.

Committee Chair Steve Kelley (DFL-Hopkins) said the bill would be laid over in order to allow for a compromise to be reached.

Members also heard a bill, S.F. 311, aimed at improving student access to services that support academic success. The measure, sponsored by Sen. Charles Wiger (DFL-North St. Paul), also requires districts and the department to explore opportunities for obtaining additional funds to improve students' access to licensed student support services. The measure also sets forth recommended licensed staff to student ratios.

Kelley indicated the measure would be laid over for possible inclusion in the committee's policy bill.

Members also heard presentations on secondary vocational programs in Minnesota.

## E-12 Education Budget Division

### Levy bills heard

Members of the E-12 Education Budget Division heard a number of bills relating to a variety of levies at the Wed., Feb. 19, hearing. The panel, chaired by Sen. LeRoy Stumpf (DFL-Thief River Falls), laid all the bills on the table for consideration for inclusion in the division's omnibus bill.

S.F. 64, authored by Sen. Gary Kubly (DFL-Granite Falls), authorizes a severance levy for ISD #2853, Lac qui Parle Valley. Superintendent Bob Munsterman said the district will have an unusually large number of staff retiring, which creates a large financial obligation for the district. Authorizing the levy lessens the impact on curricula, Munsterman said. The bill specifies the district may levy up to \$150,000 each year for 15 years for severance and early retirement benefits for employees who retired as a result of the district's consolidation.

The division also discussed S.F. 74, authored by Sen. Ann Rest (DFL-New Hope). The measure creates an exception for new construction based on the emergency closing of an operating school building. Rest said the measure is needed because mold and microbe growth has rendered a building inhabitable and it is more cost effective to demolish the old building and construct a new one than to repair the existing building.

S.F. 252, carried by Sen. Linda Scheid (DFL-Brooklyn Park), allows an intermediate school district to receive proceeds of the safe school levy.

S.F. 205, authored by Sen. Rod Skoe (DFL-Clearbrook), and S.F. 209, sponsored by Sen. Carrie Ruud (R-Breezy Point), are identical bills that make the levy for career and technical programs permanent. Skoe said a few years ago the levy replaced an aid payment; the bill is to make the voluntary levy permanent. Several individuals testified about the importance of vocational and technical programs in high school. Sen. Gen Olson (R-Minnetrista) also supported the bill and said there is a great need to support vocational and technical education.

Sen. Don Betzold (DFL-Fridley) sponsored two measures. S.F. 54 authorizes a levy of an amount equal to the costs of operating a community center

building to promote the co-location of city and school district services. Representatives from the city of Fridley said the community center has been a successful partnership between the city and the school district. S.F. 406 authorizes ISD #14 to levy up to \$150,000 per year for a period of 5 years for severance and early retirement incentives for employees who have retired early.

## Environment, Agriculture and Economic Development Budget Division

### BOWSR, OEA overviews heard

Representatives of two state agencies reviewed their programs for members of the Environment, Agriculture and Economic Development Budget Division as the panel met Tues., Feb. 18. Sen. Dallas Sams (DFL-Staples), division chair, said the meeting was meant to provide members with an overview of what the

agencies do before the governor's budget is unveiled.

Doug Thomas, assistant director, said the Board of Water and Soil Resources (BOWSR) protects the state's resources on 41.7 million acres of private land, which represents 78 percent of all land in the state. BOWSR is concerned with soil erosion, urban and residential growth, non-point water pollution and bringing polluting feedlots into compliance with state regulations, he said. The board has unique statutory responsibilities, uses incentive-based programs and regulates wetlands under the Wetland Conservation Act, Thomas said. Thomas and Executive Director Ron Harnack also fielded questions about specific issues the board is dealing with, including legal conflicts involving the Hennepin County Conservation District. Thomas said BOWSR is not involved in any of the legal challenges regarding the Hennepin County district and will work to ensure the continuous delivery of programs. He

also clarified that a bill proposing levy authority for counties to support conservation districts is not an agency bill, but was proposed by the association of conservation districts. However, Thomas said that districts do need to have flexible funding options.

Director Sherry Enzler said the Office of Environmental Assistance (OEA) is a non-regulatory agency that helps citizens conserve. The agency, she said, attempts to integrate economic structures and societal infrastructures. David Benke presented the agency's programs as they fit into four goals: strengthening the inter-connections between the economy, environment and social structures; reducing and preventing waste, pollution and toxicity; encouraging the use of materials and waste with a focus on conservation; and helping Minnesotans to understand and minimize the adverse environmental impacts of their actions. Among the programs discussed included a plan to roll out the state's first car sharing



*Following their tour of the State Capitol Thurs., Feb. 20, Sen. Geoff Michel (R-Edina) tells students from the French Immersion School in Edina that he dare not try to recall his French from his college days for fear that the students might show him up.*

*Photo by David J. Oakes*



# Committee update



*Sen. Pat Pariseau (R-Farmington), center, discusses legislation with Senators Paul Koering (R-Fort Ripley), left, and Bill Belanger (R-Bloomington) during a recent floor session.*

Photo by David J. Oakes

business and a program reducing burn barrel emissions in the Lake Superior Basin.

## **Parks, Historical Society and Zoo budgets, operations reviewed**

The Environment, Agriculture and Economic Development Budget Division met Thurs., Feb. 20, to hear representatives of the Metropolitan Regional Park System, the Minnesota Historical Society and the Minnesota Zoo review their agencies and detail the impact of the governor's proposed budget.

Nina Archabal, director, Minnesota Historical Society, said that under the proposed budget the society will have to close some sites and reduce hours at other historic sites.

In addition, there may be staff cuts and other service reductions, she said.

Lee Ehmke, director of the Minnesota Zoo, and Peggy Adelman, chief financial officer, outlined the steps the Zoo plans to take in response to the budget proposal.

## **Health and Family Security**

### **Licensing board bill discussed**

Members of the Health and Family Security Committee, chaired by Sen. Becky Lourey (DFL-Kerrick), met Tues., Feb. 18, and advanced three bills. A fourth measure, clarifying costs and penalty collection authority for health licensing boards, was laid over in order to continue work on the bill.

The bill, S.F. 127, authored by Sen. Wesley Skoglund (DFL-Mpls.), provides that the health related licensing boards may collect costs and penalties from individual licensees involved in disciplinary proceedings. The measure also provides for civil penalties. Discussion on the measure centered on the question of under what circumstances a board should recover costs. Sen. Sheila Kiscaden (IP-Rochester) and Sen. Steve Kelley (DFL-St. Louis Park) questioned the due process limitations and the lack of limits. The measure was laid over in order to draft amendments to address members concerns.

In other action, the committee approved a bill authorizing the Hennepin County Community Clinic to apply for essential community provider status. S.F. 39, carried by Sen. Linda Berglin (DFL-Mpls.), allows the clinic, which serves a Native American population to apply for essential community provider status and be able to be included in other provider networks. The bill was sent to the full Senate.

Members also approved a bill making modifications in health plan company purchasing alliance stop loss fund account provisions. Kiscaden, the chief author of S.F. 224, said the modifications allow purchasing alliances to accept private foundation and federal funds. In addition, the bill clarifies administrative provisions, she said. The bill was also advanced to the Senate floor.

The third bill gaining committee approval, S.F. 134, was re-referred to the State and Local Government Operations Committee. The measure, sponsored by Kelley, extends the expiration date of the Acupuncture Advisory Council, the

Respiratory Care Practitioner Advisory Council, the Licensed Traditional Midwifery Advisory Council and the Health Care Professionals Services Program Advisory Council until June 30, 2007.

### **Panel hears Wisconsin system**

The Health and Family Security Committee, chaired by Sen. Becky Lourey (DFL-Kerrick), devoted the Thurs., Feb. 20, meeting to a presentation by Wisconsin officials on Wisconsin Works (W2). The committee heard a presentation on the history of Wisconsin's welfare reform efforts and results of the program's implementation.

## **Health, Human Services and Corrections Budget Division**

### **FY 04-05 budget discussions begin in earnest**

Members of the Health, Human Services and Corrections Budget Division met Wed., Feb. 19, to hear an overview of the governor's FY 2004-05 budget recommendations for the Dept. of Health and the Dept. of Corrections. Members, chaired by Sen. Linda Berglin (DFL-Mpls.), also discussed the effects of the governor's unallotment actions on the Dept. of Health.

### **Budget reviewed**

Members of the Health, Human Services and Corrections Budget Division met Thurs., Feb. 20, to hear an overview of the governor's FY 04-05 budget for the Dept. of Human Services. Chair Linda Berglin (DFL-Mpls.) said, "Of particular concern are the number of people who will lose health benefits and the amount of increase in premiums and co-pays. Members heard from Commissioner Kevin Goodno on the broad outline of the governor's plan.

## **Higher Education Budget Division**

### **Panel meets at college campus**

Members of the Higher Education Budget Division traveled to the College of St. Catherine Tues., Feb. 18, for a hearing on the impact of the governor's budget on higher education. Sen. Sandra Pappas (DFL-St. Paul) chairs the division.

### **Higher ed budget reviewed**

Members of the Higher Education Budget Division focused their attention on the governor's FY 04-05 budget recommendations for higher education at the Thurs., Feb. 20, hearing.

The panel, chaired by Sen. Sandra Pappas (DFL-St. Paul), heard first from Heather Johnston of the Dept. of Finance and Susan Heegaard of the Governor's Office.

They said the goal was to preserve a competitive higher education system. The governor's budget minimizes the impact of budget cuts on students by increasing finance aid and limits tuition increases to no more than 15 percent annually, they said. However, the budget does reduce state appropriations to the University of Minnesota and the Minnesota State Colleges and Universities (MnSCU), they said.

The proposed budget increases state grants by \$60 million and reduces the Higher Educational Service Office by 15 percent. In addition, the proposal reduces state appropriations to MnSCU by 10.3 percent, reduces the operating budget by \$174 million, transfers \$30 million to the state grant program, limits tuition increases and freezes employees salaries and benefits. In addition, the budget proposal reduces state appropriations to the University of Minnesota by 14.6 percent and reduces the operating budget by \$179 million. The proposal dedicates 6.5 cents of the existing cigarette tax to fund the Academic Health Center, transfer \$30 million to the state grant program and requests that the University limit tuition increases and freeze salaries and benefits.

The division devoted the balance of the meeting to hearing testimony from representatives of a variety of faculty groups, private career schools and the Higher Education Service Office.

## **Jobs, Housing and Community Development**

### **Housing programs profiled**

The Jobs, Housing and Community Development Committee focused on housing programs at the Tues., Feb. 18, hearing. The panel, chaired by Sen. Linda Scheid (DFL-Brooklyn Park), heard an extensive overview from the Minnesota

Housing Finance Agency and individual program profiles from a variety of speakers.

Patricia Hippe, deputy commissioner of the Housing Finance Agency, and Tonja Orr, director of government affairs for the agency, described the affordable housing problem, reviewed the agency's structure and funding and detailed agency programs.

Orr said there continues to be a problem in the supply of affordable housing. She said there have been increases in the costs and house prices, but the growth in household income has lagged behind. Orr indicated that changes in federal housing financing tools have also not been helpful. Orr said the mismatch between the supply of affordable housing and the demand for housing has resulted in more fulltime workers who are homeless, competitive offers for starter homes, low vacancy rates in most affordable rental units, deteriorating neighborhoods, housing discrimination and siting problems.

Hippe outlined the structure of the agency and the funding sources. She said the agency is governed by a board, appointed by the governor, with the state auditor and the commissioner of the Dept. of Trade and Economic Development serving as ex-officio members. The agency has four divisions and a program budget of \$1.134 billion. She said funding for the agency comes from four sources: bond sales, agency resources, federal funds and state appropriations. She said state appropriations, which account for about 13 percent of the program budget, are used exclusively for housing programs.

Orr said the primarily legislative issues include, of course, the biennial budget, but also technical changes needed to improve the tools available to the agency.

The committee also heard from Marshall Weems, director of the St. Cloud Housing and Redevelopment Authority, Elizabeth Ryan, director of housing and livable communities for the Metropolitan Council, Missy Staples Thompson, director of the FannieMae Minnesota Partnership Office and Mark Ulfers, director of the Dakota County Community Development Authority.

### **Housing discussion continues**

The Thurs., Feb. 20, meeting of the Jobs, Housing and Economic Develop-



# Committee update

ment Committee was again devoted to discussion of issues associated with housing. The panel, chaired by Sen. Linda Scheid (DFL-Brooklyn Park), focused on public/private housing partnerships.

## Judiciary

### Judicial selection task force gains

Members of the Judiciary Committee approved two bills when the panel met Thurs., Feb. 20. The committee also laid over a bill, S.F. 156, at the request of the author. Sen. Steve Kelley (DFL-Hopkins) said several issues still needed to be resolved before the bill progressed to the floor.

Citizens and members of the legal community have had concerns about Minnesota's system for selecting and retaining judges after a U.S. Supreme Court decision last summer that declared as unconstitutional a rule prohibiting candidates for judicial office from declaring their views on issues, said Sen. Leo Foley (DFL-Anoka). Foley carried S.F. 364, which establishes a task force to examine Minnesota's judicial selection and retention system and recommend changes to the system. The task force is composed of 12 members, including 3 Senators, 3 members of the other body, 3 persons appointed by the governor and 3 persons appointed by the chief justice of the Supreme Court. Thomas Mott, chief judge of the Second District, said it is important that the issue be considered and resolved in a thoughtful manner. He said a subcommittee of the District Judges Association is examining the issue. Lloyd Grooms said the Minnesota State Bar Association has also appointed a panel to study the issue. The panel will report to the association's executive committee, which may make recommendations to the Legislature. Committee Chair Don Betzold (DFL-Fridley) said it may be unnecessary to duplicate efforts at state cost. However, said Sen. Julianne Ortman (R-Chanhassen), the state task force will have citizen representation and may take in a broader set of perspectives than either of the associations' panels. Ortman also offered an amendment, which was accepted, that clarifies that changes may not be necessary in the current system. S.F. 364 was approved and re-referred to the State and Local Government Operations Committee.

Members also approved S.F. 230. Authored by Sen. Wesley Skoglund (DFL-Mpls.), the bill modifies the time for serving a summons and scheduling a hearing for actions relating to housing violations. Assistant Minneapolis City Attorney Henry Reiner said the existing law is a useful civil tool for resolving housing violations, but that the current timeframe is extremely narrow. Sen. Warren Limmer (R-Maple Grove) said he has also heard complaints from landlords that the timeframe in the existing law is exceedingly narrow. The bill was recommended for placement on the Consent Calendar.

## Rules and Administration

### Rules okayed

The Rules and Administration Subcommittee on Permanent and Joint Rules met Mon., Feb. 17, and advanced the Senate Rules to the full committee.

The panel, chaired by Sen. Ann Rest (DFL-New Hope), considered three changes to the Rules. Sen. Thomas Neuville (R-Northfield) offered an amendment to allow each member of the Senate to designate a priority bill. Under the change, Neuville said, each committee must schedule the priority bill ahead of any bills that have not been designated a priority. In addition, the proposal specifies that a committee may recommend amendments only with the consent of the author and, even the committee recommends the bill not pass, the bill must still be given a second reading and placed on General Orders.

Rest said she opposed the amendment because the proposal undermines the committee process. Neuville argued that the proposal was better than the alternative of having bills, which had been bottled up in committee, offered as amendments on the floor. Sen. Jane Ranum (DFL-Mpls.) also argued against the proposal on the grounds that it undermines the committee process.

The amendment failed on a voice vote.

Members did adopt an amendment offered by Sen. Don Betzold (DFL-Fridley). The amendment specifies that 41 votes are needed to withdraw a bill from committee and bring it to the Senate floor. Currently, a majority is needed to withdraw a bill, unless the first committee deadline has passed. At that point, 41

votes are needed. Betzold said it was appropriate to need more votes to bypass the committee process. Neuville opposed the amendment and said, "The amendment takes power away from the body." Sen. Pat Pariseau (R-Farmington) said, "It is asking for more votes than is needed for passage of a bill." Betzold said the committee process should be able to deal with an issue and it should take a higher majority to go around that process.

The amendment was adopted on a 5-3 roll call vote.

The final proposal, offered by Pariseau, raises the maximum number of authors on a bill to 20. Pariseau said the idea was to allow more authors and cut down on the number of identical bills introduced each session. Betzold said that in practice, allowing more authors did not cut down on the number of introductions in the other body. The amendment failed on a voice vote.

The panel approved a motion to send the rules, as amended, to the full committee for consideration.

## State and Local Government Operations

### Contracts move forward without domestic partner benefits

A voice vote of the State and Local Government Operations Committee advanced a bill ratifying state employee labor agreements but excluded domestic partner benefits from the ratification. The bill, heard Mon., Feb. 17, provides that any domestic partner benefits contained in the contracts are not ratified, unless it is determined that the Legislature cannot modify such contracts.

In that case, S.F. 293, carried by Sen. John Hottinger (DFL-St. Peter), provides that the terms and conditions for state employment are those set out in the bargaining agreements, except for domestic partner benefits. The bill is effective the day after final enactment and provides that persons receiving insurance coverage as domestic partners may continue coverage until June 30, 2003, and domestic partners receiving tuition waivers may continue to receive the waivers until the current semester has ended. Hottinger offered an amendment to the bill, which makes technical changes and provides an exception to the cancellation of domestic partner benefits.



**Senators Becky Lourey (DFL-Kerrick), left, and Sheila Kiscaden (IP-Rochester) consult in the Senate Chamber.**

Photo by David J. Oakes

The exception relates to an employee's use of sick leave or bereavement leave.

Hottinger said the bill represents a soft landing for those receiving domestic partner coverage. "Frankly, I'm not very happy to carry this bill, but it needs to be done," he said, so that the contracts are not voided. S.F. 293 represents a pragmatic solution to the problem, he said. Sen. Claire Robling (R-Prior Lake) said she needed clarification about the benefit extension to the end of the fiscal year. Her reading, Robling said, was that the benefits would stay in place but would not

be considered part of the base contracts when they are renegotiated. Hottinger said that reading was correct and that the primary function of the bill was to avoid the chaos of Legislative inaction.

Robling said the negotiations of new contracts should include an awareness of the significant pay bumps received by some state employees, especially those in the Minnesota State Colleges and Universities (MnSCU) system. She said the MnSCU contracts do represent a merger of bargaining units and educational systems, but that some of the raises

are unjustifiable in a period of declining state resources. Committee Chair Jim Vickerman (DFL-Tracy) said there were parts of the bill he didn't like, including some of the pay increases.

Sen. Scott Dibble (DFL-Mpls.) said advancing S.F. 293 was a grim task, but one that needs to be done. He said he supports the bill, but unhappily so. "It really puts us out of step with the larger world and puts the state at a disadvantage," Dibble said, when comparing employment options between the public and private sector.



# Committee update

The bill, as amended, was advanced to the Finance Committee.

## Minnesota steel bill advances

A bill requiring the use of Minnesota iron and steel in public construction projects cleared the State and Local Government Operations Committee Wed., Feb. 19.

S.F. 280, authored by Sen. David Tomassoni (DFL-Chisholm), requires at least 50 percent of all steel and iron materials used or consumed annually in construction and infrastructure projects done by public entities or financed by state or local tax revenues to be manufactured in Minnesota. The measure was amended to provided that manufactured in Minnesota means that to the extent possible all manufacturing processes be undertaken in Minnesota. Debate on the measure centered on whether the requirement will make construction more costly. The bill was approved on a 6-5 roll call vote and forwarded on to the full Senate.

In other action, the committee, chaired by Sen. Jim Vickerman (DFL-Tracy), approved two additional bills. S.F. 189, authored by Sen. Lawrence Pogemiller (DFL-Mpls.), provides that a public safety officer death benefit must be paid to the officer's estate if there is no eligible spouse or dependent. Pogemiller said current law limits the payment to a spouse or children or parents and does not allow the payment to be made to the estate. Federal law contains a similar death benefit, which may be paid to the estate, if there is no spouse or dependent. The bill, Pogemiller said, mirrors the federal law. The measure was approved and re-referred to the Crime Prevention and Public Safety Committee.

S.F. 188, also sponsored by Pogemiller, modifies the policy for reimbursing public employers for officer and firefighter health insurance benefits and requires the commissioner of public safety to reimburse claims from other available funds. Pogemiller said the bill fixes an unfunded mandate. Laura Kushner, of the League of Minnesota Cities, said cities have been acting in good faith, but were denied payment when funds ran out. Pogemiller said the budget situation resulted in the account not having enough money to reimburse the public employers. The measure was also re-referred to the Crime Prevention and Public Safety Committee.

# State Government Budget Division

## Division tours agency

The State Government Budget Division, chaired by Sen. Jane Ranum (DFL-Mpls.), devoted the Tues., Feb. 18, meeting to a tour of the Bureau of Criminal Apprehension at the Dept. of Public Safety.

## Governor's budget reviewed

Members of the State Government Budget Division met Wed., Feb. 19, to begin examining the governor's recently unveiled budget proposal for fiscal years 2004-2005. Sen. Jane Ranum (DFL-Mpls.), chair of the division, said she hoped members would focus on answering three questions: what groups are being helped or hurt by changes made, are the services affected ones that only the state will provide, and must the public sector provide the service or will the private sector do so better and at a lower price.

She said members should also consider that the state's budget problem may be both a revenue problem and a spending problem. Sen. Mady Reiter (R-Shoreview) said taxpayers have indicated, both in the voting booth and in recent

news organization polls, that they do not want taxes raised. However, said Sen. Jim Vickerman (DFL-Tracy), the programs offered by state government were requested by constituents as well.

Stephanie Andrews, Dept. of Finance, said last summer the department asked agencies to draw up plans for reductions amounting to 10 percent of their budgets. After the release of the November forecast, she said, the department asked agencies to plan for an additional 10 percent cut. Andrews said the intent was not to cut every agency by 20 percent, but to have that many options available for the governor. She said the governor has encouraged agencies to examine their core mission and function when drawing up such plans. Fees that weren't recovering costs of services provided, she said, are being raised in the proposal. Vickerman said, in his opinion, that a fee is a tax and the administration shouldn't hide behind terminology.

The governor's proposal includes \$186 million in FY 03 reductions, primarily in transfers from other funds and refinancing \$110 million in transportation projects. The plan increases the budget reserve to \$500 million and reduces expenditures by \$2.855 billion. It also raises revenues by \$1.581 billion, prima-



**High school sophomore Mackensie Tappe from New Richland takes in some of the hundreds of photos, personal notes and drawings commemorating lives lost to tobacco during an unveiling of the Tobacco Memorial Wall in the Capitol rotunda Wed., Feb. 19. In sponsoring the event, the Minnesota Smoke-Free Coalition was calling for continued youth tobacco prevention funding.** Photo by David J. Oakes

Photo by David J. Oakes

rily through a transfer of over \$1 billion from the tobacco endowment. Budgets for the constitutional officers, the Legislature, the Campaign Finance and Public Disclosure Board, the Amateur Sports Commission and the Departments of Administration, Employee Relations and Finance are reduced by 15 percent each. The Dept. of Military Affairs budget is reduced by 1.5 percent and the Dept. of Veterans Affairs budget is reduced by 10 percent, under the plan. Minnesota Planning is cut by 15 percent and a reorganization plan for the agency is still forthcoming, under the proposal. Functions of the Capitol Area Architecture and Planning Board are transferred to the Dept. of Administration, with a 20 percent reduction to the board's budget. Small veterans organizations, including the Military Order of the Purple Heart, will see 15 percent reductions to their budgets and their grant oversight functions transferred to the Dept. of Veterans Affairs.

Both the Gambling Control Board and the Racing Commission will be fully fee-supported under the plan. Brian Steeves, Dept. of Finance, said fees currently charged have not been changed since the early 1990s and are recovering only about 30 percent of the costs of regulating gambling. The plan includes a small appropriation in FY 04 for both agencies, Steeves said, to help them through the funding transition. The plan also includes an operating reduction of 6 percent for the Dept. of Revenue, which Andrews said was the deepest cut that could be made without reducing state revenues.

Members also addressed other budget-related matters that had come to their attention. Ranum said she needed more information about the effects of a wage freeze on state employees and the results of not enacting such a freeze. Andrews said a freeze would not have a bottom line impact, but would relieve pressure on agency budgets and permit agencies to use money that would have gone for wage and salary increases in other ways within their budgets. Sen. Richard Cohen (DFL-St. Paul) said he had been contacted by a reporter about a vehicle leased for the governor's chief of staff. Deputy Commissioner of Administration Kirsten Cecil said the previous chief of staff's vehicle had been provided by the state motor pool, but that officials are not required to

use the motor pool. She said officials use the request for bid process, which the current chief of staff chose to do. Cecil said this situation was the first lease arrangement for a governor's chief of staff that she was aware of. "If we're going to share the pain, we're going to start with leased vehicles," said Cohen.

## Budget overview continues

Members of the State Government Budget Division continued their examination of the governor's budget proposal for FY 04-05 when the panel met Thurs., Feb. 20.

Division Chair Jane Ranum (DFL-Mpls.) said the governor has talked previously about the importance of e-government, or delivering government services and information online. However, she said, the budget plan does not appear to reflect that commitment. Ranum noted that money for CrimNet, a statewide system for sharing information among law enforcement agencies, is being redirected for lease payments for the Bureau of Criminal Apprehension. Assistant Finance Commissioner Peggy Ingison said e-government is a priority for the administration, but that money for new initiatives is not available in a time of budget-trimming. Ingison said the administration is examining how to spend state funds to get more effective use out of those dollars.

Executive Budget Officers Dennis Munkwitz, Jim King and Norman Foster reviewed the governor's budget proposals for the Dept. of Commerce, the councils of color, the non-health boards and the judicial system.

## Transportation Policy and Budget Division

### Design-build projects reviewed

The topic of the design-build project delivery process was the focus of the Tues., Feb. 18, meeting of the Transportation Policy and Budget Division. The panel, chaired by Sen. Dean Johnson (DFL-Willmar), heard an overview from Paul Huston, Dept. of Transportation (MnDOT) design-build program manager. In addition, Betsy Parker, MnDOT government relations, outlined legal and warranty issues pertaining to the design-build process. Terry Ward, MnDOT project manager, detailed the process for

the Trunk Highway 52 design-build project.

## Floor action

### Senate debates procedure

The Senate met Mon., Feb. 17, primarily to process bill introductions and work at the front desk. However, a debate on Senate procedure broke out when Sen. Mady Reiter (R-Shoreview) moved, pursuant to Rule 5, to remove her Pledge of Allegiance bill, S.F. 14, from the Education Committee and send the measure to the Senate floor.

Reiter said that she did not believe the bill would be able to clear the committee, despite the fact the same language was adopted by the Senate last year. Sen. Steve Kelley (DFL-Hopkins) argued against the motion and said, "I did indicate at the close of the hearing the bills would be brought up again." Kelley said the committee process should be allowed to work. "I would appreciate members' opposition to the motion, because we are still working on these bills in committee," he said.

Sen. Michele Bachmann (R-Stillwater) supported the motion. "The people want the pledge bill, but it has been held up by the Senate in the past," she said. Reiter said the bill passed the Senate on a vote of 56-10 last year, but was vetoed by the governor. She said the measure deserves to be acted upon by the full Senate.

Sen. John Hottinger (DFL-St. Peter) also argued against the motion. He said the committee process should be allowed to work and that it is an opportunity for the new members of the Senate to have input on the measure.

The motion failed on a vote of 26-32.

## Frequently called numbers

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# Preview

## Monday, February 24

The Senate will be in session at 10 a.m.

### Commerce and Utilities Committee

Chair: Sen. Ellen Anderson

12:30 p.m. Room 112 Capitol

**Agenda:** S.F. 155-Wiger: Health insurance coverage for communication aids or devices for children with hearing loss.

### Crime Prevention and Public Safety Committee

Chair: Sen. Leo Foley

12:30 p.m. Room 15 Capitol

**Agenda:** Dept. of Corrections policy changes included in the governor's 2004-2005 budget proposal.

### State and Local Government Operations Committee

Chair: Sen. Jim Vickerman

12:30 p.m. Room 123 Capitol

**Agenda:** S.F. 258-Skoe: Indian scholarship program transfer from CFL to HESO. S.F. 421-Higgins: City of Minneapolis; unclassified service. S.F. 353-Higgins: Hennepin County; conflict of interest. S.F. 422-Robling: Examiners of titles.

### Agriculture, General Legislation and Veterans Affairs Committee

Chair: Sen. Steve Murphy

3:30 p.m. Room 112 Capitol

**Agenda:** Overview of governor's budget for the Department of Agriculture.

### Rules and Administration Committee

Chair: Sen. John Hottinger

3:30 p.m. Room 107 Capitol

**Agenda:** Permanent Senate Rules.

## Tuesday, February 25

### Finance Committee

Chair: Sen. Richard Cohen

9 a.m. Room 123 Capitol

**Agenda:** The governor's budget. Commissioner McElroy will testify.

### Tax Committee

Chair: Sen. Lawrence Pogemiller

9 a.m. Room 15 Capitol

**Agenda:** S.F. 330-Pogemiller: Truth in Taxation Act—Prohibiting increases in property tax rates.

### Health and Family Security Committee

Chair: Sen. Becky Lourey

12:30 p.m. Room 15 Capitol

**Agenda:** S.F. 127-Skoglund: Health related licensing boards disciplinary proceedings costs and penalties collection authority clarification. S.F. 229-Fischbach: Physician assistants authority expansion. S.F. 267-Lourey: Emergency medical services regulatory provisions modifications. S.F. 272-Berglin: County adult foster care facilities license capacity expansion. S.F. 283-Sams: Emergency medical services regulatory provisions modifications. S.F. 333-Sams: Speech language pathologists and audiologists licensure requirements.

### Higher Education Budget Division

Chair: Sen. Sandra L. Pappas

12:30 p.m. Century College

**Agenda:** Presentation and discussion of state budget and impact on higher education.

### Judiciary Subcommittee on Family Law

Chair: Sen. Thomas Neuville

12:30 p.m. Room 112 Capitol

**Agenda:** S.F. 266-Betzold: Marriage dissolution cases child removal procedure modification. S.F. 356-Cohen: Child de facto custodian provisions modifications.

## Wednesday, February 26

### E-12 Education Budget Division

Chair: Sen. LeRoy Stumpf

9 a.m. Room 112 Capitol

**Agenda:** Discussion of governor's budget.

### Finance Committee

Chair: Sen. Richard Cohen

9 a.m. Room 123 Capitol

**Agenda:** S.F. 293-Hottinger: Public employment labor agreements, compensation plan amendments and salary increase proposals ratification. The governor's budget.

### Commerce and Utilities Committee

Chair: Sen. Ellen Anderson

12:30 p.m. Room 112 Capitol

**Agenda:** Wind power in Minnesota.

### Crime Prevention and Public Safety Committee

Chair: Sen. Leo Foley

12:30 p.m. Room: 15 Capitol

**Agenda:** S.F. 58-Foley: DWI blood alcohol concentration level reduction (0.08 BAC).

### State and Local Government Operations Committee

Chair: Sen. Jim Vickerman

12:30 p.m. Room 123 Capitol

**Agenda:** S.F. 257-Neuville: Northfield medical clinic. S.F. 354-Betzold: Emergency services; cities reimbursement. S.F. 374-Pappas: St. Paul Civic Center. S.F. 407-Vickerman: Towns; optional election of certain officers.

## Thursday, February 27

The Senate will be in session at 9 a.m.

### Health, Human Services and Corrections Budget Division

Chair: Sen. Linda Berglin

Following session Room 123 Capitol

**Agenda:** Continued review of the governor's 04-05 human services budget.

### State Government Budget Division

Chair: Sen. Jane Ranum

9 a.m. Room 107 Capitol

**Agenda:** Review of governor's budget.

### Judiciary Committee

Chair: Sen. Don Betzold

12:30 p.m. Room 112 Capitol

**Agenda:** S.F. 328-Solon: Psychologists and psychological practitioners mental, physical or chemical dependency examination or evaluation. S.F. 379-Rest: Eminent domain appraisal fees reimbursement limit increase.

## Friday, February 28

### State Government Budget Division

Chair: Sen. Jane Ranum

9 a.m.

**Agenda:** Tour of the Dept. of Commerce.

### Commerce and Utilities Committee

Chair: Sen. Ellen Anderson

Depart 9:30 a.m.

**Agenda:** Visit to Dodge Center, where a number of wind turbines are now producing electricity. Triton High School for a public hearing on the potential of wind energy development.

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# Senate Briefly

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*A slow loris reacts with curiosity to the unfamiliar environment of the Capitol rotunda as a participant in a Minnesota Zoo exhibit Thurs., Feb. 27.  
Photo by David J. Oakes*



February 28, 2003



# Senate Highlights

## BAC limit reduction bill advances

A bill to lower the legal limit for the concentration of alcohol in a driver's blood stream to 0.08 cleared its first Senate committee Wed., Feb. 26. The per se alcohol concentration level, as the legal limit is known, applies to impairment offenses involving driving motor vehicles as well as operating recreational vehicles or watercraft, hunting, operating military vehicles and criminal vehicular homicide and injury.

Sen. Leo Foley (DFL-Coon Rapids), chief author of S.F. 58 and chair of the committee, said that had the state adopted 0.08 as the per se standard in 1997, over \$14 million in federal incentive funds would have been distributed to the state. If the state enacts a 0.08 law this session, he said, the state will be eligible for the last round of incentive payments. Foley said that sanctions are also included in federal law and that if the state does not enact a 0.08 standard by Sept. 30, 2003, 2 percent of federal highway funds, or about \$6.64 million, will be withheld.

Major Mike Asleson, State Patrol, said the Dept. of Public Safety has not taken a position on the bill, but that he supports it personally. He cited statistics about alcohol-related accidents, injuries and deaths last year. Asleson also invited committee members to participate in or observe workshops demonstrating the amount of alcohol consumption required for individuals to reach a 0.08 concentration and the level of impairment individuals experience. Dave Petersen, assistant director of the Bureau of Criminal

Apprehension's forensic science laboratory, said most literature agrees that 0.08 is a fair standard for unsafe levels of impairment. In 2002, he said, peace officers measured the blood alcohol concentrations of drivers pulled over for exhibiting signs of impaired driving and found that over 92 percent of the drivers had concentrations levels above 0.10 and 97 percent were above 0.08.

Federal law does not provide for a middle ground, said Jean Ryan of the Office of Traffic Safety in the Dept. of Public Safety. She said the per se limit must be reduced to 0.08 and that offenders with concentration levels above 0.08 cannot be treated differently from those over 0.10 for the state to avoid penalties. Lynne Goughler, Mothers Against Drunk Driving (MADD), said other states have been successful in reducing alcohol-related accidents and fatalities by enacting 0.08. She said the standard has a minimal effect on police, courts and prisons because police officers only pull over drivers already exhibiting impaired driving. Goughler said some states with 0.08 standards have actually seen alcohol consumption increase.

Testifying in opposition to the bill was Ken Rockler, representing the Bowling Proprietors Association. He refuted the methods used by studies cited by 0.08 proponents. Rockler said the bill targets social drinkers and will harm private enterprise without saving lives. He said the goal of some proponents, including MADD, is really prohibition and noted that MADD is seeking limits as low as 0.05 in other states.

Keith Carlson, Metropolitan Inter County Association, said no one is against cracking down on drunk drivers but that the bill will impose significant burdens on local units of government. The cost to counties may be as much as \$6.8 million or more in the first year, he said, and "to assume that we will find the wherewithal to fund this defies imagination." Foley said it was inappropriate to discuss the budgetary impact of the bill in detail, as Carlson did, in a policy committee. However, responded Sen. Dave Kleis (R-St. Cloud), the strongest argument from proponents is financial. It is also important to understand the costs of enacting the bill, Kleis said.

Carlson said the association is not advocating against lowering the limit, but that the state should wait until it abso-

lutely must lower the limit and it can compensate counties for the added costs. Sherry Munyon said the Minnesota Corrections Association does not take issue with the policy behind the bill but also objects to the bill's costs. She said the bill should be held over until the state can fully fund the lower limit. Sen. Wesley Skoglund (DFL-Mpls.) said that since the number of peace officers is finite and many drunk drivers already get away with the crime, it is difficult to understand the arguments that more arrests and convictions will be the result of enacting the lower limit. He said the bill is more likely to change behavior.

Sen. David Knutson (R-Burnsville) said every dime of cost was worth it. "The most important reason to pass 0.08 is purely public safety," he said. Foley said the bill is not the first step towards even lower levels and does not target social drinkers, but is focused on a nationally accepted standard. "We need to follow the states that have jumped over us in an area where we thought were a leader," Foley said. The bill was advanced to the Finance Committee on a voice vote.

## Levy freeze okayed

A bill freezing property tax levies at their 2003 levels garnered the approval of members of the Tax Committee as the panel gave S.F. 330 its third hearing Thurs., Feb. 27.

The bill was originally introduced as a rate freeze. However, Sen. Lawrence Pogemiller (DFL-Mpls.), chief author, offered an amendment changing the bill to a levy freeze. The amendment was adopted by the committee on a voice vote.

Eric Nauman, fiscal analyst, presented a spreadsheet showing the levies projected under current law. Under the bill, he said, about \$470 million of levy increases will not occur in 2004 and 2005. Sen. Julianne Ortman (R-Chanhassen) said the bill seems to reward those districts that recently sought, and received voter approval for, levy increases. She said the effects of the bill fall disproportionately on districts that chose to wait on referendum levy increases. Nauman said that any legislative limits on levies will have differing effects on districts that recently approved new levies and those that did not do so. However, he said, the bill affects all districts by limiting them to their 2003 revenues.

**Senate Briefly** is a publication of the Minnesota Senate Publications Office. During the 2003 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. It can be made available in alternative formats.

### Editorial Staff:

Karen L. Clark  
Joshua A. Dorothy

### Photographer:

David J. Oakes

Sen. Warren Limmer (R-Maple Grove) noted that a fiscal note prepared by the Dept. of Revenue indicates the bill will remove over \$4 million in revenue from the general fund during FY 04-05 and over \$34 million in revenue from the general fund in FY 06-07. He said it may be better to maintain the revenue the state has than to chip away at existing revenue streams. Pogemiller said his goal was to enact a tax freeze. A freeze on taxes for individual parcels would be better, he said, but a levy freeze is the closest, practicable alternative.

The Minnesota Chamber of Commerce appreciates the amendment, said Bill Blazar, since a levy freeze reduces taxes on business while a rate freeze actually increases businesses' property taxes. However, Blazar said, the chamber wants to hear all the proposals, including the governor's plan, which has not been released.

Several representatives of schools spoke against the measure. Bob Meeks

said the Minnesota School Board Association supports allowing local electorates, if they choose, to provide additional revenue for schools. Brad Lundell, Schools for Equity in Education, said many districts are preparing referendum proposals. Levies will be more crucial, he said, as the state faces tighter budgetary times. Mary Gilbert and James Grathwol, representing the St. Paul and Minneapolis School Districts, respectively, said districts should have a variety of funding options.

S.F. 330 was sent to the full Senate on a 7-6 roll call vote.

### **Senators debate pulling status check drivers license bill**

Members met Mon., Feb. 24, to process work at the Senate desk, including bill introductions and committee reports. However, the majority of the time was spent in debate on a motion by Sen. Dave Kleis (R-St. Cloud) to withdraw a bill

from the Crime Prevention and Public Safety Committee.

The bill, S.F. 87, provides for a "status check" indication on drivers licenses for foreigners in the United States on short-term visas. Kleis said he was making the motion because the bill has not yet been heard by the committee and he is concerned by a proposed change to the Senate Rules that requires 41 votes to withdraw a bill from committee. He said the proposed rule change will stifle Senators' ability to debate issues.

Sen. Jane Ranum (DFL-Mpls.) said the bill is a simplistic solution to a complex issue. She said committees and a conference committee heard testimony on the issue last year and that Senators should use the committee process again this year to hear testimony. Sen. Leo Foley (DFL-Coon Rapids), who chairs the public safety committee, said the bill will be heard and voted on in a timely fashion.

The public has had an opportunity to testify on the issue several times, said Sen. Thomas Neuville (R-Northfield), and the bill should be voted on. Sen. Michele Bachmann (R-Stillwater) said the implicit message from the Majority Caucus was "trust me" but that pulling bills from committee may be the only way for bills carried by members of the Minority Caucus, especially those bills considered by some members to be controversial, to be debated on the floor.

Majority Leader John Hottinger (DFL-St. Peter) said the rule change is certain. He said the Rules and Administration Committee had planned to hear the proposal later Monday, but that the hearing was being postponed. Hottinger said changes to the Senate Rules will be given a healthy discussion.

Members also met very briefly Thurs., Feb. 27, to process bill introductions and paperwork at the front desk.



**Representing Mothers Against Drunk Driving, Lynne Goughler recounts how both her parents were killed in Arizona by a driver whose blood alcohol limit was .09, below the legal limit of .10, to members of the Crime Prevention and Public Safety Committee Wed., Feb. 26. Sen. Leo Foley (DFL-Coon Rapids), left, is sponsoring a bill that would lower the legal blood alcohol limit to .08 percent.**

Photo by David J. Oakes



# Committee update

## Commerce and Utilities

### Coverage for hearing aids okayed

A bill to mandate health insurance coverage for communication devices for children with congenital hearing loss generated considerable debate at the Mon., Feb. 24, meeting of the Commerce and Utilities Committee.

S.F. 155, carried by Sen. Charles Wiger (DFL-North St. Paul), directs health plans to cover communication devices, including hearing aids, for children with hearing loss due to functional congenital malformation of the ears that is not correctable by other covered procedures.

Mary Hartnett of the Minnesota Commission Serving Deaf and Hard of

Hearing People said the measure is needed to clarify existing law. Currently, the Dept. of Commerce and the Dept. of Health interpret the law differently; some children are covered for hearing aids and some are not. She said most children with congenital hearing loss are identified at birth because of the universal newborn hearing screening program and that early intervention is crucial in offsetting later special education and therapy costs. In addition, in most cases surgery is covered but hearing aids are not, she said.

Dr. Robert Margolis, University of Minnesota, said, "Untreated congenital hearing loss causes permanent impairment; early intervention, beginning with hearing aids is very cost effective."

Several parents of children with hearing loss testified on their experiences

with their insurance companies in obtaining coverage for hearing aids. Diane Wonchova, the mother of 5 year-old twin boys, said her sons were not good candidates for surgery and that hearing aids were the most effective choice for both boys. She said the costs to the insurance company amounted to about \$2,000 per aid and that each hearing aid has a life expectancy of 3 or 4 years. However, she said the costs of special education, speech therapy and social services needed because of behavior problems due to the lack of ability to communicate fall on all taxpayers.

Opponents to the measure said the bill adds another mandated benefit to insurance plans, thus increasing costs to employers. Robyn Rowen of the Insurance Federation of Minnesota said, "Insurance



Former Sen. Mike Freeman addresses a large gathering of friends, family, dignitaries and politicians during a memorial service for his father, former Gov. Orville Freeman, in the Capitol rotunda Thurs., Feb. 27. In the foreground is a scale model of a yet-to-be-built state office building that Gov. Tim Pawlenty, who also spoke at the service, is asking the Legislature to name after the late governor.

Photo by David J. Oakes

companies cannot pay for everything. The proponents present a very compelling argument, but we must look at the total picture and what health insurance can and cannot cover." Mike Hickey, National Federation of Independent Business, said benefits mandates are making it impossible for small employers to offer health insurance to their employees.

Committee discussion revolved around the actual costs involved and the philosophy of adding mandated benefits. Sen. Sheila Kiscaden (IP-Rochester) said, "It's a philosophical question of whether we have rich benefits for fewer people who can afford the coverage or fewer benefits that more people can afford."

Sen. Sandra Pappas (DFL-St. Paul) and Sen. Steve Kelley (DFL-Hopkins) countered that the early intervention saves money in the long run. "It's a clear case that if you don't pay now, you pay a lot more later because of the federal special education requirement."

Kiscaden offered an amendment requiring the Dept. of Commerce to do a cost/benefit study rather than mandate the coverage. The amendment failed on a voice vote. Committee Chair Ellen Anderson (DFL-St. Paul) said the idea of getting a better picture of the various benefit mandates and the costs associated with them would be discussed in a future committee hearing.

The bill was approved and re-referred to the Health and Family Security Committee on a 10-3 roll call vote.

## Wind power discussed

The Wed., Feb. 26, meeting of the Commerce and Utilities Committee was devoted to a discussion of wind power in Minnesota. The committee, chaired by Sen. Ellen Anderson (DFL-St. Paul), heard overviews from state agency representatives and heard testimony from individuals representing a utility perspective and a rural economic development perspective.

## Panel tours wind energy site

The Commerce and Utilities Committee traveled to Dodge Center Fri., Feb. 28, to tour a site where a number of wind turbines are producing electricity. Later, members, chaired by Sen. Ellen Anderson (DFL-St. Paul), held a public hearing at Triton High School on the potential of wind energy development.

## Crime Prevention and Public Safety

### Double bunking discussion begins

Members of the Crime Prevention and Public Safety Committee began, Mon., Feb. 24, what will be a series of conversations about double bunking prison inmates. The panel, chaired by Sen. Leo Foley (DFL-Fridley) met to discuss policy changes in the governor's proposed budget for the Department of Corrections.

Deputy Commissioner Dennis Benson provided a comparison of corrections spending in Wisconsin and Minnesota. The states have similar populations, he said, but Wisconsin's prison population is three times as large as Minnesota's and Wisconsin spending is \$980 million a year while Minnesota spends only \$455 million annually on corrections. Benson said Minnesota has a unique relationship with its counties that contributes to the savings and the lower prison population. "We really do it right in Minnesota," he said, "which is a tribute to the efforts of the department, its local partners and the Legislature." However, once a state goes in the opposite direction, the system is difficult to unwind, Benson said, as Wisconsin is discovering now.

Benson, Deputy Commissioner Ken Merz and Assistant Commissioner Dan Storkamp reviewed the cuts the department has already made and the proposed cuts. Benson said the department engaged in an \$18.4 million per diem reduction plan that involved reducing staff by 200 and adding more than 500 beds in FY 02-03. Last session, the department's base budget was trimmed by \$12.8 million for FY 04-05. The governor's reduction plan for FY 04-05 cuts an additional \$56.4 million: \$17 million from operations, \$20.6 million from grants and subsidies, \$8.8 million in savings from housing short-term offenders at the local level and \$10 million in savings from double bunking prisoners. Benson said it is not prudent to build new facilities, but that the governor's budget recommendation does include bonding authority for an expansion plan at the Faribault facility. The expansion will be necessary, he said, to deal with 1,376 additional prisoners by FY 2007.

Merz said that the programs partially funded by the grants to be cut may

continue, but the costs will be borne entirely by the counties administering the programs. Sen. Jane Ranum (DFL-Mpls.) noted that the plan may mean property tax increases or ending the programs. Merz said counties may also choose to pass the costs along to the offenders, if they can pay for it.

Sen. Dave Kleis (R-St. Cloud) said the decision to double bunk inmates at medium- and close-custody facilities is a difficult one, but the other option—more inmates at the local level—is not desirable. Kleis said he didn't support a previous proposal to house inmates serving terms shorter than one year at the local level and that he is uncomfortable with the current proposal, which only affects inmates serving terms shorter than six months. However, the public expects that offenders will be taken off the street, he said, and the state must see to that.

## Education

### Panels hears writing standards

Members of the Education Committee met Tues., Feb. 25, to hear about writing standards in classrooms. The panel, chaired by Sen. Steve Kelley (DFL-Hopkins), heard from Richard Beach, professor of English education at the University of Minnesota, on the importance of teaching writing in the classroom, different approaches to teaching writing, how to assess writing skills in a valid and reliable manner and about writing standards in other states. Muriel Thompson, co-director of the Minnesota Writing Project, and Margret St. Sauver also spoke to the committee.

### Standards overviews continue

Members of the Education Committee continued examining standards areas Thurs., Feb. 27, as the panel turned its focus to arts and literature. Chaired by Sen. Steve Kelley (DFL-Hopkins), the committee heard from Pam Paulson and Michael Hiatt, both of the Perpich Center for Arts Education. Cheryl Ostrum, a former educator in the Osseo schools, and Kathleen Maloney, Minnesota Alliance for Arts in Education, also addressed the panel.

Several arts educators also spoke. Zane Schaefer and Pat Teske spoke about music education in the Annandale and Minneapolis School Districts, respec-



# Committee update



*Twelve-year-old Hannah Brady, a sixth grader from Glyndon, holds up her hand-made sign expressing her concerns for clean water while listening to speeches being delivered in the rotunda during the Minnesota Environmental Partnership's "Citizens' Day at the Capitol," Tues., Feb. 25.*

tively. Visual arts education was discussed by Kevan Nitzberg of the Anoka Hennepin School District. Mary Harding, a dance educator at the Perpich Center, also spoke.

## E-12 Education Budget Division

### Budget consideration begins

The E-12 Education Budget Division began its consideration of the governor's budget proposal for education when the panel met Wed., Feb. 26. Led by Sen. LeRoy Stumpf (DFL-Thief River Falls), the division considered aspects of the budget plan, including per student spending, statutory growth factors, limited English proficiency funding, levy changes and programs that will see their funding eliminated or reduced.

## Environment, Agriculture and Economic Development Budget Division

### Presentations heard

Members of the Environment, Agriculture and Economic Development Budget Division met Tues., Feb. 25, to hear presentations on the displaced homemaker program and the Industrialization Center of America. In addition, the panel, chaired by Sen. Dallas Sams (DFL-Staples), began reviewing the budget proposal for the Dept. of Agriculture. Commissioner Gene Hugoson began with an overview and a review of the change items in the proposal. Several officials with the department then provided more detailed information about specific divisions.

### Electronics recycling site tour

The Environment, Agriculture and Economic Development Budget Division devoted the Thurs., Feb. 27, meeting to a series of tours.

The division, chaired by Sen. Dallas Sams (DFL-Staples) toured B & M Computer Salvage, in Hennepin County, PPL Industries to observe the proper recycling of electronics and the TEA Workforce Development Center.

## Finance

### Budget reviewed

Finance Commissioner Dan McElroy appeared before the Finance Committee Tues., Feb. 25, in order to provide a broad overview of the proposed budget plan for FY 04-05. The committee, chaired by Sen. Richard Cohen (DFL-St. Paul), also posed questions about specific areas of the budget.

McElroy said the proposed budget solves the estimated \$4.2 billion shortfall and achieves structural balance for FY 06-07. He said structural balance is reached through slowing the growth in spending. In addition, McElroy said the governor had five goals in developing the proposal, all of which are reflected in the budget. The five key goals, McElroy said, were improving educational achievement, ensuring public safety, ensuring adequate health care, increasing jobs and economic opportunity and enhancing transportation. McElroy noted that transportation elements are not part of the proposal, but were still being developed and would be released within the next two weeks.

Cohen said, "I was struck by the use of shifts and one-time money in the FY 04-05 proposal because the Senate was criticized by the administration for using shifts and one-time money in developing the Senate's solution to the FY 03 budget shortfall."

McElroy responded that the challenge for the FY 03 shortfall was the need to get to the bottom line quickly. "We knew we needed shifts for FY 04-05 because without shifts the cuts were unacceptable to the governor," McElroy said.

Several members questioned comparisons that have been made with budgets in other states, primarily Wisconsin, in various statements in the press. McElroy said the principal comparison with Wisconsin should be on the spending side, not fiscal policy. He added, "The question should be, not comparison with other states, but do we want to impose competitive pressures on ourselves to reduce administrative costs and deliver needed services." The challenge will be how much we can afford to do at the upper limits of eligibilities, McElroy said.

### Contract ratification bill okayed

The Finance Committee, chaired by Sen. Richard Cohen (DFL-St. Paul), met Wed., Feb. 26, to take action on a bill ratifying state employee contracts.

The bill, S.F. 293, carried by Sen. John Hottinger (DFL-St. Peter), ratifies the state labor agreements and compensation plans, but removes language providing for domestic partner benefits. Hottinger said the bill does provide that persons receiving insurance benefits as a domestic partner may continue doing so until June 30, 2003. In addition, the bill also provides that persons receiving tuition waivers as a domestic partner may do so until the end of the semester.

Members adopted an amendment conforming language relating to the use of sick leave due to the illness or death of a member of the employee's immediate household to language contained in the House bill. Hottinger said he preferred the original bill ratifying the contracts, but the current measure is a way to get an agreement with the other body to ratify the contracts.

The bill was approved on a voice vote and sent to the Senate floor.

In other action, members discussed several charts provided by staff that illustrated Minnesota's ranking compared to surrounding states in terms of tax burden, the breakdown of the governor's budget by Senate budget division, and a listing of all states' budget shortfalls.

## Health and Family Security

### Quartet of bills advance

Members of the Health and Family Security Committee met Tues., Feb. 25, to hear six bills. The panel approved four of the bills and laid the rest on the table for further consideration.

Sen. Wesley Skoglund (DFL-Mpls.) carried S.F. 127, which provides clarification in the authority to impose costs and penalties as a result of disciplinary proceedings for several health-related licensing boards. Sen. Steve Kelley (DFL-Hopkins) offered an amendment that addressed issues raised at a previous hearing. The amendment was adopted and the bill advanced to the Agriculture, General Legislation and Veterans Affairs Committee.

S.F. 272, sponsored by Sen. Linda Berglin (DFL-Mpls.), increases adult

foster care capacity from four beds to five beds for facilities caring for persons with HIV/AIDS. Under the bill, a facility can only increase its capacity after receiving a variance from the Dept. of Human Services. The bill was sent to the Senate floor.

Sen. Dallas Sams (DFL-Staples) carried two bills. S.F. 283 requires contracts between the emergency medical services regulatory board (EMSRB) and regional EMS systems to be for four years, contingent on adequate appropriations, allows volunteer ambulance attendants to have two sets of special license plates, expands the definition of a claimant agency under the Revenue Recapture Act to include all licensed ambulance services and allows ambulance service personnel to install police radios in their private vehicles. Berglin offered an amendment deleting the first section, relating to EMSRB contracts, because it would tie the bill up in the budget process. The amendment was adopted. Sen. Leo Foley (DFL-Coon Rapids) said he was concerned about the number of people who would be eligible to install police radios and the misuse of those radios to avoid speeding tickets. O.J. Doyle, representing the Minnesota Ambulance Association, said the reality in Greater Minnesota is that having the radios allows volunteers to respond faster. Doyle said volunteers can apply for permission to install the radios from their sheriffs, but that statutory permission streamlines the process. S.F. 283 was approved and advanced to the Finance Committee.

S.F. 333, the other Sams-sponsored bill, changes the regulation of speech-language pathologists and audiologists from registration to licensure. Sams said the bill mirrors the model licensing acts of the national professional associations. Tom Keliher, representing the Minnesota Academy of Audiology and the Minnesota Speech-Language-Hearing Association, said the bill rewords the scope of practice to use more appropriate terms of art, but does not expand the scope of practice. Members adopted an amendment, offered by Sen. Sheila Kiscaden (IP-Rochester), to raise civil penalties in the bill from \$7,500 to \$10,000 to conform to similar penalties for other health professions. The bill was sent to the Senate floor.

A bill allowing doctors to delegate certain duties to physician assistants was



# Committee update

tabled. S.F. 229, carried by Sen. Michelle Fischbach (R-Paynesville), permits designated physician assistants to sign disability parking permits and permits the designee of a hospital's medical officer on duty to approve an emergency admission for mental health reasons, also known as a 72-hour hold. Berglin said she was concerned by the 72-hour hold provision, because the delegation could be made to staff lacking sufficient training.

The other bill laid on the table was sponsored by Sen. Becky Lourey (DFL-Kerrick), who chairs the committee. S.F. 267 makes various modifications to the laws regulating the EMSRB. The bill was laid aside because members said they are hearing concerns about the proper role of the board and whether it is a regulatory agency or an advocate for EMS providers.

## Denturists licensure stalled

Members of the Health and Family Security Committee, chaired by Sen. Becky Lourey (DFL-Kerrick), met Thurs., Feb. 27, to consider several bills, including a bill creating a new licensed medical profession in Minnesota. Sen. Sheila Kiscaden (IP-Rochester), chief author of S.F. 179, said that as the number of dentists across the state and the nation decline while the population increases, dental services will become increasingly scarce.

She said the populations most likely to be affected by this lack of access are those who depend on public programs and those whose incomes are low, but not low enough for public subsidies. Kiscaden said many of these people lack proper preventive oral health care and lose teeth. Only 79 students are enrolled in the dentistry program at the University of Minnesota, she said, and the fitting of dentures is not emphasized in the program. The bill proposes licensing for denturists, a class of professionals who specialize in fitting full and partial dentures. Kiscaden said denturists could be required to work in public health settings, as part of a dentist's practice or only by referral from dentists. Six other states and several nations license denturists, she said, including Canada, which has done so for 40 years.

Public health services could be provided at a more cost-effective rate, Kiscaden said, by adding licensed denturists to the mix of service providers. Tom Jordan, Senior Federation, and Dr. Carl Ebert, a dentist, testified in favor of

the bill. Ebert said dentistry is essentially a monopoly profession and that it is time to look at the marketplace to address the increasing cost of care.

Walter Warpeha said denturists are much more limited in skills and knowledge than dentists. Warpeha is a prosthodontist, or dentist specializing in teeth replacement. He said the health and safety of patients is at stake with denturists. Dental schools, Warpeha said, are not emphasizing dentures as much as they did several years ago because the public's oral health has improved and fewer people are losing teeth.

Mary Dee, representing the Board of Dentistry, said the board shares Warpeha's concerns. She said denturists are not qualified to examine patients for oral health and may place dentures over oral pathology. Dee said some patients may rely solely on a denturist and ignore their other treatment options. Deborah Jacobi of the Uptown Dental Clinic noted that many people let their dental problems go untreated by a dentist.

The committee laid S.F. 179 on the table for further consideration of the issues involved in denturist licensure.

In other action, two bills were advanced by the panel. S.F. 141 provides for the licensure, rather than registration, of dental assistants. Sen. Jim Vickerman (DFL-Tracy), sponsor of the measure, said consumers and practitioners support licensing. Terri Morin, Minnesota Dental Assistants Association, said the measure is supported by the Board of Dentistry, the Dental Hygienists Association and the Dental Education Association. Dee said dental assistants are a vital part of the dental team.

However, Dominic Sposeto said the Minnesota Dental Association is opposed to the change because there is no reason for it other than professional recognition. He noted that licensure includes a higher level of regulation that may deter people from considering a career in dental assisting. The bill was sent to the Senate floor.

Kiscaden also carried S.F. 304. The bill provides for the licensing and regulation of master's degree level professional counselors. She said Minnesota is one of four states not offering such licensure. The panel adopted an amendment, offered by Sen. Linda Berglin (DFL-Mpls.), requiring all counselors to be licensed. S.F. 304 was re-referred to the Judiciary Committee.

## Health, Human Services and Corrections Budget Division

### Budget review continues

Members of the Health, Human Services and Corrections Budget Division devoted the first portion of the Thurs., Feb. 27, hearing to a discussion of "re-basing," the process which cut funding for community based services for persons with disabilities earlier this year and set the stage for further cuts.

The panel, chaired by Sen. Linda Berglin (DFL-Mpls.), also continued reviewing the governor's proposed budget for human services.

## Higher Education Budget Division

### Campus hearing held

The Tues., Feb. 25, meeting of the Higher Education Budget Division was held at the Century College Campus in White Bear Lake. The panel, chaired by Sen. Sandra Pappas (DFL-St. Paul), heard a presentation on the governor's budget proposal and held a discussion on the budget's effect on higher education.

## Jobs, Housing and Community Development

### Programs for homeless reviewed

The Tues., Feb. 25, meeting of the Jobs Housing and Community Development Committee was devoted to a discussion of programs and supportive services for the homeless.

Dr. Greg Owen, consulting scientist, Wilder Research Center, presented the findings of the Wilder Foundation Survey of Youth and Young Adults. He detailed the demographics of the homeless population and other statistics. Owen said about half of the homeless population are children or unaccompanied youth, 41 percent of homeless adults are employed, 60 percent are homeless for the first time and 41 percent were recently released from an institution, program or treatment center. He also said the numbers of homeless children have increased in the last decade. Owen said the failure to reverse the factors leading to homelessness means increased future costs.



**Surrounded by Canterbury Park officials, Legislators and other supporters, Mon., Feb. 24, Sen. Dick Day (R-Owatonna) explains his proposed legislation that expands the Shakopee racetrack into what is being termed a Racino by adding 2,000 video slot machines, a hotel and conference center.**  
Photo by David J. Oakes

The panel, chaired by Sen. Linda Scheid (DFL-Brooklyn Park), also heard from several homeless advocates, including Jonathan Farmer, executive director of the Supportive Housing Consortium, Mari Moen, program director, Corporation for Supportive Housing Minnesota and Michael Dahl, executive director of the Minnesota Coalition for the Homeless, who all outlined the supportive services and programs for the homeless and the need for additional funding.

## Judiciary

### Custody bills heard

The Judiciary Subcommittee on Family Law, chaired by Sen. Thomas Neuville (R-Northfield), met Tues., Feb. 25, to consider two bills relating to child custody.

The first measure, S.F. 356, authored by Sen. Richard Cohen (DFL-St. Paul), was approved with little debate. The bill modifies provisions relating to the de facto custodian law. The bill provides that the time period in which a person, who

has primary caretaker responsibility for a child, may be considered a de facto custodian need not be consecutive. The measure also modifies a provision allowing a parent to transfer custody of a child through a consent decree by authorizing transfer to someone other than a relative. The bill also insures that notice be given in transfer of custody by consent decree proceedings. Members approved the measure and advanced it to the full committee.

Most of the discussion centered on the second bill, S.F. 266. The measure, sponsored by Sen. Don Betzold (DFL-Fridley), modifies the procedure under which a custodial parent may move the child out of state when there is a custody or visitation order in effect.

Mike Dittberner, an attorney representing the Minnesota Chapter of the American Academy of Matrimonial Lawyers, said current law places the burden on the noncustodial parent to prove harm to the child if the move were to take place. The bill, he said, alters the presumption and requires the parent who is moving out of state to prove that the

move is in the best interests of the child. Further, the bill lists a number of factors to be considered when the court determines the best interests of the child. Dittberner said the presumption in the current law is on the noncustodial parent to prove harm.

Donald Enockson, representing the Family Law Section of the Minnesota Bar Association, said the association supports the bill with one change. One of the factors to be considered when determining the best interests of the child concerns the effect on the child of the actions of an abuser, Enockson said. He said the change involves adding the effect on the parent of the actions of an abuser to the language. Members adopted an amendment to make the change.

Jayne McCoy, representing the Legal Aid Society of Minnesota, spoke in opposition to the measure. She said the main reason for out-of-state moves is economic, but the bill makes it more difficult to move in order to get a better paying job or other economic benefit. She also said the best interest standard for moves undervalues the stability of the



# Committee update



*Two-and-a-half-year-old Mathew Palmquist and his mother, Rachel Kaul, of St. Paul are enthralled by a three-banded armadillo cradled by Minnesota Zoo volunteer Susie Jedlund in the Capitol rotunda as part of the zoo's annual visit to the Capitol Thurs., Feb. 27.*

Photo by David J. Oakes

parent-child relationship. In addition, she said the factors for determining best interests could lead to extended and costly hearings that turn into custody proceedings.

Mike Pearlman, a family law attorney, also spoke in support of the bill. He said the bill changes the presumption so that the presumption is that moving is not in the best interest of the child and requires the person who wants to change the situation to prove it is in the best interest of the child.

The bill was approved and advanced to the full committee.

## Psychology bill okayed

The Judiciary Committee met Thurs., Feb. 27, and made quick work of two bills. The committee, chaired by Sen. Don Betzold (DFL-Fridley), approved both measures. S.F. 328, authored by Sen. Yvonne Solon (DFL-Duluth), authorizes

the Board of Psychology to require an independent examination of a practitioner.

Solon said the bill was before the committee because of provisions relating to the Data Practices Act. One provision specifies that data obtained by the board when requiring an examination or evaluation of a regulated individual or when accessing the medical records of the individual are classified private. Another provision specifies in a proceeding, neither the record of the proceedings nor the orders entered by the board is admissible, is subject to subpoena or maybe used against the individual in any proceeding not done by the board.

The bill was approved and advanced to the full Senate.

The second bill on the agenda, S.F. 379, sponsored by Sen. Ann Rest (DFL-New Hope), increases the limit for reimbursement of eminent domain

appraisal fees from \$500 to \$1,500. The measure was re-referred to the Finance Committee.

## State and Local Government Operations

### Scholarship transfer advanced

The State and Local Government Operations Committee, chaired by Sen. Jim Vickerman (DFL-Tracy), met Mon., Feb. 24, and advanced three bills.

S.F. 258, authored by Sen. Rod Skoe (DFL-Clearbrook), transfers authority over Indian scholarship programs from the commissioner of children, families and learning to the Higher Education Services Office. In addition, the bill specifies that the office for administering the program be located in Bemidji. The bill was approved and re-referred to the Education Committee.

S.F. 421, sponsored by Sen. Linda Higgins (DFL-Mpls.), authorizes the Minneapolis City Council to establish positions in the unclassified service, provided the positions meet specific criteria. Under the criteria spelled out in the bill, the position must report directly to the head of a city department or the department head's deputy, the position must be part of the department head's management team, the duties must involve significant discretion and involvement in the development of policy, the position must not involve technical expertise for which continuity is significant and there is a need for the person in the position to be accountable and loyal to the mayor, the city council and the department head. Currently, the city must get approval for each unclassified position from the Legislature, but the bill allows the city to create the positions as long as the criteria are met. The bill was approved and sent to the Senate floor.

S.F. 422, authored by Sen. Claire Robling (R-Jordan), provides for alternative means of compensation for examiners of titles. Under the bill, the examiner of titles may be compensated as either a full-time county employee or as a part-time county employee as an adviser to the registrar, otherwise paid on a fee-for-service basis by the person who is presenting the title for action by the examiner. The measure was also approved and sent to the full Senate.

## Local bills advance

The State and Local Government Operations Committee met Wed., Feb. 26, and considered four local government measures. All four bills were approved and sent to the Senate floor.

S.F. 257, authored by Sen. Thomas Neuville (R-Northfield), authorizes the city of Northfield to establish and operate medical clinics in conjunction with the municipal hospital outside the city limits. Neuville explained that home rule charter cities of the third and fourth class are prohibited under current law from operating medical facilities outside the city limits, thus special legislation is needed to do so.

S.F. 354, carried by Sen. Don Betzold (DFL-Fridley), authorizes a city to collect unpaid emergency service charges by special assessment. S.F. 374, sponsored by Sen. Sandra Pappas (DFL-St. Paul),

makes several technical changes to provisions relating to the RiverCentre Authority powers and duties. The measure was recommended for placement on the Consent Calendar.

S.F. 407, sponsored by Committee Chair Jim Vickerman (DFL-Tracy), clarifies current law providing for the optional election of township officers.

## State Government Budget Division

### Board overviews heard

Members of the State Government Budget Division, chaired by Sen. Jane Ranum (DFL-Mpls.), met Thurs., Feb. 27, to hear the governor's budget proposals for several state boards. Doreen Frost, executive director, reviewed the budget for the Board of Architecture, Engineering, Land Survey, Landscape Architecture, Geoscience and Interior Design. Board member Kenneth Kirkpatrick, who also serves as president of the national board, reviewed the budget for the Board of Barber Examiners. Executive Director Marie Ohman provided an overview of the Board of Private Detectives and Protective Agent Services budget. Executive Secretary of the Board of Accountancy Dennis Popenhagen presented that agency's budget.

### Division tours agency

The State Government Budget Division, chaired by Sen. Jane Ranum (DFL-Mpls.), devoted the Fri., Feb. 28, hearing to a tour of the Dept. of Commerce.

## Taxes

### Tax rate freeze bill heard

Members of the Tax Committee met Tues., Feb. 25, to discuss a bill that freezes local tax revenues for the next biennium. Carried by Sen. Lawrence Pogemiller (DFL-Mpls.), S.F. 330 prevents local units of government—cities, counties, school boards and special taxing districts—from raising tax rates from their current levels.

Pogemiller, who also chairs the committee, said a fiscal note on the bill highlighted the fact that freezing tax rates is not the same as freezing taxes. He said it is his intention to craft an amendment to the bill that accomplishes a tax freeze.

The bill is meant to dovetail with the governor's oft repeated no new taxes pledge, Pogemiller said. He said the pledge should apply not only to state revenue sources, such as income and sales taxes, but also to property taxes. Commissioner of Revenue Dan Salomone said the governor's pledge does not reach to property taxes, but that the administration encourages local governments to enact reforms and adjust their budgets.

Committee staff fielded questions from Senators about the details of the proposal. Fiscal analyst Eric Nauman said the bill requires local governments to absorb the costs of retirement and severance into their operating budgets. Under current law, local units can increase levies to cover those costs. Nauman also briefly reviewed which levies were permissive and which were required. Some levies, he noted, are required if the unit requests state aid. The only truly required levy, Nauman said, is the statutory operating debt levy.

Representatives of several organizations testified on the bill. Keith Carlson, Metropolitan Inter County Association, said a tax rate freeze is consistent with the governor's pledge. Carlson said state revenues are actually growing, without tax increases, because government can take advantage of natural growth in the tax base. However, he said, a goal of freezing revenues will leave local governments with no increase while state government enjoys a 10 percent increase from FY 02-03 to FY 04-05. Regardless of any levy limit or tax freeze, he said, cuts at the county level will be substantial.

Curt Yoakum said the Association of Minnesota Counties agrees conceptually with the goal of avoiding property tax increases, but opposes a tax freeze. He noted that the level of micromanagement of county operations by the state increases every year. For some Greater Minnesota counties, Yoakum said, there are no funds for discretionary spending after mandates and levy limits are applied. He said the association has identified about 80 mandates for repeal or reform. Sen. William Belanger (R-Bloomington) said testimony from the counties indicates they may not be getting the message. The old way is not an option, he said, and local governments must find new ways to deliver services.

Members also heard from Kent Baldry, superintendent of the South St.



# Committee update



**The Teddy Bear Band mascot tries to cajole two-year-old Anastasia McFarlane, left, and her three-and-a-half-year-old sister Carma, both from White Bear Lake, into doing the "hokey-pokey" during a performance by the band as part of an early-childhood rally in the Capitol rotunda Thurs., Feb. 27.**

Photo by David J. Oakes

Paul School District, and John Maas, business manager for the Mounds View School District, about the impact of preventing their districts from seeking additional levy authority from residents. Glenn Dorfman, representing the Minnesota Association of Realtors, said cities should be able to have control over both spending and taxing. Citizens will determine spending and taxing priorities for their own communities, he said.

## Freeze discussion continues

A bill freezing property tax rates across the state received its second hearing in as many days when the Tax

Committee met Wed., Feb. 26. Sen. Lawrence Pogemiller (DFL-Mpls.), chair of the committee and author of the bill, offered an amendment to the bill that freezes levies in jurisdictions. The amendment was discussed but not voted upon by the panel.

Pogemiller said the amendment was a product of realizing that freezing rates does not freeze taxes. Sen. Don Betzold (DFL-Fridley) said that in rapidly growing areas, a frozen levy might mean lower taxes for individual taxpayers. Sen. Rod Skoe (DFL-Clearbrook) said that, conversely, taxpayers living in an area of shrinking population might see a higher tax burden. Pogemiller said there are many possibilities and that individual taxpayers already see fluctuations in their tax burden as conditions change in the taxing jurisdiction.

However, he suggested that the committee could consider how individual taxpayers

interpret tax freeze promises. Gordon Folkman, director of research for the Dept. of Revenue, said there are challenges to a hard freeze, including that jurisdictions will not be able to capture natural growth in property values or the addition of newly developed or improved properties. A freeze on the taxes paid by individual parcels, he said, would be very tricky to accomplish.

Gary Carlson, League of Minnesota Cities, said rapidly growing areas will suffer under a levy freeze because they will need to provide increased services but will be constrained in their revenue. Jurisdictions that have recently undergone boundary adjustments, such as consolida-

tion or annexation, he said, will also pose special challenges. Carlson said many cities are also dealing with the impacts of tax reforms enacted in 2001 and are considering levies to cover general obligation debt for tax increment financing districts.

No action was taken on the bill.

## Transportation Policy and Budget Division

### Budget review begins

The Transportation Policy and Budget Division, chaired by Sen. Dean Johnson (DFL-Willmar), met Thurs., Feb. 27, to begin the process of reviewing the governor's FY 04-05 budget recommendations.

Kevin Gray, Dept. of Transportation (MnDOT) chief financial officer, said the budget for the department is arranged differently than in years past. "The budget is presented in a product and service format to allow customers to make the link between the services they will receive and the resources required to provide those services," Gray said. He added, MnDOT's FY 02-03 budget was \$4.6 billion, but the recommendation for FY 04-05 is \$3.8 billion. He said the department as organized the budget into four product lines, with product lines being defined as a group of closely related products and/or services. According to Gray, the products lines are multi-modal systems, state roads, local roads and general support and services.

Gray said the budget changes in the department's recommendations reflect two primary objectives—improving accountability and positioning department finance to support a future transportation investment. He said many of the budget reductions will be addressed through reductions in administrative costs through efficiencies and reductions in non-essential spending. "Other spending and service reductions will be reflected in maintenance and operations activities, including snow and ice removal, as well as closing some rest areas, reducing the highway helper program, and better inventory and equipment management." Sen. Keith Langseth (DFL-Glyndon) questioned the reductions for snow and ice removal and said the issue was one of public safety. Gray said the plan was to be more efficient in the delivery of those services, while maintaining public safety.

# Preview

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## Monday, March 3

The Senate will be in session at 10 a.m.

The Senate will meet in Joint Convention with the House of Representatives at 12 noon.

### Environment and Natural Resources Committee

Chair: Sen. John Marty

Immediately after the Joint Convention  
Room 107 Capitol

**Agenda:** S.F. 548-Dille: Cervidae chronic wasting disease control and wildlife health management.

### State and Local Government Operations Committee

Chair: Sen. Jim Vickerman

Immediately after the Joint Convention  
Room 123 Capitol

**Agenda:** S.F. 316-Marty: Open meeting law; establishing administrative remedy for violations of the law. S.F. 464-Tomassoni: Permitting town officers to serve concurrently as firefighters.

### Agriculture, General Legislation and Veterans Affairs Committee

Chair: Sen. Steve Murphy

3:30 p.m. Room 112 Capitol

**Agenda:** S.F. 117-Betzold: Payment of salary differential to state employees who are National Guard called to active military duty. S.F. 400-Senjem: Eliminates sunset date for the purchase of military service credit. S.F. 566-Limmer: Providing for modification of support obligations of certain persons called into active military service. S.F. 376-Dille: Adding turkey and turkey products under the corporate farm law. S.F. 378-Dille: Reducing ethanol producer payments after five years of production.

## Tuesday, March 4

### E-12 Education Budget Division

Chair: Sen. LeRoy Stumpf

9 a.m. Room 112 Capitol

**Agenda:** Continuing discussion of governor's budget proposal.

### Health, Human Services and Corrections Budget Division

Chair: Sen. Linda Berglin

9 a.m. Room 123 Capitol

**Agenda:** Continuation of overview of governor's 2004-05 budget recommendations for the Department of Human Services.

### State Government Budget Division

Chair: Sen. Jane Ranum

9 a.m. Room 107 Capitol

**Agenda:** Budget overviews of the State Investment Board, the Public Utilities Commission, the Uniform Laws Commission, the Administrative Hearings Office (ALJ, Worker's Compensation), the Tax Court, and the Judicial Standards Board.

### Environment, Agriculture and Economic Development Budget Division

Chair: Sen. Dallas Sams

12:30 p.m. Room 107 Capitol

**Agenda:** Dept. of Trade and Economic Development - budget changes 04/05. PCA - Budget overview.

### Health and Family Security Committee

Chair: Sen. Becky Lourey

12:30 p.m. Room 15 Capitol

**Agenda:** S.F. 535-Hottinger: Fair Drug Pricing Act. S.F. 444-Langseth: Senior citizen health benefit fund; prescription drug program eligibility expansion; prescription drug assistance recommendations. S.F. 544-Berglin: Prescription drug assistance program. S.F. 398-Kiscaden: Prescription drug discount program. S.F. 426-Ortman: Carver County hospital construction moratorium exemption. S.F. 533-Hottinger: Nursing home bed moratorium exception. S.F. 534-Hottinger: Supportive housing and managed care pilot project participants services appropriation.

### Judiciary Committee

Chair: Sen. Don Betzold

1 p.m. Room 112 Capitol

**Agenda:** S.F. 195-Betzold: Correcting erroneous, ambiguous, and omitted text. S.F. 266-Betzold: Changing certain procedures for removal of a child's residence from Minnesota. S.F. 356-

Cohen: Changing certain provisions of the de facto custodian law.

### Education Committee

Chair: Sen. Steve Kelley

3:30 p.m. Room 15 Capitol

**Agenda:** Science standards

### Jobs, Housing and Community Development Committee

Chair: Senator Linda Scheid

3:30 p.m. Room 112 Capitol

**Agenda:** Overview of the Department of Trade and Economic Development's redevelopment account and the contamination cleanup grant account programs.

### Transportation Policy and Budget Division

Chair: Sen. Dean E. Johnson

3:30 p.m. Room 107 Capitol

**Agenda:** Metropolitan Council and Department of Public Safety presentations of governor's budget proposals.

## Wednesday, March 5

### E-12 Education Budget Division

Chair: Sen. LeRoy Stumpf

9 a.m. Room 112 Capitol

**Agenda:** Continuing discussion of governor's budget proposal.

### Health, Human Services and Corrections Budget Division

Chair: Sen. Linda Berglin

9 a.m. Room 123 Capitol

**Agenda:** Continuation of overview of governor's 2004-05 budget recommendations for the Department of Human Services.

### State Government Budget Division

Chair: Sen. Jane Ranum

9 a.m. Room 107 Capitol

**Agenda:** Budget overviews of the District Court, the Supreme Court, the Court of Appeals and civil legal services.

### Commerce and Utilities Committee

Chair: Sen. Ellen Anderson

12:30 p.m. Room 112 Capitol



# Preview

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**Agenda:** S.F. 35-Pappas: Restricted video games sale or rental prohibition. S.F. 269-Anderson: Health plan companies coverage for prescription contraceptives.

## **Crime Prevention and Public Safety Committee**

*Chair: Sen. Leo Foley*  
12:30 p.m. Room 15 Capitol  
**Agenda:** To be announced.

## **Environment and Natural Resources Subcommittee on Public Lands and Water**

*Chair: Sen. Tom Saxhaug*  
12:30 p.m. Room 107 Capitol  
**Agenda:** S.F. 63-Koering: Authorizing public sale of certain tax-forfeited land that borders public water in Crow Wing County. S.F. 70-Saxhaug: Requiring a land exchange in Lake of the Woods County. S.F. 82-Tomassoni: Authorizing private sale of certain tax-forfeited land that borders public water in St. Louis County. S.F. 200-Saxhaug: Authorizing public sale of certain tax-forfeited land that borders public water in Aitkin County. S.F. 302-Bakk: Authorizing private sale of certain tax-forfeited land that borders public water in St. Louis County. S.F. 417-Bakk: Authorizing private sale of certain tax-forfeited land that borders public water in Lake County. S.F. 461-Skoe: Authorizing public sale of certain tax-forfeited land that borders public water in Norman County. S.F. 561-Saxhaug: Authorizing conveyance of certain surplus state land bordering public water.

## **State and Local Government Operations Committee**

*Chair: Sen. Jim Vickerman*  
12:30 p.m. Room 123 Capitol  
**Agenda:** S.F. 295-Murphy: Requiring installation of automatic sprinkler systems in high-rise buildings. S.F. 344-Sparks: Placing limits on use of consultants; making changes in laws governing contracts.

## **Rules and Administration Subcommittee on Elections**

*Chair: Sen. Linda Higgins*  
3:30 p.m. Room 123 Capitol

**Agenda:** Confirmation of Campaign Finance Board appointees, Bob Milbert and Terri Ashmore.

## **Thursday, March 6**

**The Senate will be in session at 9 a.m.**

## **Health, Human Services and Corrections Budget Division**

*Chair: Sen. Linda Berglin*  
Following session Room 123 Capitol  
**Agenda:** Continuation of overview of governor's 2004-05 budget recommendations for the Department of Human Services.

## **State Government Budget Division**

*Chair: Sen. Jane Ranum*  
9 a.m. Room 107 Capitol  
**Agenda:** Budget overview of the Dept. of Military Affairs.

## **Environment, Agriculture and Economic Development Budget Division**

*Chair: Sen. Dallas Sams*  
12:30 p.m. Room 107 Capitol  
**Agenda:** Continuation of PCA budget overview.

## **Health and Family Security Committee**

*Chair: Sen. Becky Lourey*  
12:30 p.m. Room 15 Capitol  
**Agenda:** S.F. 425-Betzold: Human services hearing procedures. S.F. 397-Kiscaden: Human services alternative quality assurance licensing system expansion and permanency. S.F. 443-Kiscaden: Adult foster care license capacity variances for persons with developmental disabilities. S.F. 433-Higgins: Nursing homes and home care providers employees dementia treatment training. S.F. 473-Higgins: Disability Council permanency.

## **Judiciary Subcommittee on Data Practices**

*Chair: Sen. Wesley Skoglund*  
1 p.m. Room:112 Capitol  
**Agenda:** S.F. 163-Wiger: Washington County Baytown special well construction area property sales and development disclosure requirements. S.F. 317-Marty: Government Data Practices

Act violations administrative remedies. S.F. 519-Marko: Counties human and social services entities private data access.

## **Education Committee**

*Chair: Sen. Steve Kelley*  
3:30 p.m. Room 15 Capitol  
**Agenda:** Math standards.

## **Jobs, Housing and Community Development Committee**

*Chair: Senator Linda Scheid*  
3:30 p.m. Room 112 Capitol  
**Agenda:** Overview of the Department of Labor and Industry; review of proposed Minnesota OSHA program transfer to the federal government; and review of proposed fee increase for apprenticeship program.

## **Friday, March 7**

## **State Government Budget Division**

*Chair: Sen Jane Ranum*  
9 a.m. Room 107 Capitol  
**Agenda:** Informational hearing on S.F. 214-Neuville: Wage freeze. Minnesota Business Partnership proposal.

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# Senate Briefly

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*Members and supporters of the gay, lesbian, bisexual and transgender community gathered in the Capitol rotunda Thurs., Mar. 6, to voice their opposition to legislation that removes sexual orientation from the state's equal rights laws. Photo by David J. Oakes*



March 7, 2003



# Senate Highlights

## Joint Convention selects regents

Members of the House and Senate, meeting in joint convention Mon, Mar. 3, selected nine regents for the University of Minnesota.

The regents selected were part of a slate of nominees approved at a joint meeting of the House and Senate Education Committees Wed., Feb. 26. Many DFL Senators and members of the House abstained from voting for Clyde Allen, or voted for other candidates, including former Senate Majority Leader Roger Moe and Art Brandli—both of whom, with Allen, were recommended by the Regent Candidate Advisory Council.

Five nominations for regent seats assigned to congressional districts were approved: Patricia Simmons for the First District, David Metzen in the Fourth District, Metropolitan Council Chair Peter Bell in the Fifth District, John Frobenius for the Sixth District and Allen in the Seventh District. Bell, who was named to the board by then-Gov. Jesse Ventura in 2001, will serve a four-year term. Allen, Frobenius, Metzen and Simmons will all serve six-year terms.

Four at-large regents were also selected: Frank Berman, Richard McNamara, Lakeesha Ransom and current Chair of the Board of Regents Maureen Reed. Berman, McNamara and Ransom—a graduate student at the University—were also named to the board by the governor in 2001 and will serve four-year terms. Reed, who currently sits on the board representing the Sixth District, was named to the at-large seat held by Jean Keffeler and will serve for two years.

**Senate Briefly** is a publication of the Minnesota Senate Publications Office. During the 2003 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. It can be made available in alternative formats.

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David J. Oakes

## Contraceptive coverage advances

A bill requiring health plans to provide coverage for prescription contraceptives was approved by members of the Commerce and Utilities Committee when the panel met Wed., Mar. 5. Sen. Ellen Anderson (DFL-St. Paul), chair of the committee, carried the bill, S.F. 269.

The bill represents a common sense approach to the issue, she said, and providing coverage will reduce health care costs, treat women fairly and protect the health of women and babies. Anderson noted federal court rulings have held that not providing coverage for contraceptives is illegal discrimination. Attorney General Mike Hatch said contraception is often cheaper for insurers and employers, especially after factoring in all the costs of an unplanned pregnancy—including employee leaves. Hatch said providing coverage for contraception is more equitable and contraceptives can be used to treat other medical issues, including acne. He noted that some insurers will cover other preventive medicines and treatments but will not cover contraception. Women who work for large employers or are covered by a Minnesota HMO are likely to already have coverage, he said, but the bill is an attempt to address the tendency for insurers and employers to focus on the bottom line and cut reasonable coverage to control short-term costs.

Sen. Brian LeClair (R-Woodbury) questioned whether the right path was to provide a fair or middling level of services to a large number of people or to provide an exceptional level of service for a small number of persons. LeClair said adding mandates to seek “Cadillac coverage” will price people out of the market. Hatch said contraceptives are not “Cadillac coverage,” especially since 90 percent of women use prescription contraceptives. Other proponents, including Erica Fishman of the University of Minnesota School of Public Health, Peg LaBore of the Family Tree Clinic in St. Paul and registered nurse Jennifer Fleming testified to the public health benefits of access to contraceptives.

The Insurance Federation of Minnesota has concerns about all coverage mandates, said Robyn Rowen. She said the state’s small insurers believe the marketplace is working. All group and employer plans cover prescription contraceptives, Rowen said, and only two insurers in the individual coverage market do not offer such coverage. Adding the coverage, she said, is estimated to cost the

policyholders about \$70 per year per policy. Sen. Dallas Sams (DFL-Staples) offered an amendment that excludes religious employers from the coverage mandate. The amendment was adopted. S.F. 269, as amended, was approved and re-referred to the Health and Family Security Committee.

Members also took up S.F. 35. Sponsored by Sen. Sandra Pappas (DFL-St. Paul), the bill prohibits the sale or rental of video games rated as “mature” or “adult only” to persons under age 17. Pappas said video games are a highly popular entertainment for youths and the latest generation of games is more violent and more accurate or realistic than its predecessors. She said research indicates that adolescents even prefer violent games for their realism. Vance Stuehrenberg, a Mankato police officer, said retailers have told him that parents must be responsible for their children. However, he said, many parents do not know what their children are listening to, playing or watching. Stuehrenberg said violence is addictive and the addictive process has been proven to be more powerful with children. Doug Baird, a police officer in Apple Valley, said the conditioning of the games contributes to depression and anxiety, which are already problems for youths. Director of the Minnesota Coalition Against Sexual Assault Carla Ferrucci said violent games glorify violence against women. The proposed law, she said, represents a tool for parents to control the messages their children receive. Other supporters of the measure included Peggy Smith and Linda Spee—both of the Minnesota Parent, Teacher, Student Association—and Lisa Nentl Bloom, representing Education Minnesota. Anthony Shelton, a senior at Cretin-Derham Hall, described the violence, criminal activity and sexual behavior contained in one game.

Sen. Steve Kelley (DFL-Hopkins) said supporters of video game regulation have noted that the game “Doom” was a favorite of one of the Columbine shooters. However, he said, the “Doom” series is now on its third version and several million copies of each game have been sold, without more violence being linked to the games. Pappas said the vast majority of purchasers of violent games are adults in their 20s and 30s, but she said voluntary compliance with the age guidelines is not successful in the gaming industry, as it has been in the movie

industry. The gaming industry has not been responsible, Pappas said.

The proposed legislation is vague about who will be held responsible for the sale or rental, said Buzz Anderson of the Minnesota Retailers Association. He also questioned if the bill allows for an affirmative defense, such as a retailer training clerks, who then violate the law anyway. No allowance for the use of fake identification is made, he said, and no provision exists for a case of an adult supplying minors. Retailers, Buzz Anderson said, are under enormous pressure to do the right thing. He also noted that the bill does not address online retailers, who do not observe the rating system. The bill is well intended, he said, but is not the answer. Jennifer Byron, counsel for the Interactive Digital Software Association (IDSA), said the bill is unnecessary because the industry has already created a self-regulatory system. She said the bill is

also unconstitutional because it restricts persons' access to games that have not been legally found to be harmful or obscene. The bill also violates due process by delegating legislative power—by relying on the industry's rating system—to a trade association, Byron said. She said courts have struck down similar statutes in other states. Large retailers are using the rating system voluntarily and effectively, she said, through a register prompt to check identification. Smaller retailers are encouraged to train their clerks and post literature about the ratings, Byron said. S.F. 35 was defeated on a 5-8 roll call vote.

### **OSHA transfer plan withdrawn**

Members of the Jobs, Housing and Community Development Committee learned early in their Thurs., Mar. 6, meeting that the governor has withdrawn his plan to transfer Minnesota occupa-

tional health and safety oversight functions to the federal government.

Grace Schwab, legislative liaison for the Dept. of Labor and Industry and a former Senator from Albert Lea, announced the decision to members at the beginning of the hearing. She said the administration is planning a task force to study issues relating to workplace safety and government oversight in other states. "I'm glad the governor listened to us and our concerns," said Sen. Linda Scheid (DFL-Brooklyn Park), committee chair. The committee also heard testimony from business and labor representatives on their experiences with Minnesota OSHA. Chuck Burin, federal OSHA, also outlined the federal agency's activity.

In other action, the committee heard an overview of the Dept. of Labor and Industry's operations and a proposed fee increase for the department's apprenticeship program.



**Anthony Shelton, a senior at Cretin-Durham Hall High School, presents his review of the video game "Grand Theft Auto: Vice City" during a Commerce and Utilities Committee hearing Wed., Mar. 5. Sen. Sandy Pappas (DFL-St. Paul), left, presented a bill that prohibits the sale or rental of restricted video games to minors.**

Photo by David J. Oakes



# Committee update

## Agriculture, General Legislation and Veterans Affairs

### Military benefit bills okayed

Two bills extending benefits to state employees with military service were approved by members of the Agriculture, General Legislation and Veterans Affairs Committee Mon., Mar. 3. The panel is chaired by Sen. Steve Murphy (DFL-Red Wing).

S.F. 400, sponsored by Sen. David Senjem (R-Rochester), eliminates the sunset date for the purchase of military service credit. Allowing the program to continue beyond the original sunset date—May 16, 2003—is projected to be cost-neutral, Senjem said. Representatives of the Minnesota State Retirement System and Dept. of Veterans Affairs spoke in support of the bill. S.F. 400 was re-referred to the Committee on State and Local Government Operations.

Sen. Don Betzold (DFL-Fridley) carried a bill providing for the payment of salary differential to state employees called up to active service in the National Guard or military reserves. Betzold said a similar benefit is found frequently in the private sector. S.F. 117 also provides that local units of government may offer the benefit to their employees who are called up to active service. The bill applies only to state employees called up on or after Sept. 11, 2001, and makes the benefits and salary differential available for up to four years after the employee's activation, plus any time the employee is required to serve on active duty. Col. Dennis Lord said the bill will affect about 100 state employees. Brig. Gen. Harry Sieben said the bill sends the message that the state values its active duty military personnel. S.F. 117 was re-referred to the Finance Committee.

Members also discussed S.F. 378, authored by Sen. Steve Dille (R-Dassel). The bill restructures the state's ethanol payments toward a counter-cyclical model. Dille said he has been working on the concept for about a year and believes it is time for discussion of a new framework. The bill provides for payments of 19 cents per gallon for the first five years of producer payments, instead of the current 20 cents. For the second half of the ten-year payment cycle, plants will receive 7

cents per gallon with the possibility of receiving up to 10 additional cents per gallon based upon a sliding scale formula. The formula uses the price of ethanol, the cost of corn and the yield of ethanol from corn to set an index for the payments. An acceptable level of profitability is set, Dille said, and when the industry is above that level for a quarter, no payments will be made. When a surplus of ethanol payment funds occurs in any quarter, he said, the money is to be directed towards other agriculture programs, such as John's disease research or programs of the Board of Water and Soil Resources. The bill was laid over for further consideration.

## Commerce and Utilities

### Antenna site bill advanced

The Commerce and Utilities Subcommittee on Telecommunications and Technology met Fri., Mar. 7, to consider a bill allowing the use of county facilities for commercial wireless service providers and for public safety communications equipment. The bill, S.F. 172, is authored by Sen. Leo Foley (DFL-Coon Rapids).

The panel, chaired by Sen. Steve Kelley (DFL-Hopkins), adopted an amendment to clarify that the fees charged by the county, allowed under the bill, may be used for the value of the property made available and for public safety communications systems costs.

The measure was approved and advanced to the full committee.

## Crime Prevention and Public Safety

### Policy changes discussed

The Wed., Mar. 5, meeting of the Crime Prevention and Public Safety Committee was devoted to a discussion of the Dept. of Corrections policy changes that must be implemented under the governor's budget proposal. Sen. Leo Foley (DFL-Coon Rapids) chairs the committee.

## Education

### Math standards heard

Members of the Education Committee, chaired by Sen. Steve Kelley (DFL-Hopkins), continued their review of areas

of standards in K-12 education. The panel turned its attention, Tues., Mar. 4, to standards in math education and heard from Jim Bartholomew, Dept. of Children, Families and Learning. The committee also heard testimony on math standards from Sharon Stenglein, a retired teacher, Anne Bartel, math coordinator for the Minneapolis School District, and Michele Luke, a teacher in the Hopkins School District. University of Minnesota Professor of Mathematics Bert Fristedt addressed the committee. From the University's College of Education and Human Development, Arnie Cutler and Professor Tom Post also spoke.

### Standards review continued

Science standards in K-12 education were the topic of discussion at the Thurs., Mar. 6, meeting of the Education Committee. The committee, chaired by Sen. Steve Kelley (DFL-Hopkins), heard from Jean Tuchie, a teacher from Eden Prairie, Pam Letterman, a teacher from North St. Paul, and Fred Finley of the University of Minnesota.

## E-12 Education Budget Division

### Overview continues

Members of the E-12 Education Budget Division devoted the Tues., Mar. 4, hearing to a continued review and discussion of the governor's budget proposal. Division Chair LeRoy Stumpf (DFL-Thief River Falls) also announced that the panel will travel to Fergus Falls Tues., Mar. 18, for a public hearing on school funding and the manner in which the current state budget crisis is affecting communities.

## Environment and Natural Resources

### CWD bill gains

A bill aimed at eradicating chronic wasting disease (CWD) in cervidae gained the approval of the Environment and Natural Resources Committee Mon., Mar. 3. (Cervidae are deer, elk, moose, caribou and reindeer.)

The committee, chaired by Sen. John Marty (DFL-Roseville), began by hearing a report on chronic wasting disease prepared by the Board of Animal Health



*Senators Cal Larson (R-Fergus Falls) and Julie Rosen (R-Fairmont) exchange ideas in the Senate Chamber.*

Photo by David J. Oakes

and the Dept. of Natural Resources in consultation with the Dept. of Agriculture and the Minnesota Cervidae Advisory Committee. The report recommends regulation of all captive cervidae be consolidated under statutes for farmed cervidae and be administered by the Board of Animal Health. In addition, the report recommends that registration and surveillance for CWD should be mandatory for all farmed cervidae and that capture and ownership of wild cervidae should be restricted. Further, the report recommends making the current regulations for importation of cervidae permanent and restricting the importation of cervidae carcasses. Finally, the report recommends funding for the Board of Animal Health for program implementation and for the Veterinary Diagnostic Laboratory for tests for CWD.

The bill, S.F. 548, sponsored by Sen. Steve Dille (R-Dassel), provides for control of the CWD and prevention of wildlife disease. "Wisconsin has already

spent \$11 million trying to combat the disease," Dille said, "What we are trying to do is get ahead of the curve."

Paul Anderson, Board of Animal Health, and Mike DonCarlos, DNR, reviewed the report and spoke in support of the bill.

The bill, which is based on the recommendations in the report, provides for increased restrictions on domestic cervidae and additional authority for the commissioner of natural resources relating to wildlife disease prevention. In addition, the bill requires that fencing for cervidae be at least eight feet tall beginning Jan. 1, 2004. Also, beginning Jan. 1, 2004, all farmed cervidae must have identification and all persons who possess live cervidae be registered with the Board of Animal Health. The bill requires surveillance for CWD and specifies that any movement of animals must be reported. The bill also requires all animals older than 16 months that die or are slaughtered be tested for CWD.

In addition, the bill restricts the importation of hunter-harvested cervidae to certain portions, makes permanent the import restrictions on live cervidae and prohibits possession of live cervidae except for farmed cervidae that are registered with the board.

Finally, the bill provides the commissioner of natural resources the authority to use emergency rules for purposes of preventing wildlife disease and allows the issuance of special permits to take wild animals.

Debate on the measure centered on specific language in the bill. Sen. Don Betzold (DFL-Fridley) questioned the use of the phrase "manage wildlife health" in provisions relating to the commissioner of natural resources' authority. Members adopted an amendment that uses the phrase "prevent wildlife disease" in those provisions of the bill. Several amendments, suggested by Sen. Dennis Frederickson (R-New Ulm), to make



# Committee update

grammatical changes in the bill were also adopted.

Tom Keliher, representing the Minnesota Deer Hunters Association, said the association was concerned that "emergency deer feeding" was stricken from the bill in a section dealing with a fifty cent fee on each deer license. Under the bill, the fee is still collected, but is used for big game health management. Members adopted an amendment specifying the fee be used for wild cervidae health.

The bill was approved and advanced to the Agriculture, General Legislation and Veterans Affairs Committee.

## Land sale bills heard

Members of the Environment and Natural Resources Subcommittee on Public Lands and Waters met Wed., Mar. 5, to consider a number of bills providing for the sale or exchange of public lands. The panel, chaired by Sen. Tom Saxhaug (DFL-Grand Rapids), approved all the bills for inclusion in the subcommittee's omnibus bill.

S.F. 63, authored by Sen. Paul Koering (R-Fort Ripley), authorizes the sale of tax-forfeited land in Crow Wing County. S.F. 70, carried by Saxhaug, provides for a land exchange in Lake of the Woods County. S.F. 82, sponsored by Sen. David Tomassoni (DFL-Chisholm), authorizes the sale of tax-forfeited land in St. Louis County. S.F. 200, also carried by Saxhaug, authorizes the sale of tax-forfeited land in Aitkin County. S.F. 302, sponsored by Sen. Thomas Bakk (DFL-Cook), authorizes the sale of tax-forfeited land in St. Louis County. S.F. 417, carried by Bakk, authorizes the sale of tax-forfeited land in Lake County. S.F. 461, authored by Sen. Rod Skoe (DFL-Clearbrook), authorizes the sale of tax-forfeited land in Norman County.

## Environment, Agriculture and Economic Development Budget Division

### Budget overview continues

The Environment, Agriculture and Economic Development Budget Division, chaired by Sen. Dallas Sams (DFL-Staples), devoted the Thurs., Mar. 6, hearing to a continued review of the Pollution Control Agency budget proposed by the governor.

## Health and Family Security

### Prescription drug bills heard

Bills providing assistance with prescription drugs were the center of attention at the Tues., Mar. 4, meeting of the Health and Family Security Committee.

One of the more sweeping proposals, S.F. 535, the "Fair Drug Pricing Act," provides for a drug rebate program for persons who lack prescription drug coverage. Under the proposal, participating pharmacies are required to sell prescription drugs to enrolled individuals at the pharmacy's retail price minus the amount of a rebate from the manufacturer equal to the rebate provided under Medical Assistance. Hottinger said the proposal levels the playing field and allows uninsured persons to obtain needed prescription drugs at an affordable, fair price. The bill is essentially the same as a bill passed by the Senate two years ago, Hottinger said.

The measure also sets forth the eligibility requirements for the program. The bill specifies that an applicant be a resident of Minnesota; not be enrolled in Medical Assistance, General Assistance Medical Care, MinnesotaCare or the prescription drug program; not be enrolled in prescription drug coverage under a Medicare supplemental plan; and not be enrolled in prescription drug coverage under a Medicare supplemental plan. The bill also gives the Office of the Attorney General the authority to enforce to provisions of the act.

Hottinger rebutted several of the arguments against the bill two years ago. He said opponents argued that the measure was unconstitutional. However, he said lawsuits against a similar law in Maine did not find the law unconstitutional. Hottinger said one of the arguments was that the federal government would provide a solution, but that has not happened. He also said one argument is that the bill will somehow impede research, but the reality is that 50 percent of the research is funded by taxpayers and much more is spent on advertising and marketing.

Robert Comer and Marty Gates representing the Minnesota Senior Federation spoke in support of the measure. Mike Banselow, Office of the Attorney General, said the attorney general was very supportive of the bill.

However, Marjorie Power, senior assistant general counsel, Pharmaceutical Research and Manufacturers of America, spoke in opposition. She said pharmaceutical companies participate in voluntary programs and the bill undermines that effort.

Members also discussed a bill, authored by Sen. Sheila Kiscaden (IP-Rochester), that also provides assistance for prescription drug purchases. Kiscaden said the primary difference between her bill, S.F. 398, and the Hottinger bill is that S.F. 398 requires applicants have a gross income of 250 percent of the federal poverty guidelines or less, in addition to the eligibility requirements in S.F. 535. Kiscaden said the measure has a lower cost than the Hottinger bill, but the important point is to get a program in place.

Sen. Steve Kelley moved to approve S.F. 535 and re-refer the measure to the Finance Committee. He said it is vital to get an assistance program in place. Kiscaden said she would prefer to move both bills to the Finance Committee without recommendation. She said there are proposals on the table to eliminate health insurance for 33,000 Minnesotans and it is going to be very difficult to provide funding for prescription drug assistance. Kelley responded, "I am not yet willing to concede that the governor's plan is going to be adopted by the Senate or the Legislature and that the committee should endorse the policy."

Both bills were advanced to the Finance Committee without recommendation on identical 5-4 roll call votes.

Sen. Keith Langseth (DFL-Glyndon) also carried a prescription drug measure. S.F. 444 establishes a senior citizen health benefit fund by using one percent of the medical education, the tobacco prevention and the local public health endowment accounts. The measure also expands the eligibility for the prescription drug program and establishes a task force to develop recommendations to provide financial assistance to senior citizens in obtaining prescription drugs. Kelley moved to delete the section of the bill that provides for funding from the medical education endowment account. The motion was adopted. Members also deleted a section specifying eligibility requirements. The measure was approved and re-referred to the Finance Committee.

The final measure relating to prescription drugs, S.F. 544, authored by Sen. Linda Berglin (DFL-Mpls.), was also approved and re-referred to the Finance Committee. The bill directs the Minnesota Board on Aging to establish a program to assist individuals in accessing programs offered by drug manufacturers that provide free or discounted prescription drugs or provide coverage for prescription drugs. Berglin said the board is to use a software program to link individuals with the pharmaceutical assistance programs most appropriate for the individual.

Members also discussed three additional bills. S.F. 426, sponsored by Sen. Julianne Ortman (R-Chaska), grants an exemption from the hospital construction moratorium for a hospital in Carver County. Members laid the bill over in order to gather more information about existing hospital bed capacity in the Metro Area.

S.F. 533, authored by Hottinger, provides an exception to the nursing home construction moratorium for a

facility in Nicollet County. S.F. 534, carried by Hottinger, appropriates \$1 million from the TANF block grant fund to provide services to families who are participating in a supportive housing and managed care pilot project. Both bills were approved and re-referred to the Finance Committee.

### Three bills advanced

Members of the Health and Family Security Committee met Thurs., Mar. 6, to consider three bills. The panel, chaired by Sen. Becky Lourey (DFL-Kerrick), advanced all three measures.

S.F. 425, sponsored by Sen. Don Betzold (DFL-Fridley), codifies the process by which persons denied social services can appeal the decision. Betzold offered two amendments that addressed concerns of the Dept. of Human Services. The amendments were adopted. Kenneth Mentz, DHS, said only one concern remained, relating to Tennessee warnings and data practices. Charles Thomas, a Legal Aid attorney, reviewed the provi-

sions of the bill for the panel. However, the bill may increase costs to health plans, said Phil Griffin, representing UCare Minnesota. He said the bill is creating more of a legal proceeding than a hearing. Claudia Brewington said the Metropolitan Inter County Association has concerns about the burdens the bill places on counties. S.F. 425 was re-referred to the Judiciary Committee.

Sen. Sheila Kiscaden (IP-Rochester) carried S.F. 397. The bill removes a sunset from the Region 10 quality assurance project and authorizes expansion of the project outside of Southeastern Minnesota. Kiscaden said the program is a consumer-driven alternative to a regulatory approach to providing quality services to persons with developmental disabilities. John Jordan, a Houston-area farmer with a son with developmental disabilities, and Cindy Ostrowski, director of the project, discussed the successes of the project and the national attention it has received. The bill was re-referred to the Committee on State and Local Government Operations.



*Senators Lawrence Pogemiller (DFL-Minneapolis) and Steve Kelley (DFL-Hopkins) listen to debate during a recent floor session.*

*Photo by David J. Oakes*



# Committee update



*Representing health care and nursing home workers, among others, members of the Service Employees International Union gathered in Room 15 of the Capitol Tues., Mar. 4, for a press conference to voice their concerns over proposed budget cuts.*

*Photo by David J. Oakes*

Members also advanced S.F. 473 to the State and Local Government Operations Committee. Sponsored by Sen. Linda Higgins (DFL-Mpls.), the bill makes the Council on Disability permanent. Current law included a sunset date of June 30, 2003, for the council, which has existed since 1973.

## Health, Human Services and Corrections Budget Division

### DHS overview continues

Members of the Health, Human Services and Corrections Budget Division, chaired by Sen. Linda Berglin (DFL-Mpls.), met Tues., Mar. 4, Wed., Mar. 5, and Thurs., Mar. 6, to continue their review of the governor's recommendations for the FY 04-05 budget. Representatives of the Department of Human Services presented various areas of the agency's budget.

## Higher Education Budget Division

### Students respond to budget

The Higher Education Budget Division, chaired by Sen. Sandra Pappas (DFL-St. Paul), met Thurs., Mar. 6, to hear responses to the governor's proposed budget for FY 04-05 from a variety of student organizations.

## Jobs, Housing and Community Development

### Redevelopment grants reviewed

Programs in the Dept. of Trade and Economic Development were the focus of the Tues., Mar. 4, meeting of the Job, Housing and Community Development Committee. Chaired by Sen. Linda Scheid (DFL-Brooklyn Park), the committee heard from Louis Jambois, DTED, on the redevelopment account and

contamination cleanup grant account programs. Bonnie Balach, executive director of Minnesota Solutions, addressed the panel, along with Cathy Bennett, David Black and Kent Carlson, representing the cities of Roseville and New Brighton and Ryan Construction, respectively. Economic Development Association of Minnesota representative Marc Nevinski also spoke. Appearing with Nevinski were Lorrie Louder, director of industrial development for the St. Paul Port Authority, Kendall Crosby of Ace Hardware and Curt Milburn, project director for the Phalen Corridor.

## Judiciary

### Custody bills sent to floor

Two bills relating to custody issues were approved by the Judiciary Committee when it met Tues., Mar. 4. Both bills were heard Tues., Feb. 25, in the Subcommittee on Family Law.

S.F. 356, carried by Sen. Richard Cohen (DFL-St. Paul), makes changes to the de facto custodian law. The bill removes the requirement that custody be transferred to a relative and changes the definition of “de facto custodian” to indicate that the time period for which a person would have to be a de facto custodian need not be consecutive. The bill was approved and recommended for placement on the Consent Calendar.

The other custody issue bill, S.F. 266, consumed the bulk of the panel’s time. Sponsored by Sen. Don Betzold (DFL-Fridley), chair of the committee, the bill modifies statutes relating to moving a child out of the state. Under current law, a custodial parent may not change the child’s residence without a court order or consent of the other parent. The bill requires the use of eight factors in determining the best interest of the child and requires a best interest of the child standard in making a determination on the request for removal. Under the bill, a custodial parent wishing to move the child bears the burden of proof. Michael Perlman, a family law attorney, said current law favors the custodial parent who wishes to move. However, he said, the law misses the importance of continuing relationships between children and non-custodial parents. The bill requires courts to weigh the balance between the best interest of the child, which includes the relationship with the non-custodial parent, and the new economic or personal situation for the custodial parent, Perlman said. William Mullen, president of the Minnesota Chapter of the American Academy of Matrimonial Attorneys, said child psychologists have argued that peer relationships are more important for adolescents than parental relationships. Forcing a child to move may not be in the best interest of the child, he said. The current standard, Mullen said, essentially requires the non-custodial parent to prove that the child will be harmed by moving or that the only reason for the move is to deprive the non-custodial parent of contact with the child.

Marie Pastoor, a family law attorney, said current statutes and case law have been helpful to abused women. She said it is important victims of domestic violence be able to move to a safe community that has a support network of family and friends. Pastoor noted that household

income is a prime factor in family safety. She said that if maintaining parental relationships is important, the Legislature should consider prohibiting non-custodial parents from moving. Pastoor also suggested including a presumption in favor of relocating the child and custodial parent if the non-custodial parent is abusive. Nancy Mischel, a Legal Aid attorney, outlined the economic impact of the bill on low income families. She said her clients need to move for economic reasons, including being closer to other family. Retired Ramsey County Judge Mary Louise Klas said the proposed legislation increases the burden on the legal system by requiring courts to evaluate the factors enumerated in the bill.

The bill was approved and sent to the Senate floor.

In other action, members also recommended S.F. 195 for placement on the Consent Calendar. Carried by Betzold, the bill is the annual Revisor’s bill, which corrects erroneous, ambiguous and omitted text.

### **Data practices compliance heard**

A bill providing for the award of attorney’s fees when a government entity does not act in compliance with a commissioner’s opinion in a data practices matter was the only topic of the Judiciary Subcommittee on Data Practices meeting Thurs., Mar. 6.

S.F. 317, authored by Sen. John Marty (DFL-Roseville), requires a court to award attorney fees to a prevailing plaintiff who has brought an action, if the government entity did not act in conformity with a commissioner’s opinion. Marty said that for small news organizations or individual citizens the cost of going to court to get a government entity to release public information is a deterrent. He said if the organization or individual has asked for and received a commissioner’s opinion that the information sought should be released there is a good chance the organization or individual will prevail in court, but the attorney’s fees act to prevent pursuing a case.

Mark Anfinson, of the Minnesota Newspaper Association, spoke in support of the bill. “The Legislature has devoted a prodigious amount of time to the Data Practices Act; public officials are under-

standably cautious about releasing information,” he said. He said the bill eliminates a major obstacle for smaller news organizations and individuals.

Tom Deans, of the Minnesota School Board Association, spoke in opposition to the bill. “Our objection is philosophical, based on establishing a mandatory fee shift,” he said.

The subcommittee, chaired by Sen. Wesley Skoglund (DFL-Mpls.), adopted an amendment to specify that “reasonable” attorney’s fees be awarded. The bill was approved for inclusion in the subcommittee’s omnibus data practices bill.

## **Rules and Administration**

### **Appointments, bills approved**

Two appointments to the Campaign Finance and Public Disclosure Board were approved at the Wed., Mar. 5, meeting of the Rules and Administration Subcommittee on Elections. The panel, chaired by Sen. Linda Higgins (DFL-Mpls.), approved the appointments of Terri Ashmore and Bob Milbert to the board.

In other action, the subcommittee also advanced three bills to the full committee. S.F. 329, authored by Sen. Dallas Sams (DFL-Staples), provides procedures and criteria for calling special elections to fill town board vacancies when the board or an appointment committee fails to fill the vacancy by appointment.

S.F. 360, sponsored by Higgins, provides that judicial offices for which only one candidate has filed be placed on the ballot after the judicial officers for which there is more than one candidate.

S.F. 334, also carried by Higgins, requires an affidavit of candidacy for elective office to include a residence address. The measure sparked considerable discussion because of the differing length of residency requirements for various offices. The bill was amended to clarify the language and to require the inclusion of a telephone number on the affidavit of candidacy before the panel approved the bill.

In other action, the Rules Subcommittee on Committees, chaired by Sen. John Hottinger (DFL-St. Peter), met briefly Wed., Mar. 5, to approve appointments to various commissions and councils.



# Committee update

## State and Local Government Operations

### Town officers as chiefs bill gains

Members of the State and Local Government Operations Committee met Mon, Mar. 3, to consider two bills.

S.F. 464, carried by Sen. David Tomassoni (DFL-Chisholm), permits township board members to serve as fire chiefs. Tomassoni said many towns have declining populations and need flexibility in filling positions. He said conflict of interest laws will still apply to persons serving in both roles. John Dooley said the Minnesota Association of Townships supports the proposal. Two residents of Spencer Brook Township, Tim Peterson and Linda Miceli, spoke against the proposal. S.F. 464 was approved and advanced to the floor.

Members also considered S.F. 316. Sponsored by Sen. John Marty (DFL-Roseville), the bill permits local governments to seek advisory opinions from the Department of Administration on application of the Open Meeting Law. Marty said the bill is meant to address citizen concerns and aid citizens in seeking remedies to compel local units to comply with the law. He said the bill gives a strong incentive for governments to seek opinions and act in conformity with the opinions. Under the bill, if a government is found to have violated the law and ignored an opinion from the department, the prevailing plaintiff is awarded attorney fees.

Representatives of the League of Minnesota Cities, the Minnesota School Boards Association and the Minnesota Association of Townships spoke against the bill. Thomas Deans, attorney for the School Boards Association, said the Open Meetings Law is substantially different from the Data Practices Act. However, he said, the bill uses the Data Practices Act as a model for enforcing the Open Meeting Law. Deans also said that departmental opinions will only come after a meeting has already been held, which will put local units in a position of not being able to comply with the opinion. Committee Chair Jim Vickerman (DFL-Tracy) said the bill's proponents and opponents should work on the bill to resolve as many differences as possible. S.F. 316 was laid over for future consideration.



**Sen. Brian LeClair (R-Woodbury) studies information about the Council on Disability during a Health and Family Security Committee hearing Thurs., Mar. 6.**

Photo by David J. Oakes

### Consultant limit bill gains

A bill placing limits on the use of consultants and making changes in laws governing contracts was the focus of discussion at the Wed., Mar. 5, meeting of the State and Local Government Operations Committee.

Chief Author Dan Sparks (DFL-Austin) said the bill, S.F. 344, is aimed at providing oversight, accountability, cost

control and competition in the use of outside consultants and contracts for professional and technical services. The measure establishes a moratorium on professional or technical service contracts, requires agency budget proposals to include information about outside contracts, prohibits the practice of entering into a contract until the funds are encumbered and the contract is executed, imposes reporting requirements,

requires the Legislative Coordinating Commission to conduct random audits of agencies, strengthens the oversight role of the Dept. of Administration, controls the use of amendments to contracts and expands the posting of requests for bids.

Mark McAfee, AFSCME, and Brian Bergson, MAPE, both spoke in favor of the bill. McAfee said the bill makes both contractors and state managers more accountable and strengthens legislative oversight. Bergson said he had worked on the issue for over 10 years and that the bill is a significant step. He said there are certainly instances when the use of consultants and outside contracts, rather than state employees, is warranted, but that the bill provides for the accountability that is needed in the process.

Glen West, representing the Minnesota Government Engineers Council, said, "Careful decisions need to be made when outsourcing. Our members have been concerned about the growth in the use of contracts."

Sen. Dean Johnson (DFL-Willmar) said, "What we are asking for is accountability. On the other hand, there are times when we need the expertise of outside experts. Neither side is wrong in their arguments."

Kirsten Cecil, Dept. of Administration, said the administration will also introduce a bill dealing with outside contracts. She said the administration's bill will incorporate the recommendations made by the Legislative Auditor's Office and will emphasize accountability and education.

Members approved the measure and re-referred the bill to the Finance Committee.

In other action, the panel, chaired by Sen. Jim Vickerman (DFL-Tracy), also approved a bill requiring automatic sprinkler systems to be installed in high-rise buildings constructed before 1974. Sen. Steve Murphy (DFL-Red Wing), chief author of S.F. 295, said, "This bill is about saving lives. Fire sprinklers work well and can save lives." He said the bill gives owners up to 10 years to comply and provides for variances for some buildings. "Make no mistake," Murphy said, "This bill is a mandate." However, he also said the bill provides tax incentives for owners to fit their buildings with sprinklers and that owners would also save on insurance. The cost of fitting existing buildings with fire sprinkler systems is between \$2.50 and \$3 per square foot, Murphy added.

David Kaplar, Rochester fire chief, Bob James, Bloomington fire marshal, and Al Ratzloff, Mankato fire chief, all spoke in support of the bill. "A firefighter's worst nightmare is a fire in a high-rise," Kaplar said.

John Rall, BKV Architects, and Jack Horner, Minnesota Multi Housing Association, spoke in opposition. Rall said, "There is a very low instance of life lost in high-rise multi-unit residential properties and it is not cost effective to make sprinklers mandatory for multi-unit residential buildings." Horner said existing buildings have smoke alarms and other safety features that make it unnecessary to add expensive retrofitting of sprinkler systems.

Murphy countered that the issue of safety justified the expense and that the measure makes provisions for granting extensions, if the owner demonstrates a genuine inability to comply in the time prescribed.

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

## State Government Budget Division

### Division reviews boards' budgets

The Tues., Mar. 4, hearing of the State Government Budget Division continued the review of the governor's budget proposal. Members, chaired by Sen. Jane Ranum (DFL-Mpls.), heard from representatives of the Board on Judicial Standards, the State Investment Board, the Public Utilities Commission, the Uniform Laws Commission, the Office of Administrative Hearings and the Tax Court.

### Courts budgets reviewed

The State Government Budget Division devoted the Wed., Mar. 5, hearing to a review of the effects of the governor's budget proposal on Minnesota's court system. The panel, chaired by Sen. Jane Ranum (DFL-Mpls.), heard from Sue Dosal, state court administrator; Chief Judge Thomas Mott; Judge Edward Lynch, First Judicial District; and Judge Thomas Kalitowski, Court of Appeals. In addition, members also heard about the effects of the cuts on civil legal services from Jerry Lane, executive director.

## Military affairs overview heard

Members of the State Government Budget Division met Thurs., Mar. 6, to hear Terry Palmer review the governor's budget recommendations for the Dept. of Military Affairs. Palmer, department comptroller, also outlined the activities of members of the Air and Army National Guard for Division Chair Jane Ranum (DFL-Mpls.) and panel members. He said about 1,800 Guard members will be on active duty by fall 2003, including 1,100 members of the 34th Infantry Division—from Rosemount, Moorhead and Duluth—headed for Bosnia later this year.

## Wage freeze proposal heard

Members of the State Government Budget Division met Fri., Mar. 7, to consider a controversial plan that freezes public employee wages. A bill carried by Sen. Thomas Neuville (R-Northfield), S.F. 214, includes the freeze plan but has not been referred to the panel for a vote. Sen. Jane Ranum (DFL-Mpls.), division chair, said the hearing was mainly to hear testimony on the issue and to gather information for Senators.

"I'm not seeking unpopularity," Neuville said, in introducing the plan. However, he said, freezing wages will help protect state employee jobs and the services public workers provide. Freezing salaries of state and local public employees will save over \$800 million in salary increase pressures on the budget, Neuville said. When private sector employees have taken wage freezes and job losses, it is hard to justify increasing tax burdens on the private sector to provide salary increases for public employees, he said. Neuville said the wage freeze should be spread across the state and local levels of government to be fair. If only the state enacts a freeze, he said, then state employees will bear the brunt of the state's budget pain. Neuville said the freeze should apply to all state employees and officials—including constitutional officers and judges. He said some exceptions and modifications may be necessary. Public hospitals, Neuville said, are competing for the same workers as private hospitals and are usually not tax-supported. He said the public hospitals are the only area of employment that has come to him and made a reasonable case that it is distinguishable from other areas of public employment.



# Committee update

Duane Benson, Coalition of Minnesota Businesses, and Bill Blazar, Minnesota Chamber of Commerce, presented options developed by the business community. Benson said the coalition has promoted a wage freeze, a pension proposal and an insurance proposal. The coalition has suggested suspending employer contributions to state employee pension plans for two years, Benson said, and requiring all future employees to enroll in a defined contribution, rather than a defined benefit, pension plan. Because health care costs have been increasing at double digit rates and will continue to do so over the next two or three years, he said, the public sector should model itself after the private sector

and adopt an 80-20 employer-employee split of health insurance premium costs. Blazar said business owners value the services of government and do not want cuts alone. He said business leaders have told him they are looking to policymakers to do things differently. Blazar also said the coalition's proposals are meant to help the state plan with a long-term focus and deal with demographic changes. Benson said the proposals are not meant to be taken as a package, but as a set of options with which to work.

Most state employee pension plans are defined benefit plans, said Larry Martin, director of the Legislative Commission on Pensions and Retirement. He outlined the operations of the defined

benefit plans versus the state's defined contribution plans. Martin also reviewed the financial situation of various retirement funds and the impacts of a wage freeze on pension funds. Dave Haugen, Dept. of Employee Relations, said the state employee group insurance program covers over 48,000 state employees. In calendar year 2003, he said, total health care premiums are estimated to cost \$383 million. DOER has no information about private sector practices, he said, but a report issued by the Legislative Auditor in 2002 said the state has paid a higher share of health costs than comparable employers. Employees who purchase coverage only for themselves do not pay for their coverage, he said. Employees who



**St. Paul police officers were among several concerned groups listening to discussion regarding a two-year wage freeze for public employees as one possible solution to the state's looming budget shortfall during a meeting of the State Government Budget Division Fri., Mar. 7.**

Photo by David J. Oakes

purchases dependant coverage pay 10 percent of the dependent coverage and none of the individual (employee) coverage costs.

Ranum noted that estimates indicate that every \$100 million in wage freeze will translate into \$32 million in lost revenue to the state. Neuville said he doesn't dispute the calculation, but the alternative is to tax someone else to pay for public employee salary increases.

Representatives of local units of government spoke against the proposal, saying local governments should have the flexibility to handle their own budgets. Gene Short, Association of Minnesota Counties, said some counties will enact wage freezes on their own. Other counties, he said, will find that a wage freeze will have consequences they want to avoid. Sherrie Le, human resources director for the city of Maplewood, and Bloomington Mayor Gene Winstead testified to the unique character and situation of cities. Local officials are accountable to their electorates, Winstead said, for city budget decisions. Julie Bleyhl, AFSCME, and Brian Bergson, MAPE, said public employees should not be singled out as the state resolves its budget. They testified to the importance of the collective bargaining process in finding solutions between employers and employees. Bergson suggested providing incentives for older state employees, who tend to have higher wages, to retire early. Such a plan, he said, will save the state money, even if new employees are hired at lower wages to fill the jobs.

The Minnesota School Board Association supports the concept behind S.F. 214, said Bob Meeks. He said the reality is less revenue for education for the next biennium. "School boards will be forced to cannibalize young teachers," Meeks said, unless the state takes action. Collective bargaining laws are not balanced with respect to teachers, he said. A two-year inconvenience for teachers, Meeks said, is worth preventing a long-term problem for students who would otherwise be forced into larger classes. However, Education Minnesota representative Jan Alswager said mandates lead to a loss of creativity. She said teacher contracts should continue to be bargained at the local level, with all options available. The bill and the state's revenue problem, she said, will cannibalize the system. Alswager said over 2,000 teachers

have been laid off over the past 2 years, mirroring layoffs in the private sector. As rural school quality suffers, she said, Greater Minnesota communities will die. Alswager said current collective bargaining laws are working well and Education Minnesota disagrees with the School Boards Association about the need for changes.

## Taxes

### Beltrami County bill okayed

Members of the Tax Committee met Wed., Mar. 5, to consider two bills for inclusion in the omnibus tax bill.

S.F. 167, sponsored by Sen. Carrie Ruud (R-Breezy Point), increases the amount of revenue from tax-forfeited lands that may be spent by Beltrami County for the promotion of tourist, agricultural and industrial developments. The current limit is \$1 per capita; the bill raises the limit to \$5 per capita. Beltrami County Administrator Tony Murphy said the county does not intend to raise its spending to the new limit immediately, but wanted the limit raised enough to avoid returning for another limit increase soon. Senators Julianne Ortman (R-Chanhassen) and Steve Murphy (DFL-Red Wing) suggested the limit be removed entirely to give the county as much flexibility as it needs. However, said Sen. Rod Skoe (DFL-Clearbrook), other units of government, including school districts, have statutory access to revenues from the tax-forfeited land and would thus be harmed by giving the county access to all of the money. The bill was approved for inclusion in the omnibus bill.

Sen. Mady Reiter (R-Shoreview) carried S.F. 46, which exempts local units of governments from paying sales or use taxes. Reiter said she carried a similar bill last session, but it did not make it into law. The timing for the exemption, she said, is also questionable with the state's sizable budget shortfall. Reiter noted that the Dept. of Revenue analysis suggests the bill reduces state revenues by almost \$200 million in FY 04-05. However, she said, local units of government were exempted from paying the sales tax until the last state budget shortfall. At that time, more than 10 years ago, local governments agreed to pay the tax temporarily, Reiter said. Jennifer O'Rourke, League of Minnesota Cities, and Roger Peterson, Association of Metropolitan Municipali-

ties, spoke in support of the bill. Peterson said it is not good public policy to levy a property tax to pay sales taxes. However, Committee Chair Lawrence Pogemiller (DFL-Mpls.) said the real cost of services, including taxes, should be built in to provide a level market, especially as more cities are delivering services with a mix of public and private agencies. Sen. William Belanger (R-Bloomington), ranking minority member of the panel, said that no one should believe that local taxes will actually go down if the bill becomes law. No action was taken on S.F. 46.

## Transportation Policy and Budget Division

### Met Council transit discussed

The Transportation Policy and Budget Division, chaired by Sen. Dean Johnson (DFL-Willmar), met Tues., Mar. 4, to hear presentations on the governor's budget proposal.

Peter Bell, chair, Tom Weaver regional administrator and Nacho Diaz, director of transportation planning, provided the division with information about the governor's budget relating to transit operations under the Metropolitan Council. In addition, members heard from Commissioner Rich Stanek, Dept. of Public Safety, on the governor's budget proposal for the agency.

## Floor action

### Short floor session held

Members of the Senate met briefly Mon., Mar. 3, and granted final passage to three bills. All three measures were approved with little debate. S.F. 61, carried by Sen. Don Betzold (DFL-Fridley), specifies contents for a statement of need and reasonableness for proposed administrative rules. S.F. 30, also authored by Betzold, imposes notice requirements for the use of the good cause exemption when adopting, repealing or amending a rule.

The final bill, S.F. 230, authored by Sen. Wesley Skoglund (DFL-Mpls.), modifies the time period for servicing a summons and scheduling a hearing for a housing violation.

Senators also met in floor session Thurs., Mar. 6, to process bill introductions and facilitate the movement of bills between committees.



# Preview

## Monday, March 10

The Senate will be in session at 10 a.m.

### Commerce and Utilities Committee

Chair: Sen. Ellen Anderson

12:30 p.m. Room 112 Capitol

**Agenda:** Review of the Dept. of Commerce's settlement actions involving American Bankers Insurance Group of Florida.

### Crime Prevention and Public Safety Committee

Chair: Sen. Leo Foley

12:30 p.m. Room 15 Capitol

**Agenda:** S.F. 603-Knutson: DWI chemical test refusal penalty enhancement. S.F. 625-Berglin: DWI motor vehicle forfeiture judicial review right notice Somali language printing requirement. S.F. 388-Foley: DWI motor vehicle forfeiture standards and procedures modification and clarification. S.F. 375-Foley: Crime of fleeing a peace officer motor vehicle seizure provision clarification.

### Environment and Natural Resources Subcommittee on Game and Fish

Chair: Sen. Tom Saxhaug

12:30 p.m. Room 107 Capitol

**Agenda:** S.F. 294-Pariseau: Migratory game birds hunting hours modification. S.F. 698-Pariseau: Mourning dove hunting season.

### State and Local Government Operations Committee

Chair: Sen. Jim Vickerman

12:30 p.m. Room 123 Capitol

**Agenda:** S.F. 414-Bakk: City contracts; attorney fees. S.F. 484-Wergin: Counties; public park land dedication.

## Tuesday, March 11

### E-12 Education Budget Division

Chair: Sen. LeRoy Stumpf

9 a.m. Room 112 Capitol

**Agenda:** S.F. XXXX-Olson: Governor's proposed budget bill.

### Health, Human Services and Corrections Budget Division

Chair: Sen. Linda Berglin

9 a.m. Room 123 Capitol

**Agenda:** Overview of governor's budget for the following: Ombudsman for Corrections, Public Defense Board, Sentencing Guidelines Commission, Emergency Medical Services Regulatory Board, Disability Council, Ombudsman for Mental Health and Mental Retardation, Ombudsman for Families,

Dentistry Board, a representative to testify on transferring money from the state government revenue fund to the general fund, and continuation of the Department of the Dept. of Human Services budget.

### State Government Budget Division

Chair: Sen. Jane Ranum

9 a.m. Room 107 Capitol

**Agenda:** To be announced.

### Tax Committee

Chair: Sen. Lawrence Pogemiller

9 a.m. Room 15 Capitol

**Agenda:** To be announced.

### Health and Family Security Committee

Chair: Sen. Becky Lourey

12:30 p.m. Room 15 Capitol

**Agenda:** S.F. 179-Kiscaden: Denturists licensure and regulation. S.F. 229-Fischbach: Physician assistants authority expansion. S.F. 357-Lourey: Dentist loan forgiveness program, donated dental services and dental hygienist practice provisions modifications. S.F. 433-Higgins: Nursing homes and home care providers employees dementia treatment training. S.F. 593-Bachman: Family adult day care providers respite care services authority.

### Higher Education Budget Division

Chair: Sen. Sandra L. Pappas

12:30 p.m. Room 123 Capitol

**Agenda:** Response to the governor's proposed 04-05 budget: testimony from President Bruininks, University of Minnesota and Chancellor McCormick, Minnesota State Colleges and Universities.

### Judiciary Subcommittee on Family Law

Chair: Sen. Thomas Neuville

12:30 p.m. Room 112 Capitol

**Agenda:** Informational hearing only - no votes will be taken. S.F. 600-Neuville: Overview of cost shares child support reform. R. Mark Rogers, economic consultant. S.F. XXXX-Hann: Child support revisions. Overview of child support revisions, Mark Fiddler, Department of Human Services.

### Education Committee

Chair: Sen. Steve Kelley

3:30 p.m. Room 15 Capitol

**Agenda:** Commissioner Yecke will release Department Standards. Reading Standards.

### Jobs, Housing and Community Development Committee

Chair: Sen. Linda Scheid

3:30 p.m. room 112 Capitol

**Agenda:** S.F. 390-Sams: Minnesota Investment Fund conversion. S.F. 308-Tomassoni: Mine owner duties at closing. S.F. 67-Saxhaug: Creating a Koochiching Port Authority and authority to apply for foreign trade zone powers. S.F. 668-Kelley: Modifying Hennepin County Housing and Redevelopment Authority.

### Transportation Policy and Budget Division

Chair: Sen. Dean E. Johnson

3:30 p.m. Room 107 Capitol

**Agenda:** S.F. 124-Skoglund: Motor vehicle cell phones use hands free device requirement. S.F. 210-Ruud: Display of blue lights on emergency vehicles. S.F. 170-Ortman: Emergency vehicles flashing blue lights display authority expansion. S.F. 314-Gaither: Driver's license remove provision. S.F. 341-Murphy: Surcharge on traffic violators, trooper training.

## Wednesday, March 12

### E-12 Education Budget Division

Chair: Sen. LeRoy Stumpf

9 a.m. Room 112 Capitol

**Agenda:** To be announced.

### Health, Human Services and Corrections Budget Division

Chair: Sen. Linda Berglin

9 a.m. Room 123 Capitol

**Agenda:** Public testimony on governor's budget recommendations for health, human services and corrections.

### State Government Budget Division

Chair: Sen. Jane Ranum

9 a.m. Room 107 Capitol

**Agenda:** To be announced.

### Tax Committee

Chair: Sen. Lawrence Pogemiller

9 a.m. Room 15 Capitol

**Agenda:** To be announced.

### Commerce and Utilities Committee

Chair: Sen. Ellen Anderson

12:30 p.m. Room 112 Capitol

**Agenda:** S.F. 291-Marko: Awnings, paulins and wagon covers size misstatement prohibition repeal. S.F. 83-Berglin: Financial transaction cards issuance regulation. S.F. 506-Rest: Credit card receipts full numbers printing prohibition. S.F. 521-Murphy: American flags and related items sale

regulation. S.F. 176-Scheid: Fire insurance standard policies coverage exclusions. S.F. 350-Scheid: FAIR property insurance plan provisions modification and clarification. S.F. 382-Scheid: Minnesota joint underwriting association regulation provisions modification. S.F. 35-Pappas: Restricted video games sale or rental prohibition (motion to reconsider).

#### **Crime Prevention and Public Safety Committee**

*Chair: Sen. Leo Foley*

12:30 p.m. Room 15 Capitol

**Agenda:** S.F. 188-Pogemiller: Public employers disabled officers or firefighters continued health insurance coverage costs reimbursements. S.F. 189-Pogemiller: Public safety officer death benefits payment to estates. S.F. 381-Sams: Multipurpose potable water piping system contractors and installers licensing and certification requirements. S.F. 678-Cohen: Fire safety sprinkler systems in places of entertainment and fireworks displays prohibition; fire insurance premiums surcharge.

#### **Environment and Natural Resources Committee**

*Chair: Sen. John Marty*

12:30 p.m. Room 107 Capitol

**Agenda:** S.F. 198-Lourey: Solid waste processing systems grants. S.F. 336-Sams: Minnesota conservation corps transfer. S.F. 579-Sams: Central lakes region sanitary sewer district establishment.

#### **State and Local Government Operations Committee**

*Chair: Sen. Jim Vickerman*

12:30 p.m. Room 123 Capitol

**Agenda:** S.F. 602-Rest: Metropolitan Airports Commission - legislative confirmation of chair. S.F. 512-Ourada: Met Council; City of Rockford. S.F. 316-Marty: Open meeting law. S.F. 486-Solon: State government; 60 day rule.

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

*Chair: Sen. Steve Murphy*

3:30 p.m. Room 112 Capitol

**Agenda:** S.F. 310-Wiger: Making it a crime to harm a service animal. S.F. 548-Dille: Providing for control of chronic wasting disease. S.F. 674-Sams: Regulating payment for certain warranty work by farm implement dealers; changing definition of heavy equipment.

#### **Legislative Commission on Minnesota Resources**

*Chair: Rep. Dennis Ozment*

5:30 p.m. Room 500N State Office Building

**Agenda:** To be announced.

### **Thursday, March 13**

**The Senate will be in session at 9 a.m.**

#### **Health, Human Services and Corrections Budget Division**

*Chair: Sen. Linda Berglin*

Immediately after session Room 123 Capitol

**Agenda:** Health Department to respond to questions regarding impact of uncompensated care on consolidation of GAMC and MnCARE impact on providers and counties and report back on other budget questions that were unanswered. Department of Corrections will report back on budget questions that were unanswered. Public testimony from agencies and counties. (Please contact the committee staff at 651-296-4261 no later than 4 p.m. Wednesday, March 12, 2003, if you wish to testify. If you cannot testify and would like to submit written testimony we will see that it is copied for members of the committee. You may fax your written testimony to 651-293- 0653.)

#### **State Government Budget Division**

*Chair: Sen. Jane Ranum*

Immediately after session Room 107 Capitol

**Agenda:** To be announced.

#### **Health and Family Security Committee**

*Chair: Sen. Becky Lourey*

12:30 p.m. Room 15 Capitol

**Agenda:** S.F. 269-Anderson: Health plan companies coverage for prescription contraceptives. S.F. 270-Pappas: Emergency Care for Sexual Assault Victims Act of 2003. S.F. 432-Pappas: Health insurance and Medical Assistance coverage for childbirth doula services. S.F. 155-Wiger: Health insurance coverage for communication aids or devices for children with hearing loss.

#### **Higher Education Budget Division**

*Chair: Sen. Sandra L. Pappas*

12:30 p.m. Room 123 Capitol

**Agenda:** To be announced.

#### **Judiciary Committee**

*Chair: Sen. Don Betzold*

12:30 p.m. Room 112 Capitol

**Agenda:** S.F. 304-Kiscaden: Licensing of professional counselors. S.F. 578-Foley: Civil commitment examiner definition correction. S.F. 414-Bakk: Municipal contracts; awarding

attorney fees. S.F. 354- Betzold: Cities emergency services charges. S.F. 634-Betzold: Clarifying that persons who qualify as voluntary patients for treatment of a mental illness are not subject to civil commitment. S.F. 679-Skoe: Authorizing businesses to organize as cooperative associations; providing penalties. S.F. 673-Ortman: Limiting liability for public notification of emergency, Amber alert.

#### **Education Committee**

*Chair: Sen. Steve Kelley*

3:30 p.m. Room 15 Capitol

**Agenda:** Social studies standards.

#### **Jobs, Housing and Community Development Committee**

*Chair: Sen. Linda Scheid*

3:30 p.m. room 112 Capitol

**Agenda:** S.F. 442-Fischbach: OSHA fine exemption. S.F. 645-Metzen: Security deposits interest rate reduction. S.F. 511-Higgins: Creating an historic district-Victory Memorial Drive.

### **Friday, March 14**

#### **State Government Budget Division**

*Chair: Sen. Jane Ranum*

9 a.m. Room 107 Capitol

**Agenda:** To be announced.



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# Senate Briefly

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*With the temperature pushing 60 degrees, pools of water form as the snow recedes rapidly on the Capitol grounds.*

*Photo by David J. Oakes*



*March 14, 2003*

# Senate Highlights

## Emergency contraception bill ok'd

A bill requiring hospitals to provide emergency contraceptive services to sexual assault victims received quick approval from the Health and Family Security Committee Thurs., Mar. 13. S.F. 270, authored by Sen. Sandra Pappas (DFL-St. Paul), requires hospitals to provide information about emergency contraception and treatment for sexually transmitted diseases (STDs).

The measure also requires hospitals to provide sexual assault victims with emergency contraception and appropriate antibiotics for STDs, if the victims request such treatment. Carla Ferrucci, Coalition Against Sexual Assault, and Dr. Lynn Hagedorn spoke in favor of the measure. Hagedorn presented new scientific information about emergency contraceptives. If a woman is already pregnant, the contraceptives do not cause an abortion or fetal abnormalities, she said. David Feinwachs, general counsel, said the Minnesota Hospital Association has worked with the bill's proponents on improving the bill, but there are still some concerns to be addressed. S.F. 270 was re-referred to the Finance Committee.

Members, chaired by Sen. Becky Lourey (DFL-Kerrick), also approved a bill requiring health plans covering prescription drugs to provide coverage for prescription contraceptives. Sen. Ellen Anderson (DFL-St. Paul) said S.F. 269 represents "a common sense approach to contraceptive equity." The panel adopted an amendment, offered by Sen. Sheila Kiscaden (IP-Rochester), clarifying that

the bill does not require coverage for over-the-counter contraceptives. S.F. 269 was advanced to the Senate floor.

S.F. 432, also carried by Pappas, requires health plans that offer maternity benefits to provide coverage for doula services provided by a certified doula. The bill defines doula services as childbirth education and support services, including emotional and physical support, provided during pregnancy, labor, birth, and postpartum. President of the Childbirth Collective Susan Lane, Peg McCoy of HCMC, Jessica Atkins of the Family Centers Doula Program in St. Paul and Julie Lentz, a registered nurse who used a doula in the birth of her son, spoke to the benefits of using doulas. Carolyn Jones, Minnesota Chamber of Commerce, and Kathryn Kmit, Minnesota Council of Health Plans, spoke against the measure. Jones said the chamber opposes additional mandates on small employers, farmers and individuals. Mandates, she said, drive up the costs of health care and may only benefit a very limited number of individuals. Sen. Sean Nienow (R-Cambridge) offered an amendment removing the requirement for private health plans to cover services and instead requiring the commissioner of health to report on the impact of the mandate on private insurers. The amendment was not adopted. S.F. 432 was re-referred to the Committee on Commerce and Utilities.

The panel approved S.F. 155, sponsored by Sen. Charles Wiger (DFL-North St. Paul), clarifying that health plans must provide coverage for hearing aids for children with hearing loss due to a congenital malformation of the ears. Parent Patty Teachout spoke on the need of consistency in plans and said her health plan indicated it would cover surgery, which will not help her son, but not the hearing aids that will help him. The bill was advanced to the Finance Committee.

Members also advanced S.F. 357 to the Finance Committee. The bill, authored by Lourey, modifies the dental loan forgiveness and the donated dental services programs. Kiscaden offered an amendment, adopted by the committee, waiving the clinical examination requirement for dentist licensure if an license applicant has completed a one-year postdoctoral dental residency accredited by the American Dental Association. The panel also adopted an amendment, offered by Lourey, creating limited faculty

licensure and full faculty licensure for foreign-trained dentists who teach at dental schools in the state.

## Cell phone restrictions okayed

Minnesotans would no longer be able to drive and use a hand-held cell phone under a bill approved by members of the Transportation Policy and Budget Division. The division, chaired by Sen. Dean Johnson (DFL-Willmar), met Tues., Mar. 11, and considered the cell phone bill along with three additional measures.

S.F. 124, authored by Sen. Wesley Skoglund (DFL-Mpls.), prohibits the use of mobile telephones while driving unless the driver is using a hands-free device that allows the driver to maintain both hands on the wheel. Skoglund said, "The bill is a moderate approach to make Minnesota roads safer." He also said the bill is not a ban on using cell phones, but does require the hands-free device to be used. The measure does allow for the use of a hand-held phone in cases of emergency, he said. In addition, the bill also specifies that a violation is not a primary offense; a peace officer may not issue a citation unless the drivers were stopped for another moving violation.

Rep. Mike Jaros (DFL-Duluth) spoke in support of the measure. "This is a modest proposal that will save lives," he said. Support also came from Bill Gillespie, executive director of the Minnesota Police and Peace Officer Association. Gillespie said, "The bill is a moderate approach that is not too onerous." Elmer Otto, speaking as a private citizen, cited a University of Rhode Island study about drivers and cell phone use to support the measure.

Members adopted two amendments to the bill. The first, offered by Sen. Mee Moua (DFL-St. Paul), clarifies the term "use" in the bill. The second, offered by Sen. Mark Ourada (R-Buffalo), specifies that regulations enacted by other units of government may not be inconsistent with state law. The bill was approved and advanced to the Finance Committee.

Members also approved a bill providing for a \$25 surcharge on fines imposed on individuals who are apprehended or arrested by a State Patrol officer. S.F. 341, authored by Sen. Steve Murphy (DFL-Red Wing), specifies that revenue from the surcharge be used for state trooper in-service training. Murphy said it has been an on-going problem to

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David J. Oakes



get funding for trooper training and the bill provides a source of revenue. Colonel Ann Beers, Minnesota State Patrol, said the measure was not part of the governor's budget proposal, but that under the bill trooper training could be expanded from 24 to 56 hours. The bill was approved for consideration for the division's omnibus bill.

The panel also approved a bill removing a sunset provision to allow certain school buses to continue to be operated by licensed child care providers and by holders of Class D drivers' licenses under limited conditions. The bill was referred to the full Finance Committee.

Two similar bills were also discussed, but laid over in order to work out an amendment. S.F. 170, authored by Sen. Julianne Ortman (R-Chanhassen), and S.F. 210, sponsored by Sen. Carrie Ruud (R-Breezy Point), both authorize the use of flashing blue lights on emergency vehicles.

## Two bills pass

Senators met briefly Mon., Mar. 10, to approve legislation on the Consent Calendar and process paperwork at the Senate desk.

H.F. 112, sponsored by Sen. Thomas Neuville (R-Northfield), modifies and clarifies provisions relating to real property titles, liens and mortgage registration. The bill was approved 62-0. Sen. Sandra Pappas (DFL-St. Paul) carried S.F. 374, which changes the name of the Civic Center Authority to the RiverCentre Authority and makes other technical changes to the authority's powers and duties. The bill was approved 61-0.

## Five bills gain

Senators met Thurs., Mar. 13 to approve two bills on the Consent Calendar and three bills on General Orders.

When considering bills on General Orders, the Senate meets as the Committee of the Whole and grants bills preliminary passage. After a bill has been debated



***Suspended from the second floor of the Capitol rotunda, colorful cutouts of hands symbolically represent the deaf and hard of hearing during a Tues., Mar. 11, rally to promote the importance of services they receive from the state.***

Photo by David J. Oakes

and approved in the Committee of the Whole, it is placed on the Senate Calendar for final passage. Bills may be amended while on General Orders but may not be amended, except by unanimous consent, after they have been placed on the Calendar. Legislation on the Consent Calendar has been deemed non-controversial.

On the Consent Calendar, members granted final passage to two bills. H.F. 273, the annual Revisor's bill, was sponsored by Sen. Don Betzold (DFL-Fridley). Sen. Richard Cohen (DFL-St. Paul) carried S.F. 356, which makes technical changes to the de facto custodian law.

All three bills considered on General Orders were granted preliminary passage. S.F. 40, authored by Sen. Linda Berglin (DFL-Mpls.), provides for the recovery of damages caused by graffiti and raises the limit for parental liability for damage caused by a minor to \$3,000. Sen. Julianne Ortman (R-Chanhassen) offered an amendment to the bill changing the state's joint and several liability law to provide for joint and several liability of a person who is at fault at least 40 percent, of multiple persons who act together or of a person who commits an intentional tort. Ortman said the amendment conforms Minnesota's law to that of surrounding states. The amendment was challenged on its germaneness to the bill. Sen. Thomas Neuville (R-Northfield) said the amendment is germane because the bill does address the joint and several liability of parents and minors. However, Sen. Don Betzold (DFL-Fridley) said the bill has a much narrower scope than the amendment. Sen. James Metzen (DFL-South St. Paul), chair of the Committee of the Whole, ruled the amendment not germane. His decision was upheld on a 35-28 vote.

Sen. Mike McGinn (R-Eagan) sponsored S.F. 256. The bill allows search warrants to be issued to peace officers

for searches of premises outside their jurisdiction. Under the bill, the officer must notify the chief of police or the county sheriff's office prior to applying for the search warrant. Sen. Steve Murphy (DFL-Red Wing) carried S.F. 287, requiring the pledge of allegiance to be recited in public and charter schools, as well as requiring regular civics education. The measure permits school boards to waive the requirements and provides for teachers to inform students that persons have the right to choose not to say the pledge. Sen. Mady Reiter (R-Shoreview) offered an amendment repealing the Profile of Learning. The amendment was ruled not germane to the bill.

# Committee update

## Agriculture, General Legislation and Veterans Affairs

### CWD bill gains

Discussion of a bill aimed at control and prevention of chronic wasting disease (CWD) dominated the Wed., Mar. 12, meeting of the Agriculture, General Legislation and Veterans Affairs Committee. The bill, S.F. 548, authored by Sen. Steve Dille (R-Dassel), is aimed at eradicating the disease, which strikes cervidae (deer, elk, moose, caribou, reindeer and muntjac) from Minnesota.

Dille said many of the provisions in the bill are based on recommendations made in a report by the Board of Animal Health and commissioner of natural resources on chronic wasting disease. The measure places the responsibility for regulating domestic cervidae under the Board of Animal Health and wild cervidae under the control of the commissioner of natural resources.

The bill also provides for increased restrictions on domestic cervidae and provides for additional authority for the commissioner of natural resources relating to wildlife disease prevention. In addition, the bill requires that fencing for cervidae be at least eight feet tall beginning Jan. 1, 2004. Also, beginning Jan. 1, 2004, all farmed cervidae must have identification and all persons who possess live cervidae must be registered with the Board of Animal Health. The bill requires surveillance for CWD and specifies that any movement of animals must be reported. The bill also requires all animals older than 16 months that die or are slaughtered be tested for CWD.

In addition, the bill restricts the importation of hunter-harvested cervidae to certain portions, makes permanent the import restrictions on live cervidae and prohibits possession of live cervidae except for farmed cervidae that are registered with the board.

Finally, the bill provides the commissioner of natural resources the authority to use emergency rules for purposes of preventing wildlife disease and allows the issuance of special permits to take wild animals.

Debate on the bill centered on two provisions. The first provision concerned the restrictions on the importation of hunter-harvested cervidae to certain

portions of the animal with no part of the spinal column or head attached. Members questioned the ability of hunters to have animals processed before returning home. Dr. Paul Anderson of the Board of Animal Health and Mike DonCarlos of the DNR both said it was possible and desirable to have animals processed quickly.

Another provision that sparked debate specifies that 50 cents from each deer license be appropriated for wild cervidae health management. Sen. Rod Skoe (DFL-Clearbrook) said the original 50 cent fee was earmarked for emergency deer feeding but language in the bill specifies wild cervidae health management. He moved to reinstate emergency deer feeding. Members approved the motion. The bill was approved and referred to the Finance Committee.

Members, chaired by Sen. Steve Murphy (DFL-Red Wing) also advanced a bill requiring prompt payment by suppliers to dealers for warranty work. S.F. 674, sponsored by Sen. Dallas Sams (DFL-Staples), was approved and sent to the Senate floor.

## Commerce and Utilities

### Insurance settlement explored

Allegations concerning a settlement between the state and a Florida insurance company consumed the attention of members of the Commerce and Utilities Committee when they assembled Mon., Mar. 10. Commerce Commissioner Glenn Wilson, on behalf of the state, and representatives of American Bankers Insurance Group reached agreement, Feb. 24, on a consent order requiring ABIG to pay a civil penalty of \$200,000, to withdraw from offering or issuing new policies in the state for five years, to decrease their rates for existing policies of accidental death and dismemberment (AD&D) insurance by 40 percent and of credit insurance by 30 percent. The order also requires the insurer to reimburse the department for its costs, estimated to be about \$1.8 million.

Committee Chair Ellen Anderson (DFL-St. Paul) said the hearing was to establish what happened, and why it happened, during the past year as the state's actions against ABIG progressed. Allegations have recently surfaced, in newspaper stories, indicating that a campaign contribution made by ABIG to

a national Republican Party campaign committee influenced the new administration to pursue a settlement more favorable to ABIG than had been proposed under the previous administration.

Former Commissioner of Commerce James Bernstein said he initially sought \$10 million in civil penalties against ABIG and a permanent cessation of the company's ability to do business in Minnesota. After he began taking action against the company, in February 2002, he said, the department and the insurer began negotiating a settlement. Bernstein said an agreement in principle had been reached by early August and was to be finalized at an Aug. 7, 2002, meeting in the Attorney General's Office. The only matter remaining to be settled, he said, was a news release on the settlement. The agreement, Bernstein said, was for ABIG to pay \$3.5 million in civil penalties, to cease doing business in Minnesota for 5 years and to reduce its AD&D rates by 40 percent and credit insurance rates by 30 percent. At the meeting, the insurer announced it would not agree to the proposal, Bernstein said. He said he saw, in October, a copy of a letter from Republican Party Chairman Ron Eibensteiner thanking ABIG officials for a \$10,000 contribution to the Republican National State Election Committee. At that time, Bernstein said, he came to believe the insurer was seeking a quid pro quo arrangement. After the election, rumors circulated that the new administration was going to be friendly to the insurance industry, Bernstein said, including ABIG. He said he learned the new commissioner was shown a copy of the same letter in a Jan. 8, 2003, meeting with the attorney general. "I don't think this is all a coincidence," he said, "This particular arrangement does not pass the smell test." Bernstein said the state has many good insurance companies who comply with the law and keep faith with their consumers. ABIG, he said, was very atypical and other insurers who have violated the law have been "nowhere near this level of violation."

The August meeting in the Attorney General's Office was never intended to finalize a deal, said Timothy Thornton, a Minneapolis attorney representing ABIG. He said a May letter indicating the terms Bernstein mentioned were a proposal made by the company was inaccurate.



Thornton said he made it clear to the department and the attorney general that the proposal was unacceptable. He characterized the negotiations as a series of take-it-or-leave-it offers made by the department. However, he said, ABIG was pursuing legal action against the department and was winning all throughout 2002. Thornton said no papers were available to be signed at the August meeting because the meeting was called by the attorney general to set a course: either negotiation or litigation. Negotiation began again in February, he said, and an agreement was reached by the end of the month.

The investigation of ABIG was one of the largest, most complex and most resource-intensive ever undertaken by the department, said Gary LaVasseur, enforcement director. The settlement amount, he said, is the largest amount

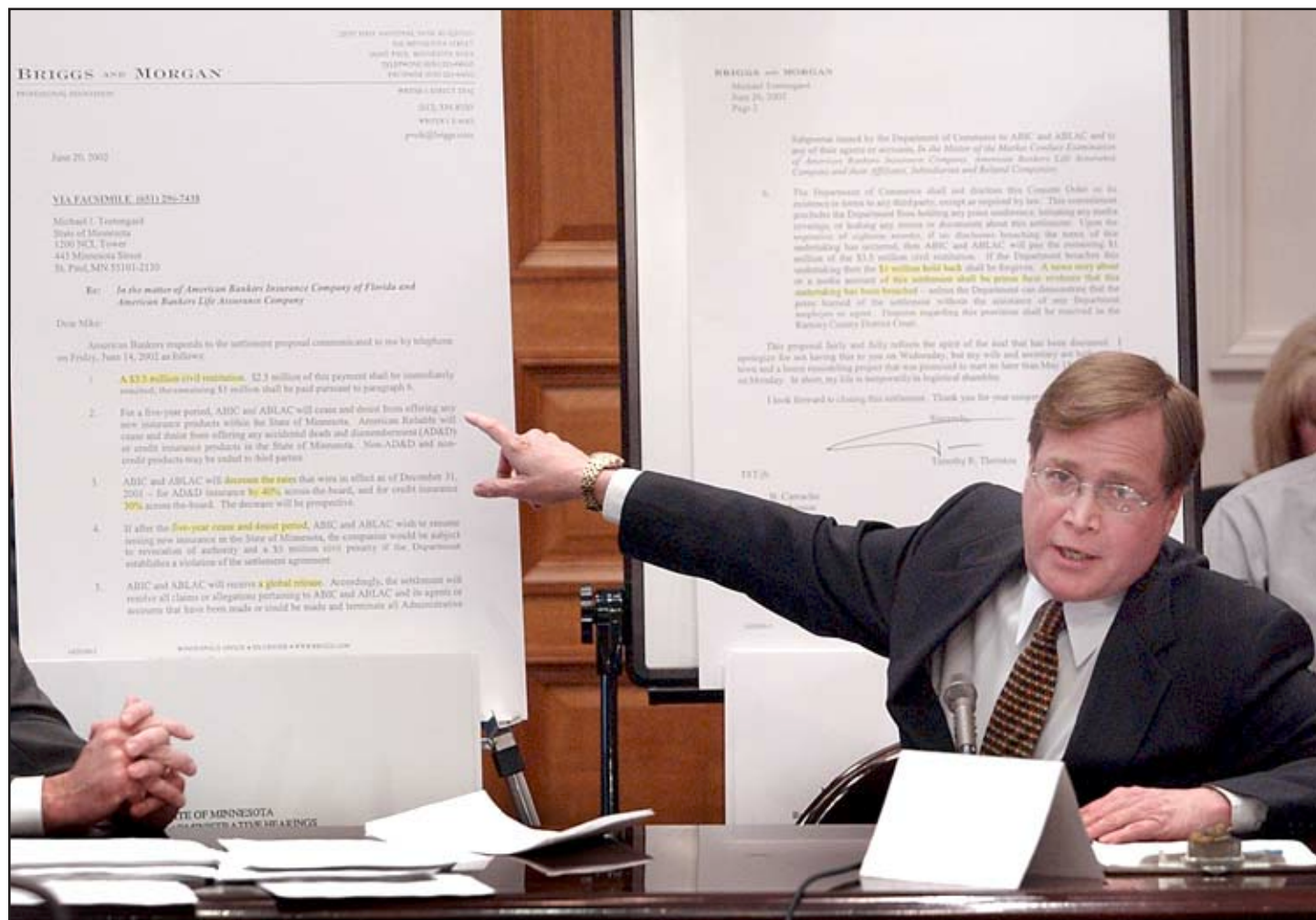
ever paid by an insurance company to the state. LaVasseur reviewed the investigation of ABIG, which began in 1997, and said he was comfortable with the settlement. He said the settlement addresses the issues that arose in the ABIG investigation and levels the playing field for other insurers in the state. LaVasseur acknowledged that the agreement permits ABIG to apply to the commissioner for reinstatement of its business practice after 20 months of the 5 year suspension have passed. However, he said, it is extremely doubtful any application will be approved.

### Wilson, Hatch respond

Commerce Commissioner Glenn Wilson and Attorney General Mike Hatch testified before the Commerce Committee as the panel continued its examination of allegations surrounding a settlement between the state and a Florida

insurer. The panel, chaired by Sen. Ellen Anderson (DFL-St. Paul), met Wed., Mar. 12, and took no action on the issue. However, Anderson said, "This is not going to end here."

Wilson said he did not see, until last week, a letter from Minnesota Republican Party Chairman Ron Eibensteiner to Ron Jerich, lobbyist for American Bankers Insurance Group, thanking the insurer for its contribution to a national Republican campaign fund. When he met with the attorney general Jan. 8, Wilson said, he had not heard of the ABIG case or of the company. At that meeting, which Wilson described as a courtesy call, the issue of a charitable contribution from ABIG was raised, he said. Wilson said letting a violator off with making a charitable contribution struck him as unethical. After he returned to the office, Wilson said, he asked department staff to brief



Attorney General Mike Hatch submits evidence to members of the Commerce and Utilities Committee Wed., Mar. 12, as part of a review of the Department of Commerce's settlement actions involving American Bankers Insurance Group of Florida.

Photo by David J. Oakes

# Committee update

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*Senators Gen Olson (R-Minnetrista), left, and Thomas Neuville (R-Northfield) converse in the Senate chamber.*

*Photo by David J. Oakes*

him. During the briefings, he and staff laid out three key guidelines for any settlement: closing the door on ABIG doing business in Minnesota for at least 5 years, imposing a large enough fine to get the attention of senior company executives and language requiring the fine to be reported to the National Association of Insurance Commissioners, so that other states would be aware of ABIG's violations.

"That is exactly what we did," Wilson said of the Feb. 24 settlement. "I thought I was doing the right thing for the state," he said. Deputy Commissioner Patrick Nelson said the attorney general's office was involved in the final settlement, in part because the case was being litigated while negotiations were continuing. Renegotiations began Feb. 12, Wilson said, when a governmental affairs representative for ABIG pled the company's case to the department. Nelson instructed the representative to prepare a draft settlement. Gary LaVasseur, enforcement director, said the company did not want to pay \$3.5 million to the state or a regulatory agency, but was willing to pay

that amount as a contribution to a charity named by the state. The final settlement calls for payment of \$200,000 in civil penalties and reimbursement for investigative costs, estimated to be \$1.8 million.

Hatch disputed statements made by legal counsel for ABIG and distributed copies of a June 20 letter from company counsel to the department's counsel agreeing to a \$3.5 million settlement. However, he said, the sticking point was that the company wanted to keep the deal secret. Under the June proposal, Hatch said, the state would receive an initial payment of \$2.5 million and the remaining \$1 million if the settlement was kept out of the press for 18 months. Ethically and legally, he said, the state could not accept that condition. However, a meeting called for Aug. 7 was to finalize negotiations over what level of publicity was acceptable to both parties, Hatch said. At the start of that meeting, he said, ABIG executives informed him and the department that they were withdrawing from negotiations.

Later in the fall, Hatch said, he met with Jerich at a campaign event and

Jerich mentioned he had been retained by the company. Hatch said it was apparent Jerich was not aware of the company's problems with regulators. However, he said, Jerich indicated the company wished to improve its political image in the state. Hatch said Jerich gave him a copy of the Eibensteiner letter. It was important to show the letter to Wilson, Hatch said, to protect the commissioner from political influence. However, he said, he is convinced that neither the DFL nor Republican candidate for governor knew of the donations made by ABIG. Rather, Hatch said, he was more concerned about campaign staff that may have influence at the agency or elsewhere in state government. Hatch disputed the involvement of his office in the final negotiations. He said all negotiations after Jan. 8 were made directly between the department and the insurer. The settlement came to his attention on the day it was to be signed, Hatch said, because the document was brought to his office for minor corrections.

Hatch also disputed the size of the settlement. On its face, he said, it is for



only \$200,000. The other \$1.8 million is never stated in the settlement documents, Hatch said, but will only appear on an invoice. He said he was concerned that attorneys were cut out of the negotiation process in such a complex matter and that at least four offers of \$3.5 million were made by both parties, but that the final settlement was for much less. Hatch suggested that if the bulk of the payment was to be labeled as investigative costs, then the investigative costs could have been \$3.3 million. He is also concerned why a Florida company was interested in the Minnesota governor's race, he said, and why corporate contributions were allowed to be used in the governor's race. His final concern, Hatch said, was why the settlement was kept a secret. He called upon Legislators to investigate the matter further and "find out who knew what and when."

In other business, members considered four measures. Sen. Sharon Marko (DFL-Woodbury) sponsored S.F. 291, which repeals an outdated law prohibiting the misstatement of the size of a wagon cover, awning or paulin. The bill was recommended for placement on the Consent Calendar. S.F. 83, authored by Sen. Linda Berglin (DFL-Mpls.), prohibits financial institutions from issuing credit cards or debit cards except in response to a request or application for the card from the person in whose name it is being issued. The bill was advanced to the Senate floor. Sen. Steve Murphy (DFL-Red Wing) carried a bill requiring all American flags and items carrying a representation of the flag sold in Minnesota to be manufactured in the United States. S.F. 521 was sent to the full Senate. Members also considered S.F. 506, but laid the bill over to address technical concerns with the bill. Carried by Sen. Ann Rest (DFL-New Hope), the measure prohibits retailers from printing more than the last five digits of a credit card number on a receipt given to the consumer.

## Crime Prevention and Public Safety

### Forfeiture bills advance

Several bills clarifying language relating to vehicle forfeiture were approved at the Mon., Mar. 10, meeting of the Crime Prevention and Public Safety Committee.

S.F. 375, authored by Committee Chair Leo Foley (DFL-Coon Rapids), clarifies language relating to motor vehicle seizure for the crime of fleeing a peace officer. The measure specifies that seizure of a motor vehicle used to flee a peace officer occurs either at the date at which personal service of process upon the owner is made or at the date when the owner has been notified by certified mail. The measure was approved and recommended for placement on the Consent Calendar.

S.F. 388, also sponsored by Foley, clarifies definitions, standards and procedures for vehicle forfeitures associated with DWI offenses. Foley said the bill was the product of work done by the DWI Task Force. Tammi Fredrickson, Coon Rapids city attorney and member of the task force, said the most major change in the bill is a clarification in the definition of owner. Current law defines owner of a motor vehicle as the registered owner according to state records. The bill, though, provides a broader definition that encompasses the legal right to possess a vehicle and provides a rebuttable presumption that a registered owner is the legal owner. Fredrickson said it is not uncommon for individuals with multiple DWIs to escape forfeiture penalties by purchasing a vehicle, but not registering the vehicle under their own name. The bill was approved and re-referred to the Judiciary Committee.

Members also approved a bill, S.F. 625, sponsored by Sen. Linda Berglin (DFL-Mpls.), requiring the notice of the right to obtain judicial review of DWI-related vehicle forfeiture to be printed in Somali. Berglin said current law requires the notice to be printed in English, Hmong and Spanish. The bill was approved and advanced to the Senate floor.

A bill enhancing the penalty for refusing to submit to a chemical test for DWI was also approved by the panel. S.F. 603, authored by Sen. David Knutson (R-Burnsville), was advanced to the Finance Committee.

### Officer benefits bills okayed

The Crime Prevention and Public Safety Committee met Wed., Mar. 12, to consider two measures relating to public safety officer and firefighters benefits. S.F. 189, authored by Sen. Lawrence Pogemiller (DFL-Mpls.), authorizes the

payment of a public safety officer death benefit to the officer's estate if there is no surviving spouse or dependents. Pogemiller said the measure treats the death of an officer, who happens to be single, in the same manner as the death of a married officer. The bill was approved and re-referred to the Finance Committee. The second bill, S.F. 188, also carried by Pogemiller, modifies the policy for reimbursing public employers for certain officer and firefighter health insurance benefits. Pogemiller said under current law, the money set aside for reimbursement is distributed on a first-come, first-serve basis. The bill provides that if the funds in the account are insufficient to cover the total amount of approved claims, the reimbursement be prorated to each public employer. The measure was also approved and re-referred to the Finance Committee.

The committee, chaired by Sen. Leo Foley (DFL-Coon Rapids), also approved a bill requiring certification for installers of multipurpose potable water piping systems. Sen. Dallas Sams (DFL-Staples), chief author, said S.F. 318 allows installers of multipurpose water piping systems, such as those used for combination fire sprinkler and household water use, to be licensed by the Dept. of Public Safety. The bill was approved and re-referred to the State and Local Government Operations Committee.

## Education

### Yecke unveils standards draft

Draft standards for K-12 mathematics and language arts instruction were presented to members of the Education Committee when they assembled Tues., Mar. 11. Commissioner of the Dept. of Children, Families and Learning Cheri Pearson Yecke said members of the Minnesota Academic Standards Committee (MASC), some of whom were present at the hearing, worked hard and fast on the draft since their first meeting Feb. 19.

All 82 MASC members were dedicated to the goal of developing grade-level content standards that identify both content knowledge and skills, she said. Yecke said the draft will be discussed at 13 public meetings held from Mar. 17 to 27. The Legislature will receive the final draft Apr. 1. Yecke reviewed highlights of the drafts for Senators and noted the many resources used by MASC members in

# Committee update

developing the documents. Lawrence Gray, a professor of mathematics at the University of Minnesota and MASC member, said the high school math standards in the draft are more explicit than the current framework. Teachers will be able to see more clearly what a student is expected to know, he said, especially if the student is preparing for post-secondary education.

Work on implementing the standard will continue over the summer, Yecke said, and assessment questions will be field tested in the spring 2004 Minnesota Comprehensive Assessments (MCAs). New versions of the MCAs, aligned to the standards, will be administered in 2005, she said. Each assessment item costs about \$290 to develop and field test, Yecke said, but the federal government has appropriated \$6.7 million annually for Minnesota

to develop assessments that meet the requirements of the No Child Left Behind Act. Also, she said, discussions are ongoing within the national organization of education commissioners to jointly develop an item bank of assessment questions. From that bank, she said, states could choose items and field test them on their own, significantly reducing costs. Yecke said the proposed cooperation does not represent a national test. She said she strongly opposes national tests, because they pre-assume a national curriculum.

Committee members, led by Sen. Steve Kelley (DFL-Hopkins), also continued their overview of various standards areas by examining reading standards. The panel heard from teachers Mary Barrett and Peggy DeLapp, as well as Al Greenfield, a retired CFL curriculum specialist. Professor of Education Deborah

Dillon, University of Minnesota, also spoke to the committee.

Members of the Education Committee, chaired by Sen. Steve Kelley (DFL-Hopkins), also met Thurs., Mar. 13, to consider social studies standards.

## E-12 Education Budget Division

### Governor's early childhood education budget reviewed

Members of the E-12 Education Budget Division to begin considering S.F. 752, sponsored by Sen. Gen Olson (R-Minnetrista), when they met Tues., Mar. 11. The panel, chaired by Sen. LeRoy Stumpf (DFL-Thief River Falls), began its consideration of the governor's budget



*University of Minnesota President Robert Bruininks testifies in response to the governor's proposed 04-05 budget during a Higher Education Budget Division meeting Tues., Mar. 11.*

Photo by David J. Oakes



proposal with the early childhood education sections of the bill. Department of Children, Families and Learning staff—including Tom Melcher, Elizabeth Roe, Karen Carlson, Cherie Kotilinek and Chas Anderson—presented areas of the budget bill and answered members' questions.

## **E-12 bill discussed**

The E-12 Education Budget Division, chaired by Sen. LeRoy Stumpf (DFL-Thief River Falls), met Wed., Mar. 12, to continue reviewing S.F. 752. The bill, carried by Sen. Gen Olson (R-Minnetrista), is the governor's proposed E-12 education budget bill. The panel focused on provisions relating to children's nutrition.

## **Environment, Agriculture and Economic Development Budget Division**

### **DNR budget overview heard**

Representatives of the Dept. of Natural Resources provided overviews of the agencies program area budgets to members of the Environment, Agriculture and Economic Development Budget Division at a hearing Tues., Mar. 11.

The division, chaired by Sen. Dallas Sams (DFL-Staples), also heard a broad overview from Commissioner Gene Merriam. Merriam said the department's mission is to work with citizens to conserve the state's natural resources, provide outdoor recreation opportunities and provide for commercial uses of natural resources in ways that create a sustainable quality of life.

The key principles for building the budget—protecting the health of the state's natural resources, providing high profile citizen-demanded services, guarding the integrity of dedicated funds and delivering sustainable levels of products and services—are designed to provide the basis for a strong organization that achieves results for Minnesota's natural resources, Merriam said. The total revenue for the department is derived not only from the general fund, but also from federal funds, special revenue funds, the natural resources fund, the environmental trust and future resources fund and from the game and fish fund. Total revenues amount to more than \$326 million.

Members then began a more detailed examination various fee increases contained in the governor's budget proposal.

### **DNR budget review continues**

The Environment, Agriculture and Economic Development Budget Division met Thurs., Mar. 13, to continue reviewing portions of the Dept. of Natural Resources budget. Members, chaired by Sen. Dallas Sams (DFL-Staples), heard from Deputy Commissioner Mark Holsten; Bill Brice, Lands and Minerals; Mike Carroll, Forestry; Lee Pfannmuller, Ecological Services; Ron Payer, Fisheries; and Tim Bremicker, Wildlife.

## **Environment and Natural Resources**

### **Dove hunting bill gains**

A bill authorizing a hunting season for mourning doves was approved Mon., Mar. 10, by members of the Environment and Natural Resources Subcommittee on Game and Fish.

S.F. 698, authored by Sen. Pat Pariseau (R-Farmington), grants the commissioner of natural resources the authority to set the season and requires a report next year on the effects of hunting on the mourning dove population.

Mike Herwig of Pheasants Forever spoke in support of the bill. He said having a season on mourning doves will provide an economic benefit to the state and encourage young people to take up hunting. John Shoers, Minnesota Outdoor Heritage Alliance, also said hunting mourning doves provides young hunters with a good introduction to the sport. He said, "It is a good time of year to introduce young people to hunting and it provides a wonderful opportunity to recruit the next generation of hunters."

Ed Boggess, DNR, said the commissioner supports the bill and provided a mourning dove fact sheet indicating hunting mortality has not limited long-term dove abundance. He said nationwide the population is estimated at 400 million birds and Minnesota has a population of about 12 million doves.

Speaking in opposition to the bill Eileen Admac said, "In a time of terror and uncertainty, I can't imagine killing a harmless songbird. Doves are a symbol of peace and to kill them is demeaning." Howard Goldman, representing Friends of

Animal and the Environment and the Humane Society of America, said mourning doves have been protected in Minnesota since 1947 and nothing has changed to warrant a hunting season now. He said there is no compelling reason to authorize a season.

However, Lance Ness, Minnesota Waterfowl Assoc., said the hunting of mourning doves is an emotional issue, but there is no biological or environmental reason to not have a hunting season.

The panel, chaired by Sen. Tom Saxhaug (DFL-Grand Rapids), approved the measure for inclusion in the omnibus game and fish bill.

Members also approved a bill, S.F. 294, modifying hunting hours for migratory game birds. The measure, sponsored by Pariseau, provides that from the Saturday nearest October 8, waterfowl may be taken from one-half hour before sunrise until sunset, but on the opening day of the duck season, shooting hours for migratory game birds, except woodcock, begins at 9 a.m.

### **Three bills advance**

Members of the Environment and Natural Resources Committee met Wed., Mar. 12, to consider three bills. Chaired by Sen. John Marty (DFL-Roseville), the panel approved and advanced all three measures.

S.F. 198, sponsored by Sen. Becky Lourey (DFL-Kerrick), terminates obligations for solid waste processing system grants for counties in which the systems have not been sustainable. The bill was re-referred to the Finance Committee. Sen. Dallas Sams (DFL-Staples) carried two bills. S.F. 336—which transfers the Minnesota Conservation Corps to the Friends of the Minnesota Conservation Corps, a non-profit corporation—was re-referred to the Finance Committee. S.F. 579, which creates the Central Lakes Regional Sanitary District, was re-referred to the Tax Committee.

## **Health and Family Security**

### **Denturists bill approved**

A bill creating the profession of denturism returned to the attention of members of the Health and Family Security Committee as they met Tues., Mar. 11. S.F. 179, sponsored by Sen.

# Committee update

Sheila Kiscaden (IP-Rochester), was approved by the panel and re-referred to the Committee on State and Local Government Operations.

Kiscaden offered an amendment to the bill to address concerns raised at a previous hearing on the issue. The amendment restricts the practice of denturism to public health settings, requires denturists to ensure that prospective patients have received a certificate of oral health within 60 days and requires the Dental Access Advisory Committee to report to the Legislature, by Feb. 1, 2006, on the quality of denturist services, the cost effectiveness of denturists and the overall effect on dental access of having licensed denturists. The panel adopted the amendment.

Dr. Tim Peterson, a licensed prosthodontist, said denturists pose a significant health and safety risk. He said dentists would rather see legislative efforts to encourage more people to become dental lab personnel than the creation of another professional tier. Marshall Schragg said the Board of Dentistry has several concerns: the lack of standardized, accredited training programs in denturism; the lack of standardized competency testing; and the lack of coordination between denturists and other dental professionals, since denturists will not be governed by the Board of Dentistry. However, Dr. Carl Ebert said Dept. of Human Services data shows that only 35 percent of Minnesota dentists provide some level of public health services. He said Legislators must take decisive steps to improve dental access for the poor and elderly. Denturism is a safe, effective and cost effective alternative, he said. He noted that denturism students take over 2.5 times as much course work in teeth replacement as dental students.

Members also considered four other bills. Sen. Michelle Fischbach (R-Paynesville) carried S.F. 229. The measure expands the authority of physician assistants to include certification of physical disabilities and the ability to authorize 72-hour holds. Under an amendment, offered by Fischbach and adopted by the panel, physician assistants designated by doctors to authorize 72-hour holds must be knowledgeable, trained and practicing in the area of mental illness. The bill was sent to the Senate floor.

S.F. 593 permits adult day care providers to seek a variance to provide



***Sonam Wangyal of Hopkins braces against the cold Mon., Mar. 10, as he holds onto a Tibetan flag during a rally on the front steps of the Capitol to commemorate the 44th anniversary of Tibetan Uprising Day and to protest continued Chinese occupation of Tibet.***

Photo by David J. Oakes

respite care. Under the bill, authored by Sen. Michele Bachmann (R-Stillwater), providers may expand their capacity by only one bed to provide respite care. Bob Johnson, an adult day care provider, and Jackie Cunningham Zierdt, who cares for her elderly parents, testified in support of the bill and discussed the need for respite

care. The bill was re-referred to the Finance Committee to determine if it has a fiscal impact.

Sen. Linda Higgins (DFL-Mpls.) carried S.F. 433, which provides for dementia treatment training for employees of nursing homes and home care providers. Under the bill, care providers



offering services specifically for persons with Alzheimer's disease or related disorders must train staff and supervisors in dementia care. Information regarding the training must be provided to consumers, under the measure. Iris Freeman, representing the Alzheimer's Association, said staff training is the highest concern of families placing individuals with dementia in nursing homes or other care. She said the measure will provide facilities with latitude regarding the required training and will improve consumer and employee satisfaction. The bill was advanced to the Senate floor.

Committee Chair Becky Lourey (DFL-Kerrick) carried S.F. 357. The bill transfers the donated dental services program from the Board of Dentistry to the Dept. of Health, exempts retired dentists participating in the program from continuing education requirements, expands the duties of dental hygienists and dental assistants in restorative procedures, modifies the duties of the Dental Access Advisory Committee and requires a study on the feasibility of developing urgent care dental clinics. The bill was laid over for further consideration due to time constraints.

## Health, Human Services and Corrections Budget Division

### Boards' budgets reviewed

The Health, Human Services and Corrections Budget Division devoted the Tues., Mar. 11, hearing to a review of the governor's budget proposal for health and corrections related boards. Members, chaired by Sen. Linda Berglin (DFL-Mpls.), heard from representatives of the Ombudsman for Families, the Emergency Medical Services Regulatory Board, the Board of Dentistry, the Ombudsman for Mental Health and Mental Retardation, the Ombudsman for Corrections, the Public Defense Board and the Sentencing Guidelines Commission.

### Public testimony heard

Members of the Health, Human Services and Corrections Budget Division, chaired by Sen. Linda Berglin (DFL-Mpls.), met Wed., Mar. 12, to hear public testimony on the effects of the governor's budget proposals for the Departments of Health, Human Services and Corrections.

## Budget discussion continues

The Health, Human Services and Corrections Budget Division, met Thurs., Mar. 13, to continue discussion on the governor's budget proposal for FY 04-05. The division, chaired by Sen. Linda Berglin (DFL-Mpls.), heard representatives of the Dept. of Health speak on the impact of uncompensated care on the consolidation general assistance medical care and MinnesotaCare impact on providers and counties. In addition, members continued their review of the Dept. of Human Services budget proposal. Finally, representatives from the Disability Council detailed the impact of the governor's budget on their members.

## Higher Education Budget Division

### Institutions respond to budget

The Higher Education Budget Division met Tues., Mar. 11, to hear presentations from University of Minnesota President Robert Bruininks and MnSCU Chancellor James McCormick on their institutions' response to the governor's budget proposal for higher education.

Bruininks said, "The University is aware of the state's awesome economic challenges, but we must acknowledge that reductions of this magnitude will have long term effects." He said the cuts proposed by the governor are to the base, not to budget increases, and will bring the University back to 1998 funding levels. He said the University has two goals—to balance the budget and to make intelligent investments for the future. "The state has been very generous in recent years and the University has delivered on the investment through improvements in undergraduate education, investments in science and technology that are paying off, a revitalized medical school and an improved physical environment."

Bruininks added, "Research awards from outside the state are at an all-time high."

Both Bruininks and McCormick detailed the steps their respective institutions have already taken to trim costs because of reductions in the current fiscal year and outlined the strategies needed to accommodate the further reductions proposed by the governor's budget.

## Reports heard

The Higher Education Budget Division, chaired by Sen. Sandra Pappas (DFL-St. Paul), met Thurs., Mar. 13, to hear two reports. Representatives from the University of Minnesota presented a report entitled 2003 Academic Priorities and representatives of the Minnesota State Colleges and Universities system presented a report entitled Accountability Measures.

## Jobs, Housing and Community Development

### Mine bill advances

Members of the Jobs, Housing and Community Development Committee met Tues., Mar. 11, and took action on four bills. The panel, chaired by Sen. Linda Scheid (DFL-Brooklyn Park), approved all four measures.

S.F. 308, authored by Sen. David Tomassoni (DFL-Chisholm), specifies the duties of owners and operators when mine operations are discontinued. Current law requires mines to be maintained in salable condition for two years; the bill details the actions that must be taken to keep the mine operational. The bill was sent to the Senate floor.

S.F. 390, carried by Sen. Dallas Sams (DFL-Staples), provides for job enhancement as a goal of business financing programs and converts the Minnesota investment fund to a revolving loan fund. The measure was re-referred to the Finance Committee.

The final two bills were sent to the full Senate. S.F. 67, sponsored by Sen. Tom Saxhaug (DFL-Grand Rapids), authorizes Koochiching County to establish a port authority and authorizes local units of government to apply for foreign trade zone powers. S.F. 668, carried by Sen. Steve Kelley (DFL-Hopkins), clarifies the authority of the Hennepin County Housing and Redevelopment Authority.

### Youth referee bill approved

A bill making an exception in the child labor law to allow children under 14 to work as referees in ice hockey leagues was granted approval Thurs., Mar. 11, by the Jobs, Housing and Community Development Committee.

S.F. 745, sponsored by Sen. Linda Higgins (DFL-Mpls.), specifies that the

# Committee update

child may be employed as a youth athletic program referee, umpire, or official for an age bracket younger than the child's own age if an adult is present and parents have given written consent. Joel Carlson, representing the Minnesota Hockey Association said currently, in order to get a waiver to allow a young person to referee, there must be individual applications to the Dept. of Labor and Industry. The bill allows a blanket waiver for this particular activity, Carlson said. Acting Commissioner Robin Kelleher said the department supports the bill because there are adequate safeguards for young people contained in the bill.

Sen. Michele Bachmann (R-Stillwater) offered an amendment on behalf of youth soccer, to allow a similar exemption. The amendment eliminates the requirement that the child officiate only in those games where the participants are younger as long as the child is not the lead referee, umpire or official. Kelleher said she had not had time to study the implications of the amendment and was reluctant to support it. Higgins suggested the amendment be introduced as a separate bill to accommodate youth soccer. Bachmann withdrew the amendment and the bill was advanced to the full Senate.

Members also approved a bill, S.F. 511, designating Victory Memorial Drive as a Historic District in Minneapolis. The measure was also sponsored by Higgins.

Sen. Don Betzold (DFL-Fridley) sponsored a bill authorizing the use of wage and employment data by an agency of another state that is designated as the performance accountability and consumer information agency for that state pursuant to federal law. The bill was approved and re-referred to the Judiciary Committee.

## Judiciary

### Child support changes discussed

The Judiciary Subcommittee on Family Law devoted the Tues., Mar. 11, meeting to a discussion of two measures making changes in Minnesota's child support law. The subcommittee, chaired by Sen. Thomas Neuville (R-Northfield), took no formal action on the bills.

S.F. 751, authored by Sen. David Hann (R-Eden Prairie), reforms and recodifies the laws relating to marriage dissolution, child custody, child support, maintenance and property division. S.F.

600, sponsored by Neuville, replaces current child support guidelines with guidelines that factor in the income of both parents in determining a child support obligation. Both measures use an "income shares" model for determining child support. Current law specifies that the income of the obligor is used to calculate child support.

Members heard background information and testimony on the bills from R. Mark Rogers, an economic consultant, and from representatives of the Dept. of Human Services.

### Cooperative association bill ok'd

The Judiciary Committee, chaired by Sen. Don Betzold (DFL-Fridley), met Thurs., Mar. 13, to consider a variety of bills.

S.F. 679, authored by Sen. Rod Skoe (R-Clearbrook), authorizes businesses to organize as cooperative associations. Skoe said the bill allows co-ops to organize as unincorporated associations. The measure merges the co-op law with provisions governing limited liability companies. The measure sets forth the general provisions governing the state's administration of cooperative associations, the organizational requirements for cooperatives, the powers and authorities of a cooperative, provisions governing the directors and officers of a cooperative, requirements for members, provisions governing allocations and distributions to members, provisions authorizing the merger, division, exchange, conversion and domestication of a cooperative and the provisions relating to dissolution of a cooperative.

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

The committee also approved a bill that limits liability for public notification of an emergency. S.F. 673, sponsored by Sen. Julianne Ortman (R-Chanhassen), provides immunity for broadcasters for good faith notification of the public about an emergency through the Emergency Alert System, the Amber Alert System or a notification requested by a government entity. Jim DuBois, Minnesota Broadcasters Association, supported the bill and said, "The bill enhances public safety by encouraging broadcasters to participate in EAS broadcasts without fear of litigation." The bill was advanced to the Senate floor.

A bill providing for licensure for professional counseling was also advanced. The measure, S.F. 304, authored by Sen. Sheila Kiscaden (IP-Rochester), was in the committee because of a provision that prohibits a licensed professional counselor from disclosing client communications without consent, except for disclosures required under the child and vulnerable adult laws. The bill was amended to also allow disclosures necessary to protect the health or safety of the licensee, the client or another person. The bill was approved and re-referred to the State and Local Government Operations Committee.

Members also approved and recommended for placement on the Consent Calendar a bill clarifying the qualifications of persons making decisions regarding civil commitments and emergency holds. S.F. 578, carried by Sen. Leo Foley (DFL-Coon Rapids), provides that registered nurses working in an emergency room of a hospital be among those authorized to make recommendations.

## Rules and Administration

### Instant runoff clears first round

A bill authorizing instant runoff voting in Minnesota for national and statewide offices cleared its first committee hearing Wed., Mar. 12, as the Rules and Administration Subcommittee on Elections re-referred the measure to the full committee. Chaired by Sen. Linda Higgins (DFL-Mpls.), the panel also advanced two other pieces of legislation to the full Rules and Administration Committee.

Under instant runoff voting, voters rank candidates in order of preference. If no candidate wins a majority of votes on the "first choice" round of voting, then second-choice votes are counted. The system continues until a candidate achieves a majority of votes cast. Under S.F. 629, the system applies to congressional and presidential elections and elections for state constitutional officers. Statutory cities may adopt the system for municipal elections by referendum and home rule charter cities may amend their charter to adopt the system, under the measure. The bill, sponsored by Sen. Linda Scheid (DFL-Brooklyn Park), requires the secretary of state to report to the Legislature on Jan. 15 of each even-numbered year on the readiness of the state to implement instant runoff voting.



Bruce Kennedy, Fair Vote Minnesota, said the concept was invented in the 19th century and has been used successfully in many countries, including Australia and Ireland. Many cities, he said, have adopted the system and are preparing to implement it. Kennedy noted that voters at a party nominating convention would not accept the results of a first ballot plurality as final. However, he said, general election voters must do so. The current system does not do an accurate job of reflecting the public's will, Kennedy said, and ignores the depth and breadth of support for candidates. A major obstacle, he said, is technology. The technology exists, Kennedy said, to implement the system but is not widespread throughout the state. When electronic scanners than can read instant runoff ballots are available in every precinct, he said, results can be centralized to facilitate quick data computation. That time is probably a few years away, he said.

Members also approved S.F. 7, carried by Sen. John Marty (DFL-Roseville). The

bill makes it easier to vote by absentee ballot and repeals the specific reasons a voter must give to vote by absentee ballot. The measure also applies for voting by facsimile transmission and authorizes election officials to deliver absentee ballots via commercial delivery services at the voter's expense. S.F. 7 also codifies last year's Supreme Court decision requiring election officials to deliver official supplemental ballots to absent voters who request delivery of supplemental or replacement ballots.

Scheid also authored S.F. 152, establishing the Help America Vote Act account in the state treasury. The Help America Vote Act was passed by Congress last October to provide funding for voting machine upgrades and other election reforms. "While our voters are excellent at voting," Secretary of State Mary Kiffmeyer said, the federal money is beneficial. She said the state will receive about \$22 million this year under the federal law, but must meet maintenance of effort requirements. Sen. John

Hottinger (DFL-St. Peter) offered an amendment requiring the money to be released to the secretary of state only after it is appropriated by the Legislature. The amendment was adopted.

### **Bill referrals decided**

The Rules and Administration Subcommittee on Bill Referral, chaired by Sen. Ann Rest (DFL-New Hope), met Thurs., Mar. 13, to decide the appropriate destinations for two bills. Both bills had originally been referred from a standing committee to the floor of the Senate, however a member objected to the referral. Under Senate Rules any member may object to the referral of a bill, either upon introduction or within a committee report.

The two bills, S.F. 203, authored by Sen. Linda Higgins (DFL-Mpls.), restricting the use of phosphorus containing dishwashing detergents sale or use, and S.F. 330, sponsored by Sen. Lawrence Pogemiller (DFL-Mpls.), prohibiting an increase in property tax rates, were both



*Senators Gary Kubly (DFL-Granite Falls), left, and John Marty (DFL-Roseville) consult during a recent Senate floor session.*

*Photo by David J. Oakes*

# Committee update

moved to the Senate floor after members determined the bills need not be heard by another committee.

## State and Local Government Operations

### County park bill heard

The State and Local Government Operations Committee, chaired by Sen. Jim Vickerman (DFL-Tracy), met Mon., Mar. 10, to consider two measures.

S.F. 484, authored by Sen. Betsy Vergin (R-Princeton), authorizes counties to require the dedication of land for public parks. The provision is identical to a provision allowing municipalities to require that a portion of a proposed subdivision be dedicated for public use. The measure was laid over for further consideration after members discussed the financial implications.

Members also delayed action on S.F. 414, sponsored by Sen. Thomas Bakk (DFL-Cook). The bill specifies that in an action brought challenging the validity of a municipal contract, the court shall not award damages as part of its judgment, but may award an unsuccessful bidder the costs of preparing an unsuccessful bid and attorney's fees.

Vickerman said both bills will be heard at a later hearing.

### MAC chair bill heard

A bill requiring legislative confirmation of the chair of the Metropolitan Airports Commission was approved at the Wed., Mar. 12, meeting of the State and Local Government Operations Committee.

S.F. 602, authored by Sen. Ann Rest (DFL-New Hope), provides that the chair of the Metropolitan Airports Commission be confirmed by the Senate and clarifies the terms of office of the members of the commission. The bill was approved and re-referred to the Finance Committee.

The panel, chaired by Sen. Jim Vickerman (DFL-Tracy), heard three additional bills. One measure, S.F. 486, sponsored by Sen. Yvonne Solon (DFL-Duluth), sparked considerable discussion. The bill clarifies what constitutes a denial of a request relating to zoning, permits, licenses or other needed governmental approval under the 60 day rule. The measure sets forth definitions, clarifies deadlines, and provides for a remedy.

Representatives of several local government associations spoke in support of the measure. Kent Sulem, Minnesota Association of Townships, and Tom Grundhoefer, League of Minnesota Cities, said current law has resulted in numerous lawsuits and the bill provides needed clarification. However, representatives of builders, Realtors and developers all spoke in opposition. Solon asked that the bill be laid over in order to work out language to address concerns of the various parties.

The committee approved a bill authorizing the commissioner of administration to issue written opinions regarding compliance with the open meeting law. S.F. 316, sponsored by Sen. John Marty (DFL-Roseville), gives the Dept. of Administration the authority to give advisory opinions upon request and provides for a fee. Marty said that under current law there is no recourse for news organizations or citizens if they believe there is a violation of the open meeting law. Marty said the language in the measure parallels language in the Data Privacy Act. The bill was approved and re-referred to the Judiciary Committee.

S.F. 512, authored by Sen. Mark Ourada (R-Buffalo), removes the city of Rockford from the jurisdiction of the Metropolitan Council. The bill was approved and recommended for placement on the Consent Calendar.

## State Government Budget Division

### Demographic info heard

The State Government Budget Division began the Tues., Mar. 11, meeting by hearing from State Demographer Tom Gillaspay about the changes in population in Minnesota's communities of color.

Gillaspay said Minnesota's population increased by 12.4 percent in the 1990s, which is just under the national growth of 13.2 percent. He said minority populations accounted for 57 percent of the growth and that minority populations now comprise 11.8 percent of Minnesota's population, up from 6.3 percent in 1990.

Gillaspay said that the Hispanic or Latino population increased the most during the 90s, but he added that Hispanic or Latino is an ethnicity, not a race and that Hispanic or Latino people may be of any race. Other groups experiencing

rapid growth are Asian and Pacific Islander and Black or African American.

Members, chaired by Sen. Jane Ranum (DFL-Mpls.), then turned their attention to the budgets for the Black Minnesotans Council, the Chicano Latino Affairs Council, the Asian-Pacific Minnesotans Council and the Minnesota Indian Affairs Council. Senate Fiscal Analyst Kevin Lundeen said the governor's budget proposal reduces each council's budget by about 20 percent and recommends consolidation of administrative functions.

The division also discussed the governor's budget proposal for the Dept. of Human Rights.

### Budget reviews continue

The State Government Budget Division, chaired by Sen. Jane Ranum (DFL-Mpls.), continued reviewing the governor's budget proposal at a Wed., Mar. 12, hearing. The panel focused on the budgets of the Secretary of State's Office and the Attorney General's Office.

### Budgets for veterans groups heard

Members of the State Government Budget Division met Thurs., Mar. 13, to review the budgets of the Department of Veterans Affairs, the Military Order of the Purple Heart, the Veterans of Foreign Wars and Disabled American Veterans. The panel is chaired by Sen. Jane Ranum (DFL-Mpls.).

### Gov's, Auditor's budgets heard

Members of the State Government Budget Division, chaired by Sen. Jane Ranum (DFL-Mpls.), met Fri., Mar. 14, to consider the budgets for the Office of the State Auditor and the Governor's Office. State Auditor Pat Awada and Robert Schroeder, Governor's Office, presented the offices' budgets.

## Transportation Policy and Budget Division

### DWI fee increase gains

A \$50 increase in the fee charged to restore a DWI offender's revoked driver's license was approved by members of the Transportation Policy and Budget Division when the panel met Thurs., Mar. 13. S.F. 411, sponsored by Sen. Jane



Ranum (DFL-Mpls.), also reallocates fee revenues among accounts.

Ranum said the driving force behind the legislation is the need to deal with the effects of brain injuries resulting from alcohol-related crashes. Over 94,000 Minnesotans, she said, live with disabilities due to brain injuries, and brain injury is the leading cause of death and disability in children and adults under the age of 44. The fee increase and revenue reallocation will help expand a program offering assistance and education for persons with brain injuries and their families, Ranum said. Mark Jenson, a Wells resident, recounted his family's experience with his son's brain injury, caused by a drunk driver three years ago. "My wife and I are living with a son we no longer know," he said, because his son's personality has changed so dramatically. Jenson said his son has become violent and dangerous to himself and others and could "end up behind bars later in life while the driver who hit him walks free." Tom Gode explained the pilot project, established by the Brain Injury Association, that may serve as a model for the expanded assistance effort, under the bill.

The bill raises the fee from \$250 to \$300 and allocates 17 percent of revenues to the trunk highway fund, 56 percent to the general fund, 7 percent to the Bureau of Criminal Apprehensions (BCA) account and 20 percent to the traumatic brain injury and spinal cord injury (TBI/SCI) account. The current allocations are 20 percent, 67 percent, 8 percent and 5 percent, respectively. Sen. Julianne Ortman (R-Chanhassen) offered an amendment changing the allocations to 26 percent for the trunk highway fund, 56 for the general fund, 8 percent for the BCA account and 10 percent for the TBI/SCI account. Ranum, speaking against the amendment, noted that even though the bill reduces the percentages, the dollars flowing to each account actually grow after the fee increase. Gode said the TBI/SCI account was established in 1991 in recognition of the fact that brain injuries are the major cost resulting from crashes. The amendment was defeated on a 4-6 roll call vote. Sen. Mady Reiter (R-Shoreview) said drivers must already bear significant costs in reinstating their licenses after an offense and may be deterred from carrying automobile insurance if the costs are too high. She said she was hesitant to raise fees at this

time. The bill was approved and advanced to the full Finance Committee on a 10-1 roll call vote.

Members also approved three other bills and advanced them to the full committee. S.F. 210, authored by Sen. Carrie Ruud (R-Breezy Point), authorizes emergency vehicles to display blue lights, without restriction as to the lights' placement. Sen. Rod Skoe (DFL-Clearbrook) carried S.F. 762, which permits the Dept. of Transportation to enter into agreements with tribal authorities. The department is already authorized to enter into similar agreements with local units of government. S.F. 352, sponsored by Sen. Thomas Bakk (DFL-Cook), allows for the reconveyance of land from the state to Cook County. The land was originally conveyed to the county for an airport in the 1960s, but the deed required the land to return to the state if the airport closed. Bakk said the county intends to use the land for an air park.

In other action, Association of Minnesota Counties Policy Analyst Carol Lovro provided information on highway construction processes. Lovro was joined by Anoka County Commissioner Dennis Berg, Sherburne County Commissioner Dave Schwarting and Anoka County Engineer Doug Fischer.

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## Schedule available on-line

The committee schedule for the week of March 17-21 is available on-line: <http://www.senate.mn/schedule/2003/0317.htm>

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# Senate Briefly

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Michelle Handlin, a senior at the School for Environmental Studies in Apple Valley, voices her opinion on proposed legislation to expand storage of spent nuclear fuel at Xcel Energy's Prairie Island nuclear power facility. Handlin was participating in a Wed., Mar. 19, Capitol rotunda rally promoting the use of renewable energy.

Photo by David J. Oakes



March 21, 2003



# Senate Highlights

## Former commissioners comment on governor's budget proposal

Members of the Finance Committee assembled Wed., Mar. 19, to hear comments from two former finance commissioners on the governor's budget proposal. John Gunyou, commissioner for former Gov. Arne Carlson, and Tom Triplett, commissioner for former Gov. Rudy Perpich, reviewed their experiences, offered analyses of the budget proposal and fielded questions from committee members.

Gunyou said a budget should focus on "enduring short-term pain for long-term gain." He said the governor has the right message, but has not delivered on it in his proposals. While the proposal holds the line on state taxes and permanently decreases the size of government, Gunyou said, it does not provide reform that seeks to control the perennial cost drivers. Without reform, he said, there can be no long-term stability. The budget proposal reneges on the promise of tax reform made in 2001, he said. Levy limits, salary limits and reverse referendums do not fit the paradigm of local control and making property taxes a local funding issue, Gunyou said. The governor's proposal actually plans for increases in local property taxes for K-12 education funding, he said.

The only solution, Triplett said, is a permanent tax increase. From 1997 until now, he said, Minnesota cut its taxes more than any other state in the nation. At the time, the tax cuts looked very appealing, he said, but they are now not affordable. Triplett suggested restoring revenue by raising the cigarette tax for about \$500 million in biennial revenue

and restructuring the personal income tax for about \$1.5 billion in biennial revenue. About \$2.5 billion is an amount that can be cut, he said, as opposed to finding over \$4 billion in cuts. "I'm not going to jump on the tax wagon," Gunyou said, but he suggested that if tax increases are going to be part of the solution, Legislators should look at increasing cigarette taxes and broadening the sales tax base to make it more stable. Gunyou said a long-term solution should focus on not just finding revenue, but introducing reform into the tax system. Both Triplett and Gunyou agreed that applying the sales tax to clothing is progressive, even though conventional wisdom suggests otherwise.

Triplett and Gunyou also discussed budget forecasting and the volatility of forecasts. Triplett advised against making permanent spending decisions based on a very volatile figure. Gunyou said it is one thing to choose not to fund inflation, but it is wrong to legislate inflation out of forecasts. "You have to start from an accurate picture," he said.

The panel also heard about the impacts of the governor's budget on long-term care and local units of government. Dakota County Commissioner Joe Harris reviewed the effects of the budget on his and other counties. He urged members to examine state mandates and the financial implications of the requirements placed upon counties. Annette Peterson, a long-term care facility employee, testified about the needs of long-term care residents and the impacts of the budget proposal on services provided.

## Sexual orientation bill debated

The Judiciary Committee devoted the entire Fri., Mar. 21, hearing to a discussion of a bill relating to the state's Human Rights Act.

S.F. 545, authored by Sen. Michael Jungbauer (R-East Bethel), was amended at the outset to provide an exemption for unfair discriminatory actions based on a conscientiously held belief related to sexual orientation as protected by the Minnesota Constitution. Jungbauer said, "I made it very clear the original bill had language that I never agreed with."

Jungbauer said, "I perceive this bill to be about the clash of rights. I want to support the rights of families to protect their children and protect the integrity of the basic Human Rights Act. I never believed that total repeal was the way to get this accomplished."

Jungbauer said, "The amendment is based on Article I of the Minnesota

Constitution that says 'nor shall any control of or interference with the rights of conscience be permitted.'" The bill is designed to protect the innocence of our children from the abuses of a few in our schools, he said.

Sen. Ann Rest said, "I wonder why it is, if you are going to invoke the constitution's conscientiously held beliefs, you cannot protect someone who discriminates against a person of color on the basis of conscientiously held beliefs?"

Jungbauer responded that the bill is aimed at only one issue, protecting children in schools.

Marybeth Vath, a mother of four, spoke in support of the bill, "Our effort is not to deny anybody their home or their employment. But when we come down to children being exposed to inappropriate sexual teaching in the school, we are not able to do anything about it. The interest of the state should be to protect children."

Members questioned how the testimony about education curriculum relates to the bill. Several Senators said that current state law prohibits teaching the curriculum the speakers were objecting to. Sen. David Hann (R-Eden Prairie) said there seems to be a conflict between the law and the protections of the Human Rights Act. Sen. Richard Cohen (DFL-St. Paul), said there is a remedy through the civil courts. Committee Chair Don Betzold (DFL-Fridley) said it is the witnesses' responsibility to speak on the merits of the bill before the committee, rather than on education issues.

Sen. Thomas Neuville (R-Northfield) offered an amendment clarifying that the teaching and promoting of homosexuality as an acceptable lifestyle is prohibited. Neuville said the amendment is aimed at clarifying the original law enacted in 1993. The amendment failed on a 4-6 roll call vote.

Jungbauer said that given the consensus of the committee that the language does not address the problem, he asked that the bill be laid over.

Ann DeGroot, executive director of Out Front Minnesota, acting as spokesperson for opponents of the bill, made a statement on behalf of the gay, lesbian, bisexual and transgender community. She responded to statements made by the bill's supporters. DeGroot said, "We support efforts to protect all our young people, including GLBT young people." She said the bill, essentially, makes the Human Rights Act voluntary. DeGroot also acknowledged that some people in good

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### Photographer:

David J. Oakes

conscience disagree with the law, but that is the challenge of living in a diverse society. "We are working to make sure that all points of view are represented," DeGroot said. Sen. Scott Dibble (DFL-Mpls.), although not a member of the committee, addressed the panel and expressed appreciation for laying the bill over. He said, "Passage of the bill would have sent a terrible message to the young people of the state."

### Divisions hold off-site hearings

The Minnesota Senate Tax Committee and all of the Senate Finance Budget Divisions met Tues., Mar. 18, at locations throughout the state to gather citizen testimony on the governor's budget proposal.

Nearly all members of the Senate traveled to the various locations to participate in tours, hold briefings and conduct public hearings.

The Tax Committee, chaired by Sen. Lawrence Pogemiller (DFL-Mpls.), met at the Northeast Middle School in Minneapolis. Other budget divisions traveled to more remote locations. The E-12 Education Budget Division, chaired by Sen. LeRoy Stumpf (DFL-Thief River Falls), traveled to Fergus Falls, while the Higher Education Budget Division, chaired by Sen. Sandra Pappas (DFL-St. Paul), met at the Somesen Auditorium, at Winona State University.

The Environment, Agriculture and Economic Development Budget Division, chaired by Sen. Dallas Sams (DFL-Staples), met at the Alexandria Technical College, in Alexandria. The Health, Human Services and Corrections Budget Division, chaired by Sen. Linda Berglin (DFL-Mpls.), held two public hearings at the Duluth City Council Chambers. The State Government Budget Division, chaired by Sen. Jane Ranum (DFL-Mpls.), had a full day of tours and briefings culminating in a public hearing in Mankato. The Transportation Policy and Budget Division, chaired by Sen. Dean Johnson (DFL-Willmar), held a public hearing in Austin, Minnesota, and then toured highway projects in Owatonna.

### Four bills approved

Senators met briefly Mon., Mar. 17, to vote on four measures, process bill introductions and facilitate the movement of legislation between committees.

S.F. 61, authored by Sen. Don Betzold (DFL-Fridley), requires agencies to identify the costs of adopting a proposed rule change. An amendment added in the other body also requires state agencies to identify the costs of not adopting the proposed rule. Members concurred with the amendment and re-passed S.F. 61 on a 65-0 roll call vote.

Three measures on the Senate Calendar were also approved. Legislation

on the Calendar has already been debated on and granted preliminary approval by the Committee of the Whole under General Orders. S.F. 40, sponsored by Sen. Linda Berglin (DFL-Mpls.), provides for the recovery of damages caused by graffiti and raises the limit for parental liability for damage caused by a minor to \$3,000. The bill was granted final passage, 62-3. Sen. Mike McGinn (R-Eagan), carried S.F. 256, which allows search warrants to be issued to peace officers for searches of premises outside their jurisdiction. The measure was granted final passage, 66-0. S.F. 287 requires the pledge of allegiance to be recited in public and charter schools. Authored by Sen. Steve Murphy (DFL-Red Wing), the bill was granted final passage, 56-10.

### Brief floor session held

Senators met briefly Thurs., Mar. 20, to process bill introductions and committee reports. Members also referred House Concurrent Resolution 2, setting the price of government, to the Committee on Rules and Administration.

Sen. Dave Kleis (R-St. Cloud) noted that statutes require the resolution to be adopted by March 15. However, Sen. Richard Cohen (DFL-St. Paul) said taking action on the resolution, in an informed manner, requires receiving several reports from the administration. Those reports, including the departmental earnings report, have not been received, he said. "The budget bills of the governor have been historically late this year," Cohen said, and were due by February 18. He noted that the Legislature delayed the required transmittal date for a new governor—sitting governors are required to deliver their budget by the fourth Tuesday in January, or Jan. 28 this year—but that the last budget bill was not received by the Senate until last week.

In other action, Sen. Pat Pariseau (R-Farmington) withdrew S.F. 222 from committee and requested the bill be returned to her as its author. Pariseau said it was becoming clear to her that the measure, which changes the states pistol permit issuing law, would not be acted upon. She noted that a hearing on the bill was not held until two months after it was introduced and she had requested a hearing. After two hearings and five hours of testimony, she said, a committee vote on the bill was still unlikely to occur.



**Participants in a Mon., Mar. 19, rally sponsored by the Yellow Ribbon Suicide Prevention Program unfurl hundreds of petitions encouraging the governor to adequately fund suicide prevention and mental health programs.**

Photo by David J. Oakes



# Committee update

## Agriculture, General Legislation and Veterans Affairs

### Ethanol production bill okayed

Members of the Agriculture, General Legislation and Veterans Affairs Committee, chaired by Sen. Steve Murphy (DFL-Red Wing), met Wed., Mar. 19, to consider one bill.

S.F. 822, authored by Sen. Gary Kubly (DFL-Granite Falls), increases the ethanol production goal and increases the oxygen content requirement for gasoline. Members amended the bill to provide for a production goal of 240,000 gallons in 2003, 300,000 gallons in 2004, 360,000 gallons in both 2005 and 2006, 420,000 gallons in 2007 and 480,000 gallons in 2008. In addition, the amended bill provides that after Jan. 1, 2004, all gasoline sold or offered for sale in Minnesota must contain at least 3.4 percent oxygen by weight.

The committee approved the bill and sent the measure to the full Senate.

## Commerce and Utilities

### Crib safety bill okayed

A bill to ensure that cribs meet safety standards was approved by members of the Commerce and Utilities Committee at the Mon., Mar. 17, hearing.

S.F. 377, authored by Committee Chair Ellen Anderson (DFL-St. Paul), removes from the marketplace cribs that do not meet safety standards established by the Consumer Safety Commission and the American Society for Testing and Materials. "The bill is designed to save children's lives," Anderson said, "More children are injured by cribs than any other nursery equipment." Anderson said the bill requires second-hand cribs to meet the standards, prohibits the use of cribs that do not meet the safety standards by licensed child care providers and by hotels and motels. In addition, the bill contains an education component to make consumers more aware of crib safety requirements.

The bill lists the specific safety standards cribs must meet and sets forth the documentation requirements for child care providers. Anderson said newer cribs meet the standards, but the bill is aimed at removing older cribs from the market-

place and at making sure child care providers and hotels and motels use safe cribs.

Members heard testimony from Rick Torgerson, a parent whose child died as a result of an unsafe crib, and Jack Walsh, representing the Danny Foundation of California. Walsh said the measure is not a punitive bill, but a way to educate people.

Jerry Kerber, director of the Dept. of Human Services Licensing Division, said the department anticipates being able to enforce the provisions of the bill during the normal course of activities and did not anticipate additional costs to the agency.

The bill was approved and re-referred to the Health and Family Security Committee.

Members also approved five additional bills. S.F. 506, authored by Sen. Ann Rest (DFL-New Hope), prohibits the printing of full credit or debit card numbers on sales receipts. The bill, which had been heard previously by the panel, was amended to specify that no more than the last five digits of the credit or debit card account number or the expiration date may be printed upon any receipt. The amendment also specifies that the effective date is Jan. 1, 2004, with respect to any receipt printed using a cash register or other machine or device that is first put into use on or after July 1, 2003, and July 1, 2006, with respect to any receipt printed using a cash register or other machine or device that is in use before July 1, 2003. The measure was approved and sent to the full Senate.

S.F. 565, authored by Sen. Steve Kelley (DFL-Hopkins), restricts the display and use of social security numbers. Kelley said the bill is another measure designed to prevent identity theft. Under the bill, a person or entity is prohibited from publicly posting or displaying an individual's social security number, printing an individual's social security number on any card required to access products or services, requiring an individual to transmit the individual's number over the Internet or requiring an individual to use the individual's social security number to access a web site, unless a password or other authentication device is also required to access the web site. Members adopted an amendment specifying that the use of a social security number on the outside of a mailing is not authorized. Kelley said he planned to offer

an amendment providing for a delayed effective date to allow those entities using social security numbers time to transition to another form of assigning identification. The bill was approved and re-referred to the Judiciary Committee.

Three bills authored by Sen. Linda Scheid (DFL-Brooklyn Park) were also advanced. S.F. 350 makes numerous technical changes to the Minnesota FAIR plan and formally changes the name of the Minnesota Property Insurance Placement Facility to the Minnesota FAIR plan. The measure was advanced to the full Senate. S.F. 382, making technical changes to the statutes regulating the Joint Underwriting Association and S.F. 176, modifying the standard fire insurance policy to specify that insurance companies are not liable for losses in a commercial policy caused by terrorism unless an endorsement specifically assumes coverage, were both recommended for placement on the Consent Calendar.

### Presentation heard

Members of the Commerce and Utilities Committee, chaired by Sen. Ellen Anderson (DFL-St. Paul), met Wed., Mar. 19, to hear a report on energy economic impacts. The presentation, "Job Jolt: The Economic Impacts of Repowering the Midwest," was presented by Howard Learner, executive director of the Environmental Law and Policy Center in Chicago.

### Nuclear energy discussed

The future of nuclear energy and the Prairie Island nuclear energy facility was the focus of a joint Environment and Natural Resources and Commerce and Utilities evening hearing Thurs., Mar. 20.

The joint committee, chaired by Sen. Ellen Anderson (DFL-St. Paul), heard extensive testimony from both supporters and opponents of the continued use of nuclear energy generation and the continued operation of the Prairie Island facility.

Two bills provided the touchstone for discussion. S.F. 929, sponsored by Anderson, provides for the phase-out of nuclear reactors and replacement of nuclear energy with alternative sources. The measure also provides that, in conjunction with the decommissioning of unit 1 at Prairie Island, Xcel Energy may accelerate its plans to repower two of its



**Supporters of Gov. Tim Pawlenty's proposed budget and his pledge not to raise taxes gathered in the Capitol rotunda Wed., Mar. 19.**

Photo by David J. Oakes

coal-fired generation facilities in the Metro Area with natural gas. Anderson said the measure is also designed to minimize the displacement of workers, minimize rate impacts and address concerns of the Mdwakanton Dakota Tribal Council at Prairie Island.

The second bill, S.F. 794, authored by Sen. Steve Murphy (DFL-Red Wing), allows additional dry cask storage at Prairie Island in order for the facility to continue operation for the licensed life of the plant, and acknowledges a recent settlement between the Mdwakanton Dakota Tribal Council and the utility.

Members spent the balance of the evening hearing testimony on the issue from both supporters and opponents.

### Telecom bills heard

Members of the Commerce and Utilities Subcommittee on Telecommunications and Technology, meeting Fri.,

Mar. 21, approved three bills and advanced the measures to the full committee.

Sen. Steve Kelley (DFL-Hopkins), chair of the panel, carried S.F. 766. The measure establishes an education telecommunications fund as an account in the state treasury and assesses a surcharge of 25 cents per month on end-user bills for each wireline or wireless access line for voice or data services to fund the account. The bill also provides that the account will fund the K-12 education and public library portions of the Learning Network of Minnesota, beginning in FY 04. Eligible expenditures, under the bill, include telecommunications access fees, wide area network maintenance and support costs and installation. Kelley and representatives of Greater Minnesota schools and libraries spoke to the importance of connecting residents of Greater Minnesota to modern communications systems.

Laura Bordelon, Minnesota Chamber of Commerce, said larger businesses will pay about \$2,000 to \$5,000 a month under the bill. She said the chamber supports on-line learning, but does not support the revenue increase. Both Bordelon and Buzz Anderson, Minnesota Retailers Association, said they support funding on-line learning access as part of the base funding for K-12 schools.

S.F. 653, authored by Sen. Dallas Sams (DFL-Staples), expands the use of proceeds from the safe school property tax levy to pay the cost of call back number and emergency response location to enhanced 911 systems from district-operated multi-line telephone systems and requires multi-line telephone systems to provide a call back number and emergency response location. Sams said the legislation is designed to ensure that emergency responders are directed to the correct location when a caller contacts a



# Committee update

911 operator. Anderson and Bordelon said the costs of conversion to the new system are onerous on business. Bob Meeks, Minnesota School Boards Association, noted that many districts are at the cap on their safe schools levies. However, he said, schools support the concept.

S.F. 69, sponsored by Sen. Tom Saxhaug (DFL-Grand Rapids), requires the Department of Commerce to study the issue of school districts that are part of two or more local calling areas.

## Crime Prevention and Public Safety

### Firearm permit testimony heard

Members of the Crime Prevention and Public Safety Committee met Mon.,

Mar. 17, to hear testimony relating to changing Minnesota's firearm permitting law from a "may issue" standard to a "shall issue" standard. S.F. 222, sponsored by Sen. Pat Pariseau (R-Farmington), enacts shall issue language, establishes criteria for which a person may be denied a firearm permit and sets the penalties for violating the permit law. The measure, Pariseau said, is intended to let vulnerable citizens protect themselves. It is not an attempt to put guns into the hands of criminals, she said, who already have relatively easy, illegal access to firearms.

Under the bill, permit holders must be at least 21 years old and a U.S. citizen or permanent resident, have completed a permit application, have been trained in the safe use of a firearm and must not be prohibited by national or state law from possessing a firearm. Applicants must pay

a \$40 fee, under the legislation, and may not be asked for additional information or documentation beyond the requirements. The bill makes it a petty misdemeanor for a person authorized to carry a firearm to do so while knowingly on school property, unless the permit holder is in a motor vehicle or outside of a vehicle while placing or retrieving the firearm from the vehicle. Under the measure, a permit holder must carry the permit card and official identification, such as a driver's license, when carrying the firearm. If requested by a peace officer, the permit holder must display both the permit card and identification, under the bill. S.F. 222 sets out the background check to be conducted by sheriffs on applicants and specifies that a sheriff must issue the permit within 15 days after receiving the application, unless the applicant failed to



*Minneapolis Police Officer Ryan Johnson presents his permit to carry a concealed handgun to members of the Crime Prevention and Public Safety Committee during a hearing Wed., Mar. 19, as he explains the difficulties he encountered in obtaining it.*

*Johnson testified in favor of a bill that makes it easier for qualified individuals to obtain such a permit.*

*Photo by David J. Oakes*

qualify under the statutory criteria or is dangerous to the public. The bill clarifies that a sheriff may determine an applicant to be dangerous to the public because the applicant has a history of behavioral incidents of unlawful violence, has a condition of mental impairment or is listed in a criminal gang database. The measure prohibits a permit holder from carrying a firearm while impaired and requires permit holder to submit to chemical tests to determine the presence and amount of alcohol or controlled substances. The bill also appropriates \$1.9 million in FY 04-05 to the Dept. of Public Safety for implementation of the legislation.

Joe DeSua, an Apple Valley resident, said his recent permit application was rejected. He was told that Apple Valley issued permits only to persons with job-related reasons or victims of crimes in which the criminal was still at large, he said. "I would prefer not to become a victim," DeSua said. Richfield resident Tim Grant said serious, violent crimes are not limited to the inner cities. Grant said his cousin was killed in a 1996 drive-by shooting in Golden Valley that has not been solved and another relative was attacked outside an Edina grocery store last year. Law abiding citizens should be allowed to protect themselves, he said.

Law enforcement representatives raised concerns with the bill. Dennis Delmont, Minnesota Police Association, said proponents of the bill have listened to law enforcement's concerns but have not heeded suggestions. Delmont noted that the bill does not permit private businesses or property owners from prohibiting persons carrying weapons from coming onto their property. He said the bill will also allow persons with repeat drunk driving offenses, persons who falsely portray themselves as police officers and persons with borderline mental illnesses to legally carry firearms. He noted that 8 percent of recent peace officer deaths have been caused with the officer's firearm. Delmont said officers are trained intensively to protect their weapon and use it safely. Bill Gillespie, Police and Peace Officers Association, said police officers undergo a two-month background investigation that can cost several thousand dollars. Private citizens who want to carry a gun in public, he said, should have to undergo the same background check. "There is no way to know,

under this bill, who shouldn't have a weapon until it's too late," he said. Olmsted County Sheriff Steve Borchardt, representing the State Sheriffs Association, said the bill represents one of the most liberal shall-issue laws in the nation. Borchardt said the legislation can be improved by increasing the limitations on eligibility and increasing the limits on where a permit holder may carry a firearm.

Roger Aronson said the education community does not support any initiative allowing guns in schools, on school property, on school buses or at school activities. "There is nothing in this bill for us," he said. The bill will not make schools safer, Aronson said. Children and parents, he said, are entitled to a gun-free environment when they are attending school or school events. Anne Finn said the League of Minnesota Cities opposes the measure because it infringes on local authority. Cities have confidence in the decisions made by their police chiefs, Finn said. No language in S.F. 222, she said, protects property owners or communities that own public places. Finn said the bill allows firearms to be carried in city halls, public parks and ice arenas, without any provision for a local decision banning guns from those locations. She also urged the panel not to adopt language making cities and businesses responsible for storing weapons if they ban firearms on their property.

Minneapolis Downtown Council President Sam Grabarski said patrons of bars and restaurants and attendees of concerts and sporting events would not feel safer knowing that guns are prevalent. He said event liability insurance has skyrocketed since Sept. 11, 2001, and will likely climb even higher as insurers factor the liability of concealed weapons into premiums. Grabarski said it will become impractical for anyone to sponsor free outdoor events and even sponsors of ticketed events will be severely affected. Testimony against the measure also came from Carol Arthur of the Domestic Abuse Project, emergency room physician Lori Drill-Mellum and Mary Heller of the Million Mom March. Dana Dickson, a Brooklyn Park resident and security specialist, and Father Stan Sledz, chaplain to corrections facilities in Ramsey County, also spoke against the bill.

Pariseau briefly rebutted the testimony against the bill. She said proponents have worked extensively with the law

enforcement community to perfect the bill and have addressed many of their concerns. Pariseau said police officers who work the streets know that trained, armed citizens are their friends and allies. However, she said, rank-and-file officers are often prohibited, by their employers, from testifying. Pariseau noted that there is not a single incident of a permit holder committing a gun-related crime in Minnesota. She said the assumption that Minnesotans are less responsible and more violent than residents of other states with shall issue laws is insulting.

Committee Chair Leo Foley (DFL-Coon Rapids) said the panel will question witnesses at its next meeting and is likely to vote on the measure at that hearing as well.

### Shall issue discussion continues

A bill changing Minnesota's pistol permitting law from a "may issue" standard to a "shall issue" standard returned to the attention of members of the Crime Prevention and Public Safety Committee when they met Wed., Mar. 19. The panel, chaired by Sen. Leo Foley (DFL-Coon Rapids), took no action on the measure—S.F. 222, sponsored by Sen. Pat Pariseau (R-Farmington).

Members of the public offered additional testimony on both sides of the bill. Two students from Eagan High School, Hy Matz and Amy Oberle, presented Senators with a petition, signed by almost 300 fellow students, expressing opposition to the bill and an increased prevalence of guns in public. Rebecca Thoman, Citizens for a Safer Minnesota, said the Legislature should clarify the existing definition of need for a permit. Thoman noted that about 90 percent of permit applications statewide, and about 84 percent of those in the Metro Area, are granted. The disparity, she said, is in the reason given for denial of the application. Thoman also noted that the city councils of Edina and Bloomington have adopted resolutions opposing the bill. Duluth resident Joan Peterson and Northfield resident Susan Pedersen also testified against the bill. Bill Gillespie said the Minnesota Police and Peace Officers Association membership is against the bill and invited committee members to examine the survey data showing opposition.

Several citizens testifying in support of the measure related their experiences



# Committee update



**Mark Stillman of Minneapolis provides musical entertainment on his accordion for participants in a celebration of the Jewish holiday of Purim in the Capitol rotunda Tues., Mar. 18.**

Photo by David J. Oakes

applying for a permit, being denied a permit and attempting to appeal the denial. Rick Campion noted that even former police officers, such as himself, are routinely denied permits. Andy Cers, a resident of south Minneapolis, said he was told he needed to prove a need to protect himself. However, he said, providing the police with crime statistics about his neighborhood was not enough. Cers noted that it is easier to get a permit in suburbs only a few miles to the west, even though the suburbs are significantly safer than his neighborhood. Franz Metzger, a dentist in St. Louis Park, said the judge in his appeal would not certify two former police chiefs as expert witnesses. Ryan Johnson, a Minneapolis police officer, said many police officers believe Minnesota needs a shall-issue law. "Self protection is everyone's need," he said, since the police cannot be everywhere at once and usually respond to situations after the fact.

Panel members also discussed features in the bill, including limits on alcohol consumption, the burden of proof a sheriff must use in denying a permit based on the sheriff's discretion and the lack of a fingerprint requirement for background checks. Senators also discussed data in Bureau of Criminal Apprehension reports, published in 2002 and 2003, on permits

issued and crimes committed by permit holders.

## Education

### Dept. renaming bill advances

Members of the Education Committee approved a bill to rename the Department of Children, Families and Learning (CFL) and considered three other measures when they met Thurs., Mar. 20. S.F. 296, authored by Sen. Geoff Michel (R-Edina), changes the department's name to the Dept. of Education.

Jim Bartholomew, CFL, said the department will absorb the \$39,000 in projected costs associated with the name change. He said the renaming was a priority for the governor. Sen. Jane Ranum (DFL-Mpls.) said her concerns with the measure, which she expressed at an earlier hearing on the proposal, were not related to the renaming or its costs, but to the reorganization that accompanies the renaming. Bartholomew said the department is focusing on its core mission: the academic success of students in the state's K-12 system. He said programs that are run primarily by or through a school district remained within the department, while other programs were shifted to other agencies. Bartholomew said the depart-

ment was also careful to avoid jeopardizing the receipt of federal funds when recommending program shifts. However, Ranum said that economists and others have recognized that child care and other programs are related to later education outcomes and are extremely cost efficient. "This is backward education for Minnesota," she said of the reorganization. Bartholomew said the administration honestly thinks the programs will be better served by being in other agencies. S.F. 296 was sent to the Senate floor.

The panel also considered a bill carried by Sen. Sheila Kiscaden (IP-Rochester). S.F. 551 provides for the development and issuance of a certificate recognizing the satisfactory completion of adult English as a second language classes. Kiscaden said the state's business community has requested a consistent, statewide standard. The bill was laid over.

Two measures repealing the Profile of Learning were considered. No action was taken on either bill. Sen. Gen Olson (R-Minnetrista), ranking minority member, carried S.F. 60. The measure requires CFL to develop new standards, in consultation with stakeholders, for English/language arts, mathematics, science and history and geography. The bill also specifies that the standards must be based on factual, objective and verifiable knowledge; must be clear, concise, measurable and grade-level appropriate; must preserve and promote fundamental American principles stated in the Declaration of Independence and the U.S. Constitution as well as national sovereignty, natural law and free market enterprise; must not mandate specific teaching methodologies; and must be assessed using tests aligned to the standards. The measure requires the commissioner to propose rules relating to the standards for English/language arts and mathematics by April 15, 2003, for science by March 1, 2004, and for history and geography by March 1, 2005. Members discussed briefly the meaning of "natural law" as contained in the bill and the lack of civics and economics standards in the bill. Olson said new standards should not cover everything schools offer. One of the problems with the Profile, she said, was the complexity and breadth of the standards. Lisa Graham Keegan, executive director of the Education Leaders Council, said standards that are too all-encompassing are too hard to assess. "In K-12 education, there are a few

non-negotiables," she said, that every jurisdiction wants their students to know. Keegan said many states have done and are doing the same thing—revisiting standards and clarifying them. Commissioner Cheri Pearson Yecke said the department is preparing for a repeal of the Profile and is getting input from the public on proposed standards. Yecke said it is wise for every state to have a regular, predictable cycle for reviewing its standards.

Sen. Steve Kelley (DFL-Hopkins), committee chair, sponsored S.F. 639. The bill replaces the Profile with six required learning areas: reading, writing and oral communication, mathematics, science, social sciences—including history, geography, economics and civics—and arts and literature. The bill also outlines optional learning areas for which districts may adopt the standards: foreign languages, career and technical education and physical education. Kelley said the measure incorporates the recommendations of several groups, including the University of Minnesota Office of Educational Accountability and a 60-member stakeholder group that met during 2002. The bill also meets the requirements of the federal No Child Left Behind law, by adopting a system of accountability based on standards and testing, and exceeds the law's requirements by adopting six, instead of three, standards, he said. Claudia Parliament, executive director of the Minnesota Council on Economic Education, said instruction in economics is essential. The economic system works better, she said, if more people understand it. Edina High School teacher Lonnie Screntner urged the panel to adopt a plan that includes waivers for the state's advanced students. "Do not hold back the thousands of students in high school who work at a college level," she said. She said that while the Profile had major weaknesses, it also had strengths—including an emphasis on research and analysis.

## E-12 Education Budget Division

### Discussion of budget continues

Members of the E-12 Education Budget Division, chaired by Sen. LeRoy Stumpf (DFL-Thief River Falls), continued their discussion of the governor's

budget proposal when they met Wed., Mar. 19. Sen. Gen Olson (R-Minnetrista), ranking minority member of the panel, is sponsoring the governor's E-12 education budget bill, S.F. 752.

## Environment and Natural Resources

### Electronics disposal bill heard

Much of the discussion at the Mon., Mar. 17, meeting of the Environment and Natural Resources Committee centered on a bill prohibiting the placement of electronic products with cathode ray tubes in mixed municipal solid waste sites after July 1, 2005. S.F. 838, authored by Sen. Linda Higgins (DFL-Mpls.), requires manufacturers that sell electronic products such as televisions, computer monitors, and laptop computers to establish programs in Minnesota to collect, transport, and reuse or recycle the products. In addition, the measure prohibits charging consumers an end-of-life fee to cover the costs of collection, transporting and reusing or recycling. The bill also provides that if a national program is enacted and implemented throughout the state, the requirements in the bill expire. Members heard testimony on the measure and the laid the bill over in order to hear additional testimony at a later hearing.

The committee, chaired by Sen. John Marty (DFL-Roseville), advanced three additional bills.

S.F. 392, authored by Sen. Steve Murphy (DFL-Red Wing), updates soil and water conservation district laws and makes numerous technical changes. The measure was approved and re-referred to the Finance Committee. S.F. 842, sponsored by Sen. Gen Olson (R-Minnetrista), makes numerous technical changes to laws relating to the Dept. of Natural Resources. The measure was recommended for placement on the Consent Calendar. S.F. 781, carried by Marty, requires all landscape irrigation systems to have furnished and installed moisture or rainfall sensing equipment. The measure was approved and sent to the Senate floor.

### Electronic waste bill okayed

The Environment and Natural Resources Committee, chaired by Sen. John Marty (DFL-Roseville), met Wed.,

Mar. 19, and okayed a bill prohibiting the disposal of electronic products in mixed municipal solid waste. The bill, S.F. 838, authored by Sen. Linda Higgins (DFL-Mpls.), prohibits the disposal of electronic products in landfills after July 1, 2005. The measure also requires manufacturers to establish programs to collect, transport and reuse or recycle electronic products.

Members heard testimony from Katie Boone, J.R. Appliance Disposal, supporting the bill. She said her company would like to expand into the disposal of electronic products and that the delayed effective date would give the company time to prepare. Tony Kwilas, representing the Minnesota Chamber of Commerce, spoke in opposition. He said, "The chamber supports voluntary product stewardship, but not legislation that makes Minnesota an island in the global marketplace."

Several committee members expressed concerns about the effective date contained in the measure relating to the deadline by which time manufacturers must prepare plans for electronic product disposal. Sen. Thomas Neuville (R-Northfield) offered an amendment changing the date from Sept. 1, 2004, to Mar. 1, 2005. The amendment also changed the dates—from 2004 to 2005—by which manufacturers must notify the state where and how electronic products will be collected and by which manufacturers must begin submitting an annual report.

The bill was approved and advanced to the Judiciary Committee.

The committee also approved a bill making numerous changes to laws relating to individual sewage treatment systems. S.F. 503, authored by Sen. Steve Murphy (DFL-Red Wing), requires counties to develop plans for disposal of domestic septage generated within their jurisdictions by July 1, 2005, requires disclosure of all systems installed prior to 1996 to the county in which the system is located, requires counties to impose a surcharge per maintenance activity on active pumpers, increases system license fees and appropriates money for loans for upgrade and replacement of systems.

The bill was advanced to the State and Local Government Operations Committee.



# Committee update

## Environment, Agriculture and Economic Development Budget Division

### Assistance programs discussed

The Environment, Agriculture and Economic Development Budget Division met Thurs., Mar. 20, to review programs designed to provide assistance to a variety of citizens. Members, chaired by Sen. Dallas Sams (DFL-Staples), heard from Nat Aalgaard, of the Minnesota Association of Centers for Independent Living, about the effects of the governor's budget proposal to eliminate state funding for basic independent living services on Minnesotans with disabilities. R. Jane Brown, Second Harvest Heartland, and Connie Greer, Dept. of Children, Families and Learning, spoke on food assistance programs. The panel also continued reviewing the Dept. of Economic Security budget proposal.

## Health and Family Security

### DHS budget bill reviewed

Members of the Health and Family Security Committee devoted their Thurs., Mar. 20, meeting to an overview of S.F. 821, the governor's human services budget proposal. Sen. Sheila Kiscaden (IP-Rochester), chief author of the measure, said she and department staff would provide "the 100,000 foot level review" of the policy changes in the bill.

Kevin Goodno, commissioner of the Dept. of Human Services, said the projected increase in costs, according to forecasts, was 23 percent. Even with the cuts included in the bill, he said, spending will increase 8 percent. To achieve the cuts, Goodno said, the department examined its core mission—providing a safety net for the state's vulnerable people—and refocused its efforts on the most vulnerable Minnesotans. He said the most vulnerable include children, persons with disabilities and the frail elderly. Goodno said the department also examined funding sources and tried to focus cuts on programs that were funded only by the state. Other programs, he said, would be hit harder if state funding was reduced because matching federal money would also be lost. The department also achieved savings by reducing eligibility for programs and seeking efficiencies, he said.

Current eligibility standards are the most generous of any surrounding state and will still be the most generous after eligibility is reduced, Goodno said. "We will be covering more people in FY 07 than we are today," he said.

Health Commissioner Dianne Mandernach said spending in the Dept. of Health is reduced by \$36 million over the previous biennium. She said the department is also focusing on its core activities in protecting and maintaining the public's health. Mandernach said the agency is streamlining its operations and adjusting fee-based programs. The bill also includes, she said, a fundamental alteration of Minnesota's tobacco use prevention efforts. Sen. Linda Berglin (DFL-Mpls.) questioned Mandernach about the closing of Target Market and said a major shift in tobacco prevention policy requires legislative approval. She said funds appropriated for tobacco prevention in FY 02-03 were meant to achieve programmatic goals, not to cover severance costs for Target Market employees. Berglin said the governor's proposal to end Target Market is still a proposal and said authorizing the early termination of Target Market was inappropriate without legislative consultation.

Staff from both departments went through provisions in the bill for the panel, chaired by Sen. Becky Lourey (DFL-Kerrick). The bill includes changes to the state's welfare program, health programs and long-term care programs.

## Health, Human Services and Corrections Budget Division

### Oregon health plan discussed

Representatives from Oregon appeared before the Health, Human Services and Corrections Budget Division Wed., Mar. 19, to explain Oregon's health plan. The panel, chaired by Sen. Linda Berglin (DFL-Mpls.), heard the speakers relate how the plan was developed and implemented. Mark Gibson, former advisor to the governor of Oregon, Darren Coffman, director, Oregon Health Services Commission, and Bob Diprete, deputy administrator, Office of Oregon Health Policy and Research, all gave presentations.

### Transfer bill okayed

The Health, Human Services and Corrections Budget Division met Thurs.,

Mar. 20, to take action on two bills and continue reviewing the governor's budget proposal.

S.F. 933, authored by Division Chair Linda Berglin (DFL-Mpls.), increases an intergovernmental transfer payment and increases the county nursing home payment adjustment. Berglin said the proposal, which had been contained in the FY 03 budget resolution package that did not pass the Legislature earlier this year, will generate a little over \$3 million. Of that amount, Berglin said, the state will net \$1.529 million for the current fiscal year. The bill was approved and advanced to the full Finance Committee.

Members also approved a bill, S.F. 533, authorizing an exception to the moratorium on nursing home construction. The measure, carried by Sen. John Hottinger (DFL-St. Peter), was advanced to the full Finance Committee.

The panel then heard from representatives of the Dept. of Corrections, the Dept. of Children, Families and Learning and the Dept. of Human Services about provisions of the governor's budget proposal.

## Higher Education Budget Division

### Budget discussion continued

The Higher Education Budget Division, chaired by Sen. Sandra Pappas (DFL-St. Paul), met Thurs., Mar. 20, to continue discussion of the governor's budget proposal for higher education. Members also heard from University of Minnesota faculty regarding the effect of the budget on programs. Representatives of the Higher Education Services Office also discussed the governor's budget recommendations and agency responsibilities.

## Jobs, Housing and Community Development

### Ergonomics bill gains

A bill requiring the adoption of OSHA ergonomic standards was the focus of debate at the Thurs., Mar. 20, meeting of the Jobs, Housing and Community Development Committee.

The panel, chaired by Sen. Linda Scheid (DFL-Brooklyn Park), also heard a report from the 2002 Ergonomics Task



*Having performed condition documentation, Historical Society conservators Tim Herstein and Ann Frisina work on reattaching a Civil War era American flag to its staff in preparation for reinstalling the flag in its Capitol rotunda display case.*

Photo by David J. Oakes

Force, created by legislation last session. The task force was convened by the Dept. of Labor and Industry to study and recommend approaches the department can take to reduce work-related musculoskeletal disorders in the workplace. Patricia Todd, administrative director, Dept. of Labor and Industry, summarized the work of the task force. She said the group reviewed Minnesota's current approach to ergonomics issues, heard overviews of ergonomics approaches used in other jurisdictions, heard public testimony and submitted a series of recommendations to the commissioner.

The bill, S.F. 260, authored by Sen. Linda Higgins (DFL-Mpls.), requires Minnesota to adopt an occupational safety and health standard regulating ergonomic hazards. The bill specifies that the standard must address exposure to ergonomic risk factors such as awkward postures, force, repetitive motion, repeated impacts, vibration and heavy,

frequent or awkward lifting. Further, the bill requires the standard to emphasize the prevention of injuries and cover all industries where workers are exposed to workplace ergonomic hazards and where there are economically and technologically feasible measures to control the hazards.

Proponents of the bill said it is needed to protect workers and that the standards will ultimately save money because of fewer workers compensation claims. Opponents said the bill is imposing new mandates on businesses that are already struggling for survival.

Philip Moosbrugger, Dept. of Labor and Industry, said the department supported a collaborative, cooperative approach, rather than the adoption of a standard. He said that, at the governor's direction, the department is expanding its efforts at education and consultation with industry on ergonomic issues. He also said that the governor has authorized the

department to add two ergonomics specialist positions to assist in outreach.

Higgins said the two approaches need not be mutually exclusive; the standards can be used to supplement the department's efforts.

The bill was approved and advanced to the full Senate.

Members also approved a bill decreasing the interest rate on renters' security deposits. S.F. 645, carried by Sen. James Metzen (DFL-South St. Paul), reduces the rate from 4 to 1 percent after Aug. 1, 2003. The bill was approved and sent to the Senate floor.

## Judiciary

### DWI forfeiture bill gains

The Judiciary Committee, chaired by Sen. Don Betzold (DFL-Fridley), met Thurs., Mar. 20, and considered a variety of measures.



# Committee update

S.F. 388, authored by Sen. Leo Foley (DFL-Coon Rapids), modifies and clarifies the standards and procedures by which motor vehicles are forfeited as a result of DWI violations. Foley said a major change in the bill is a clarification in the definition of owner. Current law defines owner of a motor vehicle as the registered owner according to state records. The bill provides a broader definition that encompasses the legal right to possess a vehicle and provides a rebuttable presumption that a registered owner is the legal owner, Foley said. Tammy Fredrickson, a member of the DWI Task Force, said individuals with multiple DWIs escape forfeiture penalties by purchasing a vehicle, but registering the vehicle under a relative's name.

Julianne Ortman (R-Chanhassen) said she was concerned about a provision in the bill that places the burden of proof being placed on an owner to prove that the owner did not have knowledge that the vehicle would be used in any manner contrary to law. Ortman also said she was concerned about expanding the definition of owner. Foley said he would discuss the issues further as the bill progressed. The bill was approved and advanced to the floor.

Members also approved a bill clarifying the definition of "displaced person" for purposes of eminent domain. S.F. 688, authored by Sen. David Gaither (R-Plymouth), conforms state law with the definition under federal law. The measure was also advanced to the Senate floor.

Two additional bills were discussed, but laid over for further consideration. S.F. 620, sponsored by Sen. Ann Rest (DFL-New Hope), exempts municipal officers, employees and agents from liability for actions arising from the exercise of the power of eminent domain with respect to roads and highways or other public easement acquisitions. S.F. 344, carried by Sen. Dan Sparks (DFL-Austin), places limits on the use of consultants and makes changes in laws governing contracts for professional and technical services.

## Rules and Administration

### Committee deadlines set

The full Rules and Administration Committee, chaired by Sen. John



*Senators Warren Limmer (R-Maple Grove), left, and Don Betzold (DFL-Fridley) discuss proposed legislation during a Judiciary Committee hearing Thurs., Mar. 20.*

Photo by David J. Oakes

Hottinger (DFL-St. Peter), met Wed., Mar. 19, to consider the report of the Subcommittee on Bill Referral and to consider a resolution setting committee deadlines for the Legislative Session.

Members adopted the resolution and advanced the measure to the floor. The resolution specifies that the first deadline, Fri., Apr. 4, is for committees to act favorably on bills in the house of origin; the second deadline, Fri., Apr. 11, is for committees to act favorably on bills, or companions of bills, that met the first deadline in the other house and the third deadline, Tues., Apr. 29, is for the House Committee on Ways and Means and the Senate Committee on Finance to act favorably on omnibus appropriations bills, other than an omnibus bonding bill.

The report of the Bill Referral Subcommittee, presented by Sen. Ann Rest (DFL-New Hope), dealt with the proper reference of two bills made by committees and a third bill upon its introduction. Rest said the subcommittee upheld the references made to send S.F. 203, restricting the use of dishwashing detergents containing phosphorus, and S.F. 330, prohibiting increases in property tax rates, to the Senate floor. Sen. William Belanger (R-Bloomington) moved to amend the motion sending S.F. 203 to the floor by referring the bill to the Commerce and Utilities Committee. Belanger's motion failed and the motion to send the bill to the floor was adopted.

Members also considered the referral of S.F. 932. Rest said the subcommittee sent the measure to the full committee without recommendation because the subcommittee was unable to have a discussion on the bill due to the absence of the person objecting to the reference. The full committee adopted a motion to send the bill, which changes the pistol permit issuing law to a nondiscretionary standard, to the Crime Prevention and Public Safety Committee.

## State and Local Government Operations

### Environmental reorg. bill gains

A bill reorganizing agencies charged with protecting the environment and managing natural resources provided the focal point for discussion at the Mon., Mar. 17, meeting of the State and Local Government Operations Committee.

The bill, S.F. 246, authored by Sen. Lawrence Pogemiller (DFL-Mpls.), creates a task force to develop a governmental structure to deliver state services relating to the environment. The bill sets forth the goals of the reorganization as providing for sustainable development throughout all regions of the state and all sectors of the economy, improving delivery of services, providing a preventive, precautionary approach to environmental degradation, providing for citizen input and resulting in progressively less air, land and water pollution. The measure also directs the task force to address a series of outcomes that are listed in the bill. An amendment was adopted that clarifies that the outcomes listed do not preclude other outcomes the task force may determine. The bill also abolishes the Dept. of Natural Resources, the Board of Water and Soil Resources, the Office of Environmental Assistance, the Pollution Control Agency, the Environmental Quality Board, the Petroleum Tank Release Compensation Board and the Agricultural Chemical Response Board. The bill was approved and re-referred to the Finance Committee.

The committee, chaired by Sen. Jim Vickerman (DFL-Tracy), also approved two additional bills. S.F. 726, sponsored by Sen. Dallas Sams (DFL-Staples), changes the date by which municipalities must report construction and development-related fees from April 1 to June 30 of each year. In addition, the bill provides that the municipalities need only report if the cumulative fees exceed \$5,000 in the reporting year. S.F. 768, sponsored by Sen. Don Betzold (DFL-Fridley), recodifies the statutes relating to the Capitol Area Architectural and Planning Board. Both bills were recommended for placement on the Consent Calendar.

### Mosquito Control bill advanced

A bill removing the sunset for pesticide application for mosquito control operations was approved at the Wed., Mar. 19, meeting of the State and Local Government Operations Committee. The bill, S.F. 712, authored by Sen. Claire Robling (R-Jordan), also adds a portion of Carver County, which had been excluded, to the Metropolitan Mosquito Control District, and restores the property tax levy

base of the mosquito control district to 1995 for taxes payable in 2004 and subsequent years minus 25 percent. The measure also clarifies the exception to prohibiting entry upon private property if objected to and makes changes to the compensation of the commissioners.

Robling said the measure is needed to control disease-vectoring mosquitoes, ticks or black gnats such as the mosquitoes carrying the West Nile virus. Opponents of the measure said the measure allows the spraying of dangerous chemicals on people, homes and yards without adequate notice.

The bill was approved on a 6-5 roll call vote and re-referred to the Agriculture, General Legislation and Economic Development Committee.

In other action, the committee, chaired by Sen. Jim Vickerman (DFL-Tracy), advanced several additional bills.

S.F. 770, authored by Sen. Ann Rest (DFL-New Hope), removes the Hennepin County Medical Center and its health maintenance organization from the county's central purchasing provisions in state law and from the uniform municipal contracting law. Rest said the medical center needs the added flexibility in order to keep down costs when purchasing. The bill was approved and sent to the Senate floor.

S.F. 347, carried by Sen. Tom Saxhaug (DFL-Grand Rapids), authorizes Itasca County to issue bonds to finance the construction of a nursing home facility to replace an existing private facility. The measure was approved and sent to the floor. S.F. 693, sponsored by Sen. Charles Wiger (DFL-North St. Paul), authorizes the Metropolitan Council to use energy forward pricing mechanisms. The measure was approved and recommended for placement on the Consent Calendar.

Members also began discussion of a bill, S.F. 462, dealing with shooting ranges. The bill defines generally accepted shooting range operation practices and provides that a shooting range that is in substantial compliance with existing law at the time of the enactment of an ordinance that affects the operation of the range must be allowed to continue to operate, even if the operation does not conform to the new ordinance. Members heard testimony on the measure, authored by Vickerman, but laid the bill over in order to prepare amendments.



# Committee update

## State Government Budget Division

### DPS budgets reviewed

Members of the State Government Budget Division, chaired by Sen. Jane Ranum (DFL-Mpls.), met Wed., Mar. 19, to hear budget overviews for two offices in the Department of Public Safety. Department staff reviewed the functions and budgets for the Office of Crime Victims Assistance and the Office of Drug Policy.

### Office budgets reviewed

Members of the State Government Budget Division, chaired by Sen. Jane Ranum (DFL-Mpls.), met Thurs., Mar. 20, to hear budget overviews for offices in the Department of Public Safety. Department staff reviewed the functions and budgets for the Fire Marshal's Office, the Office of Alcohol and Gambling Enforcement, and the Office of Emergency Management.

### Public safety budget reviewed

The Fri., Mar. 21, meeting of the State Government Budget Division was devoted to review and discussion of the governor's budget proposal for the Department of Public Safety Bureau of Criminal Apprehension and CrimNet. The panel is chaired by Sen. Jane Ranum (DFL-Mpls.).

## Transportation Policy and Budget Division

### Northstar line discussed

The Transportation Policy and Budget Division met Thurs., Mar. 20, and discussed a bill authorizing bonds for the Northstar Commuter Rail Line. The division, chaired by Sen. Dean Johnson (DFL-Willmar), also heard a presentation by representatives of the Association of Minnesota Counties on highway construction processes.

S.F. 27, authored by Sen. Don Betzold (DFL-Fridley), provides for \$123.3 million to be appropriated from the bond proceeds fund for planning, design, engineering, construction and equipment for the commuter rail line between the city of Rice and downtown Minneapolis. Tim Yantos, manager of the Northstar Commuter Rail Project, Duane Grandy, Northstar Corridor Development Authority, and Paul Anton, an economist

with Anton, Lubov and Associates, all spoke in support of the measure. Proponents said the corridor between downtown Minneapolis and St. Cloud is one of the fastest growing in the nation and the commuter rail line would ease traffic congestion and alleviate the need to continuously build more highways. Members took no action on the bill.



### Tour the Capitol on CD-ROM

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### Schedule available on-line

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# Senate Briefly

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High above the floor of the Capitol Rotunda, the zodiac sign for Libra adorns the Rotunda ceiling.

Photo by David J. Oakes



March 28, 2003



# Senate Highlights

## Sexual education bill gains

Members of the Education Committee considered two measures relating to sexual education during an evening hearing, Tues., Mar. 25. A bill sponsored by Sen. Mee Moua (DFL-St. Paul), making technical changes to existing law and clarifying that the law does not require an abstinence-only education program, was approved for inclusion in the committee's omnibus policy bill.

S.F. 851 removes references to sexually transmitted diseases (STDs) and replaces the terms with sexually transmitted infections (STIs). Moua said STI is the accepted, professional standard term in public health. Also, she noted, it is the infection that the state is trying to prevent, while the disease is often a result of the initial infection. Sen. Gen Olson (R-Minnetrista) said the term infection often leads one to believe the condition is curable, when it may not be. Eileen Uzarek, a school health educator, said comprehensive sexual education programs do teach which STIs are curable and which are not.

The bill also clarifies statutes relating to comprehensive sexual education programs. Current law requires districts to have at least a comprehensive, technically accurate and updated curriculum that includes helping students to abstain from sexual activity until marriage. The measure removes the reference to marriage and notes that the comprehensive curriculum is not limited to abstinence education. Moua noted that the law already requires districts to include

parents and other community members in developing the curriculum. She said the bill is designed to strike a balance between state direction for districts and flexibility for each community.

Several sexual education providers spoke in support of the bill. Lyncy Yang, a senior at St. Paul Central High School, said a comprehensive program involves parents, teachers, students and health professionals. She said the program provides information on why students choose abstinence or sexual activity and on what students who choose to be active can do to prevent pregnancy and the spread of STIs. Uzarek said abstinence is the cornerstone of any comprehensive program. Schools in the Apple Valley-Eagan-Rosemount District include 17 areas of instruction, she said, including abstinence, psychological maturation, decision making, teen pregnancy, the impacts of STIs, human anatomy, pregnancy prevention methods and the legal, emotional and social impacts of behavior. The curricula have been researched and peer-reviewed, she said. Because students have a range of backgrounds and values, Uzarek said, districts need to have a range of resources. The curricula guide toward abstinence, she said, but do not explicitly tell students they must choose that path. Teenagers like to make their own choices, Uzarek said. Jane Legwalk, a parent and nurse, said many children do not want to talk about sexuality with their parents. She said parents do have a responsibility to impart values and education their children, but that is often not enough. Andrea Palumbo said the American Red Cross uses a nationally standardized approach that stresses abstinence from sexual activity and drug use as the most effective way to avoid HIV and other STIs. The choice to abstain is affirmed, she said, while preventive behaviors for the sexually active are given equal time with abstinence. Public health nurse Donna Amidon said abstinence-only curricula alienate children from non-traditional families and can cause additional guilt and shame for children who have been sexually abused. Bob Tracy, Minnesota AIDS Project, said that HIV hits gay and bisexual men far more than any other demographic group, but they are essentially excluded in an abstinence-only curriculum designed to reduce the incidence of infection.

Members adopted an amendment, offered by Sen. Bob Kierlin (R-Winona), changing the requirement from a curriculum that includes abstinence to one that emphasizes abstinence. Sen. David Tomassoni (DFL-Chisholm) offered an amendment removing all reference to abstinence in the curriculum. He said testimony indicated that a comprehensive curriculum includes abstinence and it is redundant to specify abstinence in statute. The amendment was defeated on a 4-6 roll call vote.

Sen. Michele Bachmann (R-Stillwater) said many parents prefer an abstinence-only education and have successfully urged school districts to adopt a separate abstinence-only curriculum. She said she was concerned the bill restricts the ability of districts to offer such dual-track curricula. However, Tracy said he is unaware of any action by the Dept. of Children, Families and Learning to prohibit an abstinence-only curriculum if a district is also offering the comprehensive curriculum. No one from the department was available to comment. S.F. 851 was approved for inclusion in the omnibus bill on a 7-3 roll call vote.

Sen. Betsy Wergin (R-Princeton) offered S.F. 747, which requires districts to offer a second, abstinence-only curriculum along with the comprehensive curriculum. She said she supports the current requirement, but believes parents should have a choice in the system. In the Osseo District, she said, 50 percent of middle-school parents and 30 percent of high-school parents choose the abstinence-only track. Minnesota Family Council President Tom Prichard said many parents object to the information provided in comprehensive sexual education and favor the abstinence-only message. He also urged the panel to include references to marriage in the requirement. Prichard said marriage is the foundation of the legal and social systems. "As long as you have a sexual education mandate, give parents a choice," he said. The bill was defeated on a voice vote.

Members also approved including S.F. 481 in the omnibus policy bill. Sponsored by Sen. Steve Kelley (DFL-Hopkins), chair of the committee, the measure removes a provision in state law requiring school boards to organize on July 1. Bob Meeks, Minnesota School Boards Association, said the provision was in place for school boards elected in May,

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### Editorial Staff:

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### Photographer:

David J. Oakes

but that all boards elections are now held with the November general election. Since all boards now organize in January, he said, the July organization language is unneeded.

### Resolution of support approved

The war in Iraq dominated debate at the Mon., Mar. 24, Senate floor session. At issue was a resolution expressing support for members of the armed forces and their families.

S.R. 52, sponsored by Sen. Betsy Wergin (R-Princeton), provides that the state of Minnesota urges federal, state, and local government agencies, religious institutions, employers, schools, charitable organizations and all citizens to do all that is humanly possible to assist the families and loved ones of our armed forces members with all necessary and available support. Further, the resolution provides that the Senate pledges its support to and confidence in the United States of America its president and the men and

women of the military. Wergin said, "Never again should military personnel return to the U.S. to be greeted by anything less than they are—American heroes."

The provision expressing confidence in the president sparked considerable debate among Senate members. Sen. Sandra Pappas (DFL-St. Paul) said, "I am not confident that we are doing the right thing with a preemptive strike. I strongly support our armed services—they are doing their job. I want to have confidence in my country, I love my country, but this is creating a great split between us and our allies around the world." Sen. Steve Murphy (DFL-Red Wing) countered, "In times other than war we can all disagree with the policies of the president and the Congress, but members we have thousands of Minnesotans that are serving in active duty. If we can't stand behind the men and women and their families today, then when are we going to stand behind them?"

Sen. Becky Lourey (DFL-Kerrick) offered an amendment to delete the portion of the resolution specifying support and confidence in the president. She said, "I think it right and appropriate that we support our military and the amendment allows all of us to support the resolution."

Wergin said, "It was never my intention to divide us. This resolution is not about policy, but about support of troops. Our president is the commander-in-chief of our troops." Murphy also argued against the amendment, "I would hope we can stand behind our commander in chief. Our president needs to have our thoughts and prayers behind him. What this resolution simply states is that we are going to give our unwavering support to those people who are protecting this country." Sen. Michele Bachmann (R-Stillwater) said, "It is illogical to bifurcate our support. How can we be anything other than in support of our country and our president?"



*Members of the Hmong community stand in support as Mary Cohen, right, representing the Lao Family Community Health Programs, appeals to members of the Health, Human Services and Corrections Budget Division not to cut funding.*

Photo by David J. Oakes



# Senate Highlights

Lourey urged members to support the amendment in the interests of unity. Murphy offered an amendment to the amendment to change the word "president" to "commander-in-chief." However, upon advice from the Desk, Lourey withdrew her amendment and offered the language suggested by Murphy. The amendment was adopted on a 34-30 roll call vote.

Sen. Dean Johnson (DFL-Willmar) urged members to support the resolution. "I am a member of the armed forces. The resolution expresses our support to the families, especially the children whose parents have been deployed." Sen. Mee Moua (DFL-St. Paul) asked members to remember the men, women and children of Iraq who do not know what is happening or the politics of the war. "We talk about war, we talk about politics and winning and losing, but we don't often talk about the people whose lives are changed forever," she said.

The resolution was approved on a vote of 66-0.

In other action, members also adopted a resolution setting committee deadlines and granted final passage to a number of bills on the Consent Calendar.

S.R. 4, sponsored by Sen. John Hottinger (DFL-St. Peter), sets the committee deadlines for the legislative session. Under the resolution, April 4 is the first committee deadline, April 11 is the second deadline and the final deadline is April 29.

Seven bills were granted final passage on the Consent Calendar. S.F. 375, authored by Sen. Leo Foley (DFL-Coon Rapids), clarifies when the seizure of a motor vehicle used in a prostitution offense or to flee a peace officer occurs for purposes of the forfeiture law. S.F. 512, sponsored by Sen. Mark Ourada (R-Buffalo), removes the city of Rockford from the jurisdiction of the Metropolitan Council. H.F. 95, carried by Sen. Sharon Mark (DFL-Cottage Grove), clarifies an archaic prohibition on misrepresenting the size of awnings, paulins, wagon covers, tent, grain and hay covers, stable or tent tops. S.F. 578, sponsored by Foley, clarifies the qualifications of persons making decisions regarding civil commitments and emergency holds. S.F. 768, sponsored by Sen. Don Betzold (DFL-Fridley), revises statutes relating to the Capitol Area Architectural and Planning Board to remove redundant and obsolete

language and to simplify grammar and syntax. S.F. 726, authored by Sen. Dallas Sams (DFL-Staples), modifies municipal reporting requirements relating to the building code. S.F. 842, authored by Sen. Gen Olson (R-Minnetrista), is a technical bill making changes in provisions relating to the Dept. of Natural Resources.

Senators also met Wed., Mar. 26, to process bill introductions and the movement of bills between committees.

## Procedures debated

The Thurs., Mar. 27, floor session centered on two floor skirmishes over Senate procedures. The first debate centered on a motion by Sen. Steve Murphy (DFL-Red Wing), that the Senate refuse to concur with the House amendments to S.F. 287, the Pledge of Allegiance bill. Murphy said the bill was amended by the other body to include several provisions, one of which repeals the Profile of Learning. He said the motion not to concur would allow the bill to be sent to conference committee. Sen. Gen Olson (R-Minnetrista) urged members to vote against the motion and to concur with the other body's amendments. "The bill provides for the elimination of the Profile and sets up rulemaking to comply with the No Child Left Behind Act," Olson said.

Sen. Michele Bachmann (R-Stillwater) also urged members to defeat the motion. "For our members, this is the vote on the Profile of Learning this year. This is the vote that will count. For five years, this has been a huge issue for our state. We held a referendum on this issue, essentially, in the last election. The Profile of Learning is a failure on every front. The people have spoken and now is our chance as the people's representatives to do the people's will," Bachmann said.

Sen. Steve Kelley (DFL-Hopkins) countered that the Education Committee has a couple of bills to repeal the Profile of Learning before it. Every member will have the opportunity to vote on the Profile, Kelley said. "We need to repeal it and replace it with standards," Kelley said.

Murphy said, "I would hope that you allow the committee process to work. This is not about the Profile, but this is about the Pledge of Allegiance and this is not the bill that passed this body." Sen. Julianne Ortman (R-Chanhassen) responded, "The committee process is dysfunctional. The people want us to vote on this issue." Olson said, "The reality is that the pledge is part of instruction and

civics education. There is a reason for the Profile to be repealed and replaced by solid core curricula." The motion to send the bill to conference was adopted on a 33-32 roll call vote.

The second skirmish came upon the motion of Sen. Dave Kleis (R-St. Cloud), to withdraw S.F. 87, the drivers license bill, from committee and place the bill on General Orders. Kleis said, "The bill deals with identity theft and fraud. It does contain a provision requiring a status check on the drivers license for visitors to the U.S." He said the bill had a hearing, but was defeated on a party line vote. He said all of the opponent testimony on the bill centered on the status check provision, but that there was no attempt to amend the bill. "The bill strengthens our drivers licenses. A drivers license is the document you use for a lot of other identification purposes and it is extremely important that we tighten up the process," Kleis said.

Sen. David Knutson (R-Burnsville) urged members to support the motion. "We did have a good hearing, but we didn't spend much time on the language in the bill. If we place it on General Orders, the entire body will have the opportunity to work on it. The bill was crafted over the summer by the Dept. of Public Safety after 13 meetings with the affected groups. Let's have an orderly process where we get these bills on the floor," Knutson said.

Sen. Leo Foley (DFL-Coon Rapids), chair of the Crime Prevention Committee, opposed the motion. "An adequate hearing was held and we spent more than two hours taking testimony, but the committee rejected the bill. The committee process is one of those processes where non-members are allowed to participate. Speakers would not be available if the committee process didn't exist," Foley said. He added that the bill is couched as a kind of anti-terrorism bill, but there was little testimony on that issue.

Sen. Mee Moua (DFL-St. Paul) also spoke against the motion. "I am glad to hear Sen. Kleis and others say we should not allow the majority to impose on the minority, but all along the very essence of this bill deals with that issue. I urge members to think broadly about how the application of this bill will affect the minorities in this state."

The motion to withdraw the bill from committee failed on a 32-33 roll call vote.

# Committee update

## Agriculture, General Legislation and Veterans Affairs

### Alien ownership bill advances

Members of the Agriculture, General Legislation and Veterans Affairs Committee, meeting Mon., Mar. 24, advanced a bill loosening Minnesota's restrictions on ownership of farmland by foreigners. A vote to advance the measure with approval failed a voice vote and Sen. Steve Dille (R-Dassel), chief author of S.F. 717, moved to re-refer the bill to the Judiciary Committee without a recommendation.

Current law permits only citizens and permanent residents of the United States to own agricultural land in Minnesota. Non-citizens must maintain their residence for at least 6 months out of every consecutive 12-month period, under current statutes. Under the bill, holders of E-2 visas—from Canada or European nations—are also eligible to own dairy land, up to 1,500 acres. Holders of E-2 visas are also required to maintain their residence for at least 10 months out of 12 months, under the measure. The bill limits the eligibility of visa holders to three years, unless the visa holder is actively pursuing citizenship or status as a permanent resident.

Doug Spanier, Minnesota Dept. of Agriculture, said applicants for E-2 visas must prove to the U.S. government that they are immigrating to put their personal money at risk in a business they direct and control. The visa, he said, is conditional on operating the business. Technically, Spanier said, E-2 visa holders are not admitted for permanent residency. He said surrounding states are already ahead of Minnesota in permitting E-2 visa holders to own farmland. Iowa changed its law last year, he said. Illinois, Indiana and Michigan permit E-2 visa holders to own agricultural land, while North Dakota permits only Canadian non-citizens to own land, Spanier said. Wisconsin and South Dakota, he noted, do not have clauses requiring permanent residency status for non-citizens who wish to own farmland. The 10-month time limit is long enough to require that the alien owner will not be an absentee landlord, but will allow enough time for the visa holders to return to their homelands to visit family or deal with emergencies, such as ailing parents.

Minnesota needs to reverse the downward trend in its dairy industry, said Myron Just, executive director of the Minnesota Agri-Growth Council. The state dairy herd has shrunk 40 percent over the past decade, he said, but other states are seeing milk production grow. The bill will help the dairy industry grow, he said. Just also noted that three or four generations back almost all dairy farmers were immigrants. Chuck Wingert, Minnesota Dairy Brokers, said local and regional buyers of dairy land are hard to find. Even when he expands his scope to include the Pacific and Atlantic coast states, he said, potential buyers are hard to convince of what Minnesota has to offer. The state needs more producers, Wingert said, especially ones familiar with the climate. Interest has been shown by farmers in Canada, the United Kingdom and the Netherlands, he said. Tim McNamara, vice president of AgStar Financial Services, said the state is losing infrastructure. The effort will be successful if 10 to 15 E-2 visa holders come to Minnesota, he said. The threat to the dairy industry is not, McNamara said, E-2 farms or large farms. Rather, the threat is having too few farms to support the industry as a whole, he said. Competition from E-2 holders will be there regardless of if Minnesota lets them in, he noted, because surrounding states already are letting them in. Dennis Ritter, Minnesota Milk Association, and Chris Galler, Minnesota Association of Realtors, also spoke in support of the bill.

However, several individuals spoke against the measure and raised concerns about its effect on the dairy industry. Dan French, a dairy farmer in Dodge County, said the measure increases the competition for land. He said the bill does not help the prices or profits for any existing Minnesota farmer. French also said most E-2 farmers will be large farmers, making it harder for mid-size farmers to compete. He encouraged lawmakers to examine policies supporting management-intensive grazing, organic milk and value-added products. Herman Gabbert, a member of the Minnesota Dairy Producers Board, said the measure drives prices down and results in a subsidy for the alien farmers. He said new buyers aren't needed for farmland. "Agricultural land sells like hotcakes," he said. Tom Peterson said members of the Minnesota Farmers Union are concerned about bringing in foreigners

during a time of war and fears of terrorism. He said farmers are also concerned that E-2 farmers will be absentee landlords and will drive up the price for land, making it harder for young, local farmers to buy land.

Sen. Dallas Sams (DFL-Staples) said farmers should not take false hope from the bill. Milk prices are the real issue, he said. "It's all about price and it's all about the marketplace," he said. The bill does not solve the issue and does not save the dairy industry, Sams said. Sen. Rod Skoe (DFL-Clearbrook) questioned how the state can say it will take farmers only from Europe. "Limiting it to people with blue eyes is somewhat discriminatory," he said. However, Sen. Sean Nienow (R-Cambridge) said current law discriminates against all foreigners. Nienow said he would rather see everyone included in the bill, but the measure is a step forward. Dille showed the committee a pamphlet from 1869 encouraging Europeans to move to Minnesota. He noted the publication promoted the state's health, its hunting and fishing environment and its agricultural land. We are back at the point, Dille said. Maybe 20 farmers will come to Minnesota under the expanded law, he said, but the state loses 20 dairy farmers every 10 days.

The panel approved four other measures. S.F. 958, authored by Committee Chair Steve Murphy (DFL-Red Wing), clarifies that access to military certificates of discharge is governed by the Dept. of Veterans Affairs. The measure also prohibits the release of any files or records relating to military discharge to any person without providing proof of identity and demonstrating tangible interest as the subject of the records, the surviving spouse, child or parent of the subject or a guardian, attorney-in-fact or authorized representative. The bill was referred to the Judiciary Committee.

Three bills were advanced to the Senate floor. S.F. 990, also carried by Murphy, adopts federal rules for the certification of organic food, increases the Dept. of Agriculture's ability to provide needed services and to support the industry within the activities allowed under federal rules and extends the agency's Organic Advisory Task Force to June 30, 2005. Sen. James Metzen (DFL-South St. Paul) sponsored S.F. 971, which extends the tuition and textbook reimbursement program for members of the



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**Sen. Julianne Ortman (R-Chanhassen) greets pre-schoolers, from the Step By Step Montessori School in Chaska, in the Capitol Rotunda, Fri., Mar. 28. The students had just completed a tour of the State Capitol.**

Photo by David J. Oakes

National Guard. S.F. 982, authored by Sen. Gary Kubly (DFL-Granite Falls), requires the Veterans Homes Board to use any profits derived from the operation of wood shops at veterans homes for the direct benefit of the residents.

## **'No sale' on milk vending bill**

A bill requiring school districts with soft drink vending machines in schools to offer milk and other nutritional beverages in vending machines was defeated by members of the Agriculture, General Legislation and Veterans Affairs Committee. The panel voted against the bill, 5-7, during its Wed., Mar. 26 meeting.

Sponsored by Sen. Becky Lourey (DFL-Kerrick), S.F. 903 requires districts with soft drink vending machines to promote the consumption of nutritional beverages—defined as milk, high-calcium beverages, fruit drinks, sport drinks and drinking water—and requires the districts to assure that at least half of the beverages offered for sale are nutritional beverages. The measure also provides that nutritional beverages must not be sold at a

higher price per unit volume. Lourey said the bill is an attempt to address increasing rates of tooth decay, obesity, osteoporosis and diabetes among young people. Representatives of various health professions—including dietitians and nutritionists, dentists and pediatricians—spoke to the benefits of drinking milk and the dangers of over-consumption of soft drinks. However, Bob Meeks of the Minnesota School Boards Association said the bill represents decreased revenue for districts, an imposition of quotas on sales and a loss of local control. Bonnie Berrer, Minnesota Soft Drink Association, said the bill sets forth an admirable goal, but that market forces are already providing the choices that parents and students want, including nutritional beverages in vending machines. Juice, water and milk products are already available in many schools throughout the state, she said. New packaging and flavors have increased sales among youth, Berrer said. Pete Hill of Bernick's Pepsi-Cola said soft drink vendors are committed to their partnerships with local schools and are respond-

ing to the desire to offer nutritional beverages.

Sen. David Hann (R-Eden Prairie) said local boards are aware of the issue and trying to manage it. He offered an amendment replacing the bill's language with a requirement for the Dept. of Children, Families and Learning to study the availability of nutritional beverages in public school vending machines. The amendment was defeated on a 6-6 roll call vote. However, Lourey offered an amendment adding the study requirement to the bill. The amendment also delayed the mandates on school districts until July 2004. However, Hann said that while he agrees with promoting the health of students, the amendment does not prevent the mandates from going into place. He said he would prefer the Legislature impose any mandates after studying the department's report. The amendment was adopted on a voice vote, but the bill was defeated 5-7.

In other action, the committee, chaired by Sen. Steve Murphy (DFL-Red Wing), considered 10 other bills. S.F.

1088, sponsored by Hann, enacts the governor's recommended changes to the ethanol producer payments. The bill reduces the producer payment from 19 cents per gallon to 10 cents, requires ethanol plants receiving producer payments to disclose ownership information and provides for the recapture of two years worth of producer payments if the plant is sold. On a 10-2 vote, members adopted an amendment, offered by Sen. Dallas Sams (DFL-Staples), removing all provisions except for the two-year recapture. The measure was approved and re-referred to the Finance Committee. Hann also carried a bill, S.F. 1003, requiring plants receiving producer payments to annually submit financial information to the commissioner of agriculture. The commissioner compiles the information and reports to the Legislature on the financial condition of the industry, under the bill. The bill was defeated, 4-6. Sen. Dan Sparks (DFL-Austin) carried S.F. 1015. The measure allows the Dept. of Veterans Affairs to obtain address information from the Dept. of Revenue in order to inform veterans or their families about potential health hazards related to their military service. The bill was approved and sent to the full Senate.

S.F. 1095, authored by Sen. Julie Rosen (R-Fairmont), establishes a residency requirement for the awarding of benefits from the state soldiers' assistance fund. The bill was recommended for placement on the Consent Calendar. S.F. 1065, also carried by Rosen, is a Dept. of Agriculture technical bill recodifying state laws related to plant pests, pest control, nurseries and seeds. The bill was re-referred to the Committee on Crime Prevention and Public Safety. S.F. 905 modifies expenditure limits for upgrading feedlots to comply with federal regulations. Sponsored by Murphy, the bill was re-referred to the Environment and Natural Resources Committee.

The final four bills considered were approved for inclusion in the omnibus agriculture bill. S.F. 1096, carried by Rosen, makes state dairy, meat and food laws uniform with federal law. Sen. Rod Skoe (DFL-Clearbrook) carried a measure, S.F. 1081, allowing the sale of modified live vaccines used to prevent common beef cattle disease without a veterinarian's prescription. S.F. 1057, sponsored by Hann, eliminates a require-

ment for anaplasmosis testing. Sen. Sean Nienow (R-Cambridge) sponsored S.F. 1055, which extends a sunset date relating to emergency powers of the commissioner of agriculture.

## Commerce and Utilities

### Opt-in bill gains

A bill requiring financial institutions to get a consumer's affirmative permission to disclose nonpublic financial information to third parties gained approval of members of the Commerce and Utilities Committee Mon, Mar. 24. Sponsored by Sen. David Tomassoni (DFL-Chisholm), S.F. 810 was advanced to the Judiciary Committee on a 7-6 roll call vote.

The measure requires financial institutions to adopt an "opt-in" privacy policy with regard to the disclosure of information—including social security numbers, account numbers, account balances, credit limits, transaction amounts and dates and the identity of persons to whom checks were made payable—to third parties not marketing financial services. Consumers may also request that financial institutions provide them with the consumer's own nonpublic financial information and the procedures governing how a consumer may request the correction, amendment or deletion of information, under the bill.

Federal law, specifically the Gramm-Leach-Bliley Financial Services Modernization Act—requires financial institutions to have either an opt-in or an opt-out policy and to inform consumers what the institution's policy is. Opt-in policies require consumers to inform financial institutions with which they do business that the consumers want their information disclosed. Under opt-out policies, information will be shared unless consumers inform the financial institution they do not want the information disclosed.

Tomassoni said consumers prefer opt-in policies and find opt-out policies counter-intuitive. However, Sen. Linda Scheid (DFL-Brooklyn Park) said the bill thwarts a legitimate way of doing business. "No one has to buy anything they don't want," she said. Scheid also said that disclosures she has received have been clear about the institution's policy and opt-out forms have been easy to complete. Assistant Attorney General Erik Lindseth said that reading experts studied 17 disclosure forms and found the average

readability was at the level of a college junior or senior. Only four of the forms, he said, meet Minnesota's readability standards for insurance contracts. Many consumers cannot figure out the forms they receive, Lindseth said.

Joe Witt, Minnesota Bankers Association, said financial services are a nationwide business and should be regulated on a national level. He said he was not aware of any particular problems people have had exercising their opt-out rights. Consumers have opted out, Witt said, in some cases vigorously. Gerald Schoenfeld said the Independent Community Bankers of Minnesota are nervous about any new system that creates duality. Bob Johnson, Insurance Federation of Minnesota, said market consolidation, globalization, mergers and many other factors are making financial services firms operate in an ever-changing landscape. Minnesota will not be positioning itself well to be competitive in the marketplace with the adoption of the legislation, he said. Johnson noted that many insurance companies headquartered in Minnesota have executives that report to boards in Europe. Opting out is not hard, he said, and the opt-out system works.

However, Sen. Steve Kelley (DFL-Hopkins) noted that opt-in is the standard in Europe. "Why should a German consumer have more protection than a Minnesota consumer," Kelley asked. Johnson said Minnesota should not aim to duplicate the European insurance market. He also said that opt-out is not less protection for consumers.

Kelley said the value of the information depends on the amount of work a consumer has done to establish credit, accumulate wealth and build earning power. He said the issue is really one of property rights. Who should get the value of the information—the financial institution or the consumer—is the question, Kelley said. However, Sen. Mady Reiter (R-Shoreview) said opt-out works well and changing the law represents a cost for financial firms. "This is not the time to be looking at insignificant changes," she said.

In other action, the committee, chaired by Sen. Ellen Anderson (DFL-St. Paul), also considered three other bills. S.F. 420, sponsored by Sen. Charles Wiger (DFL-North St. Paul), modifies regulations governing travel clubs. The bill extends the time under which the buyer has a right to cancel a membership travel



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contract from 3 days to 10 days and requires consumers to be given both written and oral notice of the right to cancel. The measure also requires membership travel operators to disclose a range of information about the club operator to consumers if the membership travel contract exceeds \$500. Under the bill, consumers must be given oral notice of the name and address of the membership travel operator, the length of time the operator has been in business, the percentage of purchasers during the previous two years who requested a refund or filed a complaint and whether the operator uses a third-party travel agent to make travel arrangements. The measure also provides that the same information be provided in writing, along with contact information about the third-party travel agent and any legal actions taken against the operator, its principal owners, directors and executives. Wiger said the bill is aimed at travel clubs that market to individuals claiming they have won a free trip to Florida or Las Vegas and then require the consumer to join the travel club and pay significant sums of money. The bill was advanced to the Senate floor.

Sen. Steve Murphy (DFL-Red Wing) authored S.F. 716. The bill requires gas, heating, ventilation, cooling, air conditioning, fuel burning and refrigeration contractors to give a bond to the state in the amount of \$25,000 for the benefit of persons suffering financial loss by reason of the contractor's failure to comply with the state mechanical code. Under the bill, the bond is filed with the secretary of state and is in lieu of bonds required by local units of government. Murphy said the measure eliminates an administrative burden on political subdivisions. The bill was re-referred to the Committee on Finance. Members also considered S.F. 808, carried by Sen. Linda Berglin (DFL-Mpls.), which regulates point of purchase debit entries. After some discussion, the committee chose to lay the bill on the table for consideration by the Subcommittee on Banking and Consumer Protection.

## Energy bills discussed

Three bills related to energy topped the agenda of the Commerce and Utilities Committee at the meeting Wed., Mar. 26. No action was taken on the measures, but members reviewed the bills and discussed various provisions.

S.F. 733, authored by Sen. Steve Kelley (DFL-Hopkins), declares the goal of moving Minnesota to a hydrogen energy economy, provides for incentive payments for producing qualified hydrogen, supports research and development related to hydrogen energy, provides a sales tax exemption for hydrogen and hydrogen fuel cells and provides an exemption from the motor vehicle excise tax for hydrogen-fueled vehicles.

S.F. 1017, sponsored by Sen. Linda Higgins (DFL-Mpls.), requires the Public Utilities Commission to establish a fund for reimbursing the state and other public entities for health costs associated with coal-fired power plants that have not installed the best available control technology or were constructed prior to 1975 and have not been brought into compliance with standards promulgated under the federal Clean Air Act. S.F. 1032, also carried by Higgins, requires coal-fired power plants to install pollution control equipment by 2010.

## Prairie Isl. discussion continues

The Commerce and Utilities Committee held an evening hearing Thurs., Mar. 27, to continue hearing proponents and opponents on issues relating to nuclear waste storage at the Prairie Island nuclear facility.

The committee, chaired by Sen. Ellen Anderson (DFL-St. Paul), also discussed two additional bills. S.F. 928, authored by Anderson, enacts residential customer protections and prohibits disconnection during heat advisories. S.F. 606, sponsored by Sen. David Tomassoni (DFL-Chisholm), establishes a permanent pilot program for promoting cleaner, innovative energy sources and strategic economic development. The measure also provides financial and regulatory incentives and authorizes customers to purchase power supply services from the pilot projects.

No formal action was taken on either measure.

## Energy bills heard

The Fri., Mar. 28, meeting of the Commerce and Utilities Committee was devoted to discussion of a variety of energy bills. Committee Chair Ellen Anderson (DFL-St. Paul) said that the purpose of the hearing was to hear the bills and then begin assembling an

omnibus energy bill at hearings next week. Members did make an exception for two bills. S.F. 300, authored by Sen. Steve Kelley (DFL-Hopkins), extends the maximum duration of guaranteed energy savings contracts from 10 to 15 years under the uniform municipal contracting law. S.F. 301, sponsored by Kelley, authorizes the commissioner of administration to enter into guaranteed savings contracts with qualified providers for evaluation, recommendation and installation of utility cost savings measures to reduce utility or operating costs. Both measures were approved and re-referred to the State and Local Government Operations Committee.

The balance of the bills on the agenda, though, were discussed and laid aside for further consideration.

S.F. 995, sponsored by Sen. Gary Kubly (DFL-Granite Falls), establishes criteria for use in determining the value of environmental and socio-economic costs of electricity generation from outside the state in order for the Public Utilities Commission to decide between resource options. S.F. 866, carried by Sen. Dallas Sams (DFL-Staples), exempts small municipal utilities from conservation reporting requirements and authorizes the use of conservation funds for refurbishing municipal district heating and cooling systems. S.F. 1228, sponsored by Anderson, clarifies ownership and location requirements for small wind energy conversion systems that qualify for the renewable energy production incentive and provides funding for the incentive from an assessment on electric utilities. The measure excludes very small systems from the overall limit.

S.F. 135, sponsored by Sen. Sheila Kiscaden (IP-Rochester), adds the energy recovery of the heat value of solid waste or refuse-derived fuel to the definition of renewable energy sources. S.F. 802, authored by Sen. Dan Sparks (DFL-Austin), requires at least two members of the Public Utilities Commission to be from outside the Metropolitan Area.

## Liquor licensing proposals heard

Members of the Commerce and Utilities Subcommittee on Liquor began compiling the omnibus liquor bill, Fri., Mar. 28. Chaired by Sen. Sandra Pappas (DFL-St. Paul), the panel approved several proposals for additional liquor licenses in communities across the state.

Additional liquor licenses were requested by several local units of government, including Blaine, Duluth, Elko, Hastings, St. Michael, Sartell, Maple Grove, Minneapolis and Woodbury. Members also approved requests for liquor licenses for theaters, including the Historic Pantages, Guthrie Lab, Jungle Theater and Southern Theatre in Minneapolis and the Centennial Showboat in St. Paul.

The panel also considered two measures—S.F. 1168, sponsored by Sen. Linda Higgins (DFL-Mpls.), and S.F. 143, sponsored by Pappas—repealing the statute setting limits on liquor licenses for local units of governments. S.F. 143 also permits brewpubs to sell their products off-sale and will be used as the vehicle for the omnibus liquor legislation. Two measures authored by Sen. Steve Murphy (DFL-Red Wing) were also approved for inclusion in the omnibus bill. S.F. 307 authorizes the commissioner of public safety to issue a license for the sale of Minnesota-produced wine at the State Fair and S.F. 340 permits the on-going sale of Minnesota-produced wine at the State Fair.

Members also approved an amendment, offered by Sen. Sheila Kiscaden (IP-Rochester), repealing the limits on local issuance of liquor licenses for restaurants, hotels and bowling alleys. The limit essentially applies the statutory limits only to bars. Kiscaden said that since so many communities seek increases in the current limits for economic development purposes, such as encouraging new restaurants and hotels, local governments should be given more authority to use liquor licenses as an economic development tool. The panel advanced the omnibus liquor bill to the full Commerce and Utilities Committee.

## Crime Prevention and Public Safety

### Seat belt bill advanced

A bill making failure to wear a seat belt a primary offense was approved at the Mon., Mar. 24, meeting of the Crime Prevention and Public Safety Committee. The bill, S.F. 943, authored by Sen. Steve Murphy (DFL-Red Wing), provides that a peace officer may stop a vehicle and issue a citation for a seat belt violation. Current law provides that a seat belt violation is a

secondary offense and may only be cited when peace officers stop the vehicle for another violation.

A number of individuals spoke in support of the measure. Gary Wingrove, a paramedic, said, "Car crashes are the leading cause of death from accidents." Julie Philbrook, of Hennepin County Medical Center, said, "Seatbelts are the most important factor in preventing ejection from the vehicle in a car crash." She said in other states, when seat belts were made a primary offense, seat belt compliance jumped 10 to 15 percent. Edward Rice, Jr. said the measure makes sense from an insurance standpoint. "The bill's only intent is to save lives," Rice said. He also spoke to the issue of racial profiling. "Issues of discrimination are not related to seat belt use," Rice said, "Discrimination can occur with or without law."

Committee Chair Leo Foley (DFL-Coon Rapids) also spoke in support of the bill. He said he had been working on the issue for a number of years. Studies in other states show enforcement of seat belt laws are not a discrimination problem, he said. He also said the amount of fine is also a factor in seat belt compliance. He offered an amendment to raise the fine in the bill from \$25 to \$50. Members adopted the amendment.

Satveer Chaudhary (DFL-Fridley) spoke in opposition to the measure. He said, "Minnesota's compliance is already 80 percent, what problem are we trying to solve?" He added, "There is concern about being pulled over illegitimately. We are creating far more danger by passing a primary offense law. It is better to take steps to increase education about seat belt use." Sen. David Knutson (R-Burnsville) and Sen. Mike McGinn (R-Eagan) urged support. "Anything can be used for ill purposes, but passing a primary offense bill is for the greater good," McGinn said.

The measure was approved and re-referred to the Finance Committee.

Members also approved a bill requiring a permit from the state fire marshal for indoor fireworks displays. S.F. 735, authored by Sen. Wesley Skoglund (DFL-Mpls.), also requires the permit application to be made at least 15 days in advance of the date of performance and requires notice to be given to inform patrons of the display. Skoglund said the bill is in response to the tragic fire in Rhode Island and to an incident at a club

in Minneapolis. He said the bill clarifies who is responsible for obtaining a permit and clarifies state law. The measure is supported by the fire chiefs association, he said. Testifying in opposition to the measure, Steve Coleman, RES Specialty Pyrotechnics, said current law provides adequate safeguards. The bill was approved and advanced to the Finance Committee.

A second bill sponsored by Skoglund, S.F. 355, also gained committee approval. The measure creates a gross misdemeanor penalty for fifth degree arson where there is bodily harm as a result of the arson. The measure was also re-referred to the Finance Committee.

S.F. 960, carried by Foley, allows for aggregation of prostitution offense prosecutions against those who promote prostitution. The measure was approved and advanced to the Finance Committee. Finally, a bill clarifying provisions relating to property manager background checks was approved and recommended for placement on the Consent Calendar. S.F. 926 is authored by Sen. John Marty (DFL-Roseville).

### Identity bills discussed

Bills dealing with identity and identity theft occupied the attention of the Crime Prevention Committee members at the hearing Wed., Mar. 26. A bill revamping drivers license and identity card rules and procedures generated considerable discussion. S.F. 87, authored by Sen. Dave Kleis (R-St. Cloud), establishes standards for proving identity and residency and increases the penalty for falsifying a license. Much of the discussion revolved around a provision requiring a "status check" date on drivers licenses issued to temporary visitors in the U.S. who apply for a license or ID card. Under the bill, the date corresponds to the authorized length of stay in the country.

Kleis said, "The goal of this bill is to tighten drivers license and identity card rules and procedures and to comply with federal homeland security law. Identity theft is a huge problem and a drivers license is the primary document that people use for identification." The main provision of the bill is the proof of identity and residence, he said. Kleis said, "The status check only applies to those visitors to the U.S. who choose to get a license. Visitors may drive with a valid license from another state or country."



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Supporters of the bill said the measure is important because of the issue of identification verification. Brian Erickson, Minnesota State Patrol, described the procedures for checking if the status check date has passed when an individual is stopped for another violation. Patricia McCormick, Dept. of Public Safety, also spoke in support of the bill and detailed the various provisions. A number of other representatives of law enforcement spoke in support also.

Opposition centered on the status check provision. Rabbi Morris Allen said, "Marking a drivers license will do nothing to protect America from terrorism, but will cause terror to those who are already marginalized in society." Peter Nikitas,

representing Jewish Community Action and the National Lawyers Guild, said, "The bill targets politically weak, non-white population to provide an illusion of safety for the majority." Other speakers said there was a legitimate concern that the provision will lead to harassment.

Kleis responded that the measure provides minimum standards to have adequate identification and that the main reason for the bill was the prevention of identity theft. Sen. Mee Moua (DFL-St. Paul) countered, "Although I appreciate the tone of the discussion in the hearing today, the reality is that the issue was a campaign issue framed in the rhetoric of terrorism and a whole range of issues have been hung on the bill."

The bill failed to gain the committee's approval on a voice vote.

A bill limiting the rulemaking authority of the commissioner concerning drivers licenses was approved by the committee. S.F. 1102, authored by Moua, specifies that in exercising rulemaking authority, the commissioner may not, in the absence of legislative direction, include personal information that is not explicitly authorized. The bill also requires the issuance of a duplicate driver's license or ID card that does not bear a status check notation upon surrender of a license or ID that does contain the notation. The bill was referred to the State and Local Government Operations Committee.



Senators Betsy Wergin (R-Princeton), left, and Steve Murphy (DFL-Red Wing) strategize on a resolution they drafted to show support for American troops in Iraq.

Photo by David J. Oakes

In other action, the committee did advance several bills relating to the prevention of identity theft. S.F. 969, authored by Sen. Ann Rest (DFL-New Hope), prohibits the use of electronic scanning devices to capture encoded information from a credit or other financial transaction card. Rest said the practice of “skimming” credit cards and using the information to defraud the card owner is rapidly increasing. The bill makes it a crime to engage in skimming activity. The bill was approved and re-referred to the Finance Committee. S.F. 514, sponsored by Sen. Wesley Skoglund (DFL-Mpls.), creates the crime of mail theft. Skoglund said the measure is also aimed at identity theft prevention. He said it has become the practice for thieves to take credit card offers from mailboxes, apply for the card with a different address and run up thousands of dollars in fraudulent purchases. He said the person whose name was taken may not know for sometime that the theft has occurred. The bill also allows prosecutors to aggregate the value of money and property obtained through identity theft over a six month period. The bill was also approved and re-referred to the Finance Committee. S.F. 980, authored by Committee Chair Leo Foley (DFL-Coon Rapids), provides reporting procedures and venue for identity theft. Specifically, the bill allows victims to report the crime to the law enforcement agency where they live, regardless of where the crime occurred. The bill was also approved and re-referred to the Finance Committee.

Finally, members approved a bill, S.F. 646, sponsored by Foley, creating a five-year felony for interfering with emergency communications. The bill was re-referred to the Finance Committee.

## Education

### Special ed pilot program okayed

This fall, Rochester and three other school districts will be able to waive five special education requirements as part of a pilot program approved by members of the Education Committee during their Tues., Mar. 25, afternoon meeting. The panel, chaired by Sen. Steve Kelley (DFL-Hopkins), used the hearing to continue compiling an omnibus policy bill.

S.F. 399, sponsored by Sen. Sheila Kiscaden (IP-Rochester), permits the four districts to waive special education

requirements imposed by the state that exceed federal requirements. The waived requirements include pre-referral interventions, special instruction in nonpublic schools, transitional services, community transition interagency committees and coordinated interagency services. Rochester Superintendent Jerry Williams said the district and its teachers are interested in finding out if waiving certain mandates will improve efficiency while still meeting the needs of special education students and parents. However, Sen. Michele Bachmann (R-Stillwater) said she was concerned about the waiver for services to nonpublic school students. “Something will be lost in the nonpublic sector for parents to enforce equal access to services,” she said. She said she agreed that districts need flexibility, but parents also need enforcement mechanisms. The only families giving up their enforcement powers, she said, are nonpublic school families. Bachmann offered an amendment deleting the nonpublic waiver. Kiscaden said the Rochester School District has a strong relationship with parents in both public and nonpublic schools and with the nonpublic systems. The district wants to tailor programs to the individual needs of families, she said. The amendment was defeated. Other members of the panel said they were not comfortable with the bill and its effect on families and students. However, Kiscaden said the proposal is an opportunity to do a little less with regard to non-core services. In other areas of the budget, she said, the state is telling families they will have to endure cost increases even for core services. We cannot afford all the bells, whistles and guarantees we used to be able to afford, Kiscaden said. S.F. 399 was approved for inclusion in the omnibus policy bill, 7-3.

Members also approved three other measures for inclusion in the omnibus bill. S.F. 577, carried by Sen. Yvonne Solon (DFL-Duluth), permits the Duluth School Board to reduce its at-large membership from five to three, thereby reducing its full membership from nine to seven members. Sen. Gen Olson (R-Minnetrista) sponsored S.F. 491, which permits the creation of a lifetime qualified short-call substitute teaching license for retired licensed teachers. S.F. 424, authored by Sen. John Hottinger (DFL-St. Peter), changes the definition of middle school from a school with three consecutive grades, between

fifth and ninth grade, to a school with two consecutive grades.

Kiscaden also carried a bill permitting the Rochester School District to begin its school year before September 1. S.F. 391 was not approved for inclusion in the policy bill.

### State library board bill gains

A bill removing the authority to coordinate library services in Minnesota from the Dept. of Children, Families and Learning and placing the authority in a newly-created library board cleared its first committee hurdle, Thurs., Mar. 27.

S.F. 861, authored by Sen. Rod Skoe (DFL-Clearbrook), establishes a state library board of 11 members, establishes the duties of the board and transfers personnel from the department to the board. Peter Pearson, president of the Friends of the St. Paul Public Library, said citizens are passionate about their libraries. Nationwide, he said, polls show libraries are used by 70 percent of the population. Dakota County Library Director Bill Asp said the K-12 education focus of CFL often handicaps the library personnel in the department. Establishing a library board will improve communication with the Legislature and improve oversight of library issues, he said. Asp said the federal government and local library officials have expressed concern that Minnesota may lose its eligibility to receive federal funds—about \$3.2 million annually—if CFL makes further cuts to library services. However, Jim Bartholomew said the department does not support the bill. The costs of supporting a separate board are not part of the governor’s budget proposal, he said. S.F. 861 was re-referred to the Committee on State and Local Government Operations.

Members of the Education Committee also voted to include two measures in the omnibus education policy bill. Sen. Geoff Michel (R-Edina) sponsored S.F. 611, which expands the list of eligible charter school sponsors to include chambers of commerce that have been established for at least 25 years. The bill also requires that the school being sponsored have been in operation for at least three years while being sponsored by another entity. S.F. 450, carried by Sen. Sheila Kiscaden (IP-Rochester), requires school districts to grant leaves of absence, of no longer than five years, to teachers who wish to teach in charter schools. The



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bill also permits school districts to extend the leaves at the discretion of the school board. Current law requires districts to grant leaves and extensions without time limit. The panel also heard S.F. 721, authored by Sen. Sharon Marko (DFL-Woodbury), which requires districts to grant two-year leaves of absence and does not provide for extensions. Because the measures were similar, committee members asked the authors to reach a compromise. Marko and Kiscaden, along with stakeholders, agreed to advance the language in S.F. 450. "This is not a perfect solution, but it is a start," said Marko.

In other action, the committee began consideration of three bills, but laid the measures over for further consideration. S.F. 1025, carried by Sen. Leo Foley (DFL-Coon Rapids), amends charter school requirements by requiring local school boards to approve the location of a charter school within the district and by prohibiting the formation of corporations designed solely to own a school building. Sen. Steve Kelley (DFL-Hopkins), committee chair, sponsored two bills. S.F. 799 provides a roadmap to guide school districts in the process of converting an existing school into a district-sponsored charter school. S.F. 800 provides for the creation of specialized sponsoring organizations to sponsor new schools.

## E-12 Education Budget Division

### Discussion continues

Members of the E-12 Education Budget Division, chaired by Sen. LeRoy Stumpf (DFL-Thief River Falls), met Tues., Mar. 25, Wed., Mar. 26, and Thurs., Mar. 27, to continue their discussion of S.F. 752. Authored by Sen. Gen Olson (R-Minnetrista), the measure is the governor's budget proposal for family, early childhood and K-12 education programs.

## Environment and Natural Resources

### OHV bills heard

Members of the Environment and Natural Resources Committee met Mon., Mar. 24, to consider four measures relating to off-highway vehicles (OHVs). The panel, chaired by Sen. John Marty

(DFL-Roseville), discussed the bills but took no action.

S.F. 584, sponsored by Sen. Thomas Bakk (DFL-Cook), creates mandatory and exempt activities for environmental review of OHV trails and facilities and provides funding for OHV local enforcement and public education activities, OHV trail development and an Iron Range OHV recreation area. S.F. 850, authored by Marty, increases the restrictions on the use of OHVs and requires an OHV operator to carry an educational certificate for OHV operation on public lands. The measure gives the Dept. of Natural Resources enforcement authority, limits the use of OHV on public lands to designated trails and expands the usage of money in dedicated OHV accounts to include increased enforcement, restitution for property damage and increased grants-in-aid for local safety and maintenance activities. Grant-in-aid trail funding must be terminated if a recipient violates legal or contractual requirements, under the bill.

Sen. LeRoy Stumpf (DFL-Thief River Falls) carried S.F. 965. The bill provides for the designation of existing OHV trails by Jan. 1, 2006, and exempts certain trail designations from environmental review. The measure directs the Dept. of Natural Resources to enter into agreements with private individuals to assist with maintaining, improving and monitoring trails in state forests. The bill also provides funding for OHV local enforcement and public education activities, trail development and an Iron Range OHV recreation area. Members also considered legislation, not yet introduced, sponsored by Sen. Scott Dibble (DFL-Mpls.). The proposal increases restrictions on the use of OHVs and requires an operator certificate for any use of an OHV except for operation on a legal public or private road. The Dept. of Natural Resources is given authority to enforce OHV laws, under the proposal, and OHV operation in roadside ditches is limited. The measure also provides restrictions for grants-in-aid and provides for cuts in grants-in-aid if the grantee violates laws or the grant agreement.

### OHV discussion continues

A bill attempting to move the state forward in the designation of off-highway vehicle trails and in the regulation of off-highway vehicles dominated the Wed., Mar. 26, meeting of the Environment and Natural Resources Committee.

Assistant Commissioner Brad Moore, Dept. of Natural Resources, did not speak directly to the bill, but he highlighted several areas the department considers crucial to moving forward on the establishment of off-highway vehicle (OHV) trails. Moore said any legislation should include a provision for the Environmental Quality Board to make rules relating to OHVs. Rulemaking is necessary, he said, to increase the law's clarity and thereby reduce litigation related to OHV trails. Legislation should also address funding repairing damages on trails, Moore said. He said the department already has the authority to use dedicated OHV funds to improve and maintain trails, and can close trails as well. However, Moore said, the department recognizes that OHV operator groups do not want dedicated funds used for damage repairs, because then the money is not being used for trail development. Moore said one option is the creation of a separate damage fund. Trails need to be designated quickly, he said. Moore urged the panel to consider granting the DNR authority to provisionally designate and close trails. He said the state should also maintain consistency of regulations across ownerships. Riders should be able to know the rules easily and the department should be able to enforce the rules consistently, he said. Moore said the biggest impediment to getting trails on the ground has been litigation that has diverted department resources and slowed the designation process.

S.F. 850, carried by Committee Chair John Marty (DFL-Roseville), restricts the use of off-highway vehicles on state land to designated trails and provides for enforcement of state laws regarding off-highway vehicles by the Dept. of Natural Resources. Marty said there is no easy way to address conflicting interests on the issue. Members adopted an amendment, offered by Marty, making technical corrections to the bill and clarifying language in the measure. Marty also offered an amendment providing for provisional designation of trails in state forests. Under the amendment, at least one half of state forests must be reviewed for trail designation by June 1, 2005. Trails provisionally designated by the commissioner of natural resources are temporarily exempted from environmental review requirements for two years, and any litigation challenging trail designation



**Sen. Don Betzold (DFL-Fridley) scrutinizes a bill during an Environmental and Natural Resources Committee hearing, Wed., Mar. 26.** Photo by David J. Oakes

stops the two-year clock, under the amendment. Marty said the amendment is an effort to get trails designated quickly while giving the department enough time for required environmental review. However, Ray Bohn of the All-Terrain Vehicle Association of Minnesota said the amendment appears to offer only temporary trails. He said OHV groups have been dealing with the DNR for 15 years in an attempt to get trails permanently designated.

The amendment does not guarantee the establishment of any permanent trails, Bohn said, but will only push back litigation by two years. However, Marty

said the amendment provides for provisional trails that will go through the environmental review process during the two-year suspension of review requirements and then be permanent trails. Sen. Thomas Neuville (R-Northfield) said the amendment should require a certain mileage of trails to be designated by the department. Moore said the amendment sets an aggressive pace for going through the state's forests, but that the department could designate between 300 and 500 miles of trail this year. Ron Potter, DNR, said the department could designate a total of 2,500 miles by the end of 2005. The amendment was defeated.

Sen. LeRoy Stumpf (DFL-Thief River Falls) offered an amendment that included features from three separate OHV bills. The amendment provides for registration of off-highway motorcycles, provides for civil citation authority in enforcing OHV laws and clarifies when environmental assessment worksheets are required and when trail designations are exempted from environmental review. However, Marty said the amendment is not much of a compromise. He noted that it is missing good provisions from the original bill—including a hotline offering trail condition information for OHV operators and a mechanism for reporting



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violations and damages, the creation of a criminal offense for operating an OHV on trails designated for only non-motorized use and protections for wetlands. Sen. Dennis Frederickson (R-New Ulm) also questioned exempting existing trails shorter than 25 miles from the environment assessment process. He said the exemption is appropriate for some trails and is not appropriate in other cases. The panel laid the amendment and the bill on the table.

In other action, the committee approved a bill relating to individual sewage treatment system (ISTS) contractors. S.F. 730, authored by Sen. Tom Saxhaug (DFL-Grand Rapids), increases the license fee for ISTS professionals to \$200 per year, places a \$25 surcharge on the sale of ISTS tanks and directs the commissioner of the Pollution Control Agency to propose a structure for an industry oversight board. The measure also provides that revenue from the license fee and tank surcharge be dedicated to administration of the ISTS program. S.F. 730 was approved and referred to the Finance Committee.

## Omnibus land bill assembled

The Environment and Natural Resources Subcommittee on Public Lands and Waters met Fri., Mar. 28, to assemble the omnibus land bill. The vehicle for the omnibus bill, S.F. 935, authored by Sen. Tom Saxhaug (DFL-Grand Rapids), subcommittee chair, was amended to include a variety of bills sponsored by other members. One bill, however, was advanced to the full Environment and Natural Resources Committee because it needs to be re-referred to an additional committee. S.F. 465, authored by Sen. Thomas Bakk (DFL-Cook), modifies the lease rates for certain land in Cook County.

The remainder of the items on the agenda were amended into the omnibus bill. S.F. 352, also sponsored by Bakk, reconveys land in Cook County. S.F. 1002, a third bill sponsored by Bakk, provides for the sale of tax-forfeited land in Koochiching County. S.F. 277, carried by Sen. David Tomassoni (DFL-Chisholm), provides for a trust fund land exchange in St. Louis County. S.F. 719, sponsored by Sen. Claire Robling (DFL-Jordan), provides for a surplus state land sale in Scott County. S.F. 516, carried by Saxhaug, conveys surplus state land in

Baudette. S.F. 1184, also sponsored by Saxhaug, provides for tax forfeited land sale in Itasca County.

The omnibus bill makes additions and deletions from various state parks, forest and wildlife management areas and provides for surplus state land sales. The bill, S.F. 935, was approved and referred to the full Environment and Natural Resources Committee.

## Game and fish provisions okayed

The Environment and Natural Resources Committee, chaired by Sen. Tom Saxhaug (DFL-Grand Rapids), met Fri., Mar. 28, and approved an omnibus game and fish bill. S.F. 887, carried by Saxhaug, makes numerous changes in provisions governing game and fish. The bill provides for the suspension of game and fish license and permit privileges under certain circumstances, modifies game license provisions and modifies fish possession restrictions. The bill was amended to include S.F. 23, authored by Sen. Yvonne Solon (DFL-Duluth). The bill provides for an education program on the dangers of lead sinkers. Members also amended the omnibus bill to include the provisions of S.F. 474. The bill, authored by Sen. Paul Koering (R-Fort Ripley), provides a licensing exemption to supply turtles for nonprofit turtle racing.

## Environment, Agriculture and Economic Development Budget Division

### AURI budget reviewed

The Tues., Mar. 25, meeting of the Environment, Agriculture and Economic Development Budget Division was devoted to reviewing the budgets of the Agriculture Utilization Research Institute (AURI) and Minnesota Technology.

Members, chaired by Sen. Dallas Sams (DFL-Staples), reviewed the mission, history and budget detail of both AURI and Minnesota Technology. AURI was created in 1987 and is charged with the identification and expansion of markets for new or existing commodities, ingredients and products. AURI also aids the development of new uses or value improvements for Minnesota agriculture commodities and the development of more efficient resource saving practices. Minnesota Technology was formed in

1991 and provides aid to manufacturing and technology companies by providing expertise and tools critical to understanding and leveraging technology.

## DNR, BOWSR budgets heard

Members of the Environment, Agriculture and Economic Development Budget Division met Wed., Mar. 26, to complete their review of the Dept. of Natural Resources budget. The panel, chaired by Sen. Dallas Sams (DFL-Staples), also considered the governor's budget proposal for the Board of Water and Soil Resources.

## Science Museum discussed

The Environment, Agriculture and Economic Development Budget Division, chaired by Sen. Dallas Sams (DFL-Staples), devoted the Thurs., Mar. 27, hearing to reviewing the governor's budget proposal for several institutions. Members discussed the budget proposals for the Science Museum, the Office of Environment Assistance, the Bureau of Mediation Services and the Horticulture Board.

## Finance

### Four bills approved

Members of the Finance Committee met briefly Fri., Mar. 28, to consider four bills. All of the measures advanced to the Senate floor.

Committee Chair Richard Cohen (DFL-St. Paul) explained that two measures considered by the committee were purely transportation policy issues. He said that because the Transportation Policy and Budget Division is a part of the Finance Committee, transportation policy matters are in the full committee's jurisdiction. S.F. 314, sponsored by Sen. David Gaither (R-Plymouth), eliminates a sunset date relating to the operation of school buses by child care providers. S.F. 791, carried by Sen. Michelle Fischbach (R-Paynesville), clarifies requirements on the display of headlights and taillights.

The panel also recommended two measures for placement on the Consent Calendar. Sen. John Hottinger (DFL-St. Peter) carried S.F. 533, which provides an exception to the nursing home construction moratorium. Hottinger said a nursing home in St. Peter is being replaced as part of a construction project with the commu-

nity hospital. Originally, he said, the nursing home was going to be operated by a partnership between the Good Samaritan Society and the community hospital. However, the partnership has fallen through and the community hospital intends to proceed with the nursing home, Hottinger said. S.F. 993, authored by Sen. Linda Berglin (DFL-Mpls.), relates to county nursing homes Medical Assistance intergovernmental transfer payments. The proposal was part of the governor's supplemental budget reconciliation plan, she said. However, the savings cannot be achieved through unallotment, so legislation is necessary, Berglin said.

## Health and Family Security

### Groundwater protection bill ok'd

Members of the Health and Family Security Committee met Tues., Mar. 25, to take action on a bill designed to improve protection of groundwater in Minnesota. Sponsored by Committee Chair Becky Lourey (DFL-Kerrick), S.F. 782 provides that the Dept. of Health, rather than the Dept. of Agriculture, have the responsibility for evaluating the presence of pesticides in groundwater. The measure also modifies the definition of pollutant, provides for public access to pesticide application records and increases the pesticide registration fee. Lourey said the state faces a serious challenge in keeping groundwater safe and the bill is a step toward meeting the challenge.

John Currey of the Minnesota Center for Environmental Policy and Dr. David Wallinga of the Institute for Agriculture and Trade Policy spoke in support of the measure. Wallinga said, "Pesticides are poisonous and there is a presumption that pesticides are toxic to people. Clean groundwater is an initiative to protect children's health." Currey said, "There is scientific evidence linking pesticides and a variety of diseases, and pesticides are ubiquitous in groundwater."

Members adopted an author's amendment that altered the original bill and reinstated the Dept. of Agriculture as the agency responsible for monitoring groundwater. Greg Buzicky, Dept. of Agriculture, said the bill was improved by the adoption of the amendment. He said the department has one of the best monitoring programs in the country. Bruce Kleven, speaking on behalf of several grain growing organizations, said

the organizations he represents are opposed to the bill. He said levels of detection of pesticides in groundwater have gone from parts per million to parts per trillion. Further, he said pesticides have already gone through EPA and state approval processes.

After considerable discussion about fees and the amounts raised by the bill, members approved the measure and re-referred the bill to the Judiciary Committee.

Members also approved two additional bills. S.F. 972, authored by Sen. Thomas Neuville (R-Northfield), modifies a number of child support enforcement provisions. Neuville said several of the changes were needed to comply with federal law. The measure was approved and re-referred to the Environment and Natural Resources Committee.

A bill recodifying provisions of the Dept. of Human Services Background Studies Act to improve readability and comprehension was also approved. The bill, S.F. 790, sponsored by Sen. Sheila Kiscaden (IP-Rochester), was recommended for placement on the Consent Calendar.

### MFIP extensions advance

A bill providing eligibility extensions for the Minnesota Family Investment Program (MFIP) and the food assistance program was approved at an evening hearing Wed., Mar. 26, by the members of the Health and Family Security Committee.

S.F. 335, authored by Sen. Linda Berglin (DFL-Mpls.), extends the food assistance program to noncitizens who are 50 years of age or older beyond the current cut-off date of July 1, 2003. The measure also deletes current language that requires counties to count \$100 of the value of public housing subsidies as unearned income for MFIP purposes. In addition, the bill alters the 60-month time limit exceptions to include certain participants. The bill also adds an extension for participants who have complied with the program, but have not obtained employment that results in a wage equal to or exceeding 120 percent of federal poverty guidelines.

Berglin said she wanted to place the eligibility extensions before the Finance Committee. "Obviously, when the bill gets to Finance, some hard choices will have to be made. The TANF budget is very challenging this year," Berglin said.

Linden Gawboy of the Welfare Rights Committee, Minh Ta of the Children's Defense Fund and Karen Kingsley of the Affirmative Options Coalition spoke in support of the bill. Gawboy said, "It's right to prevent hunger and it is right to prevent homelessness. The current \$100 cut is a dramatic decrease in income for a two person family." Kingsley said the bill strengthens those aspects of the program that are helping people move out of poverty.

Sen. Sheila Kiscaden (IP-Rochester) said, "We seem to revisit some issues every year. This proposal, in particular, cannot be done with our limited resources." Berglin responded that although there are going to be difficult choices made, she wanted the bill to be before the Finance Committee in order to do as much as possible.

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

Members, chaired by Sen. Becky Lourey (DFL-Kerrick), devoted the remainder of the meeting to hearing public testimony on Article I of the governor's health and human services budget bill.

### Nursing facilities discussed

The Thurs., Mar. 27, meeting of the Health and Family Security Committee was devoted to consideration of several bills relating to nursing facilities and a measure allowing pharmacists to administer influenza and pneumococcal vaccines.

S.F. 448, sponsored by Sen. Sheila Kiscaden (IP-Rochester), modifies nursing facilities regulatory requirements and standards. The measure expands the temporary rule waivers for nursing facilities, establishes a standard for checking incontinent residents, authorizes an informal dispute resolution process and allows nursing homes participating in the alternative payment system to develop their own quality improvement process. Kiscaden offered an amendment that eased concerns of several individuals who opposed the original provision relating to temporary rule waivers. Members discussed various provisions of the bill and heard testimony on the measure. The bill was laid over for further discussion.

In other action, the committee, chaired by Sen. Becky Lourey (DFL-Kerrick), approved a bill authorizing pharmacists to administer influenza and pneumococcal vaccines. S.F. 574,



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authored by Sen. Linda Higgins (DFL-Mpls.), expands the scope of practice for pharmacists to participate in administration of the vaccines to individuals over 18 years of age under standing orders from a licensed physician or by written protocol with a physician provided that the pharmacist is trained for the administration of immunizations or graduated from a college of pharmacy in 2001 or later and the pharmacist reports the administration of the immunization to the patient's primary physician or clinic. Julie Johnson of the Minnesota Pharmacists Association, Todd Sorenson of the College of Pharmacy and Diane Peterson of the Immunization Action Coalition spoke in support of the bill. Peterson said her organization's goal is for a 90 percent rate of immunization by 2010. However, Peterson said, the current rate of immunization is much lower and that racial and ethnic minorities have an even lower rate of immunization. Peterson said more people are likely to be immunized in a non-traditional setting such as a phar-

macy. The bill was approved and sent to the Senate floor.

Members also approved two additional bills. S.F. 479, authored by Sen. Cal Larson (R-Fergus Falls), allows certified public accountants to perform annual audits for county nursing homes. The measure was recommended for placement on the Consent Calendar. S.F. 609, sponsored by Sen. David Knutson (R-Burnsville), provides for a planned closure rate adjustment for a 26-bed facility that voluntarily delicensed its beds in June 2002. The measure was re-referred to the Finance Committee.

## Health, Human Services and Corrections Budget Division

### Public testimony continues

Members of the Health, Human Services and Corrections Budget Division, chaired by Sen. Linda Berglin (DFL-Mpls.), met Tues., Mar. 25, and Wed., Mar. 26, to continue hearing public

responses to the governor's budget proposal.

### Governor's proposal fails

The Health, Human Services and Corrections Budget Division devoted the Thurs., Mar. 27, hearing to consideration of amendments to S.F. 821, the governor's budget proposal, carried by Sen. Sheila Kiscaden (IP-Rochester). The panel adopted several amendments to align the measure with the governor's supplemental budget. A motion to approve the bill and advance the measure to the full Finance Committee failed on a roll-call vote.

## Higher Education Budget Division

### Medical presentations heard

Members of the Higher Education Budget Division devoted the Tues., Mar. 25, meeting to hearing presentations on medical education. The panel, chaired by Sen. Sandra Pappas (DFL-St. Paul), heard



*Senators Carrie Ruud (R-Breezy Point), right, and David Tomassoni (DFL-Chisholm) compare notes during a Higher Education Budget Division meeting, Thur., Mar. 27.*

Photo by David J. Oakes

from Dr. Tony Windebank, dean, Mayo Medical School; Dr. MacBaird, head of family practice, University of Minnesota Medical School; Dr. Kathleen Macken, United Family Practice Residency Program; and Dr. Patricia Cole, Hennepin County Medical Center.

### **Governor's proposal rejected**

The governor's budget proposal for higher education was defeated after members of the Higher Education Budget Division discussed what the plan meant for Minnesotans' access to education. Panel members, meeting Thurs., Mar. 27, also heard briefly from Finance Commissioner Dan McElroy about the administration's approach to budgeting for higher education.

S.F. 833, carried by Sen. Bob Kierlin (R-Winona), appropriates over \$2.555 billion during FY 04-05, a cut of over \$360 million from FY 02-03. "None of us like to see the cuts in the bill, but given the economic reality, this is a starting point," said Kierlin. However, Sen. Yvonne Solon (DFL-Duluth) said she was extremely disappointed in the proposal. It makes education unaffordable and puts retraining out of reach for many people at a time when jobs are being lost, she said. Some Minnesotans do think of the state's public colleges as a bargain, said Division Chair Sandra Pappas (DFL-St. Paul), "and they send their kids to our excellent private schools." Pappas said the bill does not really mitigate tuition increases with the amount of money it adds to student aid. She said the bill also threatens the reputations of the higher education institutions in the state. "I'm concerned we will be degrading the quality of higher education at MnSCU as well as at the University of Minnesota," Pappas said.

Sen. Claire Robling (R-Jordan) cautioned that members must be careful of how bleak a picture they paint. Sometimes the rhetoric makes it sound like college is truly unattainable for the average Minnesotan, she said. Tuition is still very affordable, Robling said, especially when one considers the income potential of students and their families. "We have to be more positive here about projecting that," she said. Low-income families will be able to make college work, she said, because more grant money is made available. Low tuition is welfare for the rich, said Sen. Cal Larson (R-Fergus Falls). Families and students have to take

some personal responsibility for education, he said, but the state should help the truly low-income afford higher education. Larson said he was frustrated to hear many students complain about rising tuition, only to find out that they were buying designer clothes, fancy cars and taking expensive trips. S.F. 833 was defeated, 4-5.

In other action, members approved a measure raising the bonding limit for the Higher Education Facilities Authority. S.F. 437, sponsored by Larson, increases the limit from \$650 million to \$800 million. The bill was advanced to the full Finance Committee. The panel also recommended several items to the Capital Investment Committee for inclusion in S.F. 2, an omnibus bonding bill. Pappas explained that the bill attempts to restore funding for capital projects vetoed by the previous governor and provide funding for emergency projects. Members recommended appropriations for acquisition of land by Minneapolis Community and Technical College; University of Minnesota Research and Outreach Centers in Crookston, Grand Rapids and Waseca; and a MnSCU facility in Virginia, Minn.

### **Jobs, Housing and Community Development**

#### **Unemployment trust fund bill, with 'trigger points,' approved**

A bill aimed at increasing the solvency of the unemployment compensation trust fund was the focus of discussion at the Tues., Mar. 25, meeting of the Jobs, Housing and Community Development Committee.

S.F. 864, authored by Sen. Ellen Anderson (DFL-St. Paul), changes the base tax rate to provide for "trigger points" on changes based upon a percentage of total wages paid in covered employment. The measure also lowers the maximum base tax rates, but provides for a surcharge if fund balances are below a certain level. In addition, the bill provides for a falling fund adjustment if the trust fund is falling more than 10 percent over the prior year, or between the first and second quarters of the same year. The measure also makes a number of technical changes. The committee, chaired by Sen. Linda Scheid (DFL-Brooklyn Park), approved the bill and advanced the measure to the full Senate.

Two additional bills were also approved and sent to the Senate floor. S.F. 1064, authored by Sen. Michele Bachmann (R-Stillwater), exempts minors under age 14 from the minimum age restrictions for work as soccer assistant coaches. S.F. 891, sponsored by Sen. Ann Rest (DFL-New Hope), grants housing and redevelopment authorities the ability to form limited partnerships, limited liability companies or corporations in order to engage in housing activities.

Members also heard a presentation on the state agency response to the Mar. 21 Northwest Airlines layoff announcement.

#### **Displaced homemaker program funding, fee increase okayed**

The Jobs, Housing and Community Development Committee, chaired by Sen. Linda Scheid (DFL-Brooklyn Park), met Thurs., Mar. 27, and advanced two agency housekeeping bills and a bill to fund the displaced homemaker program through an increase in marriage license fees.

S.F. 835, authored by Sen. Richard Cohen (DFL-St. Paul), increases the marriage license fee by \$20 and dedicates the increase to the displaced homemaker program. Cohen said the program had, at one time, been funded by a portion of the marriage license fee, but in recent years has received a general fund appropriation. This year, Cohen said, the governor's budget eliminated the funding and the bill represents a way of keeping the program. The measure raises the general marriage license fee from \$70 to \$90 and the fee for couples who have completed premarital education from \$20 to \$40. The measure was approved and re-referred to the Finance Committee.

Members also discussed and approved two agency housekeeping bills. S.F. 951, authored by Sen. Julie Rosen (R-Fairmont), makes a number of technical, housekeeping changes in provisions relating to the Dept. of Trade and Economic Development. The measure was approved and re-referred to the Finance Committee. S.F. 1034, carried by Sen. Tom Saxhaug (DFL-Grand Rapids), modifies and makes technical changes to provisions relating to the Housing Finance Agency. The measure was approved and sent to the Senate floor.

A bill repealing the licensing of entertainment agencies was also approved. S.F. 1099, authored by Sen.



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Michele Bachmann (R-Stillwater), was recommended for placement on the Consent Calendar.

The committee also deleted Article I of S.F. 748, the governor's omnibus tax proposal and re-referred the measure to the Tax Committee. The bill, sponsored by Sen. William Belanger (R-Bloomington), was referred to the committee because the provisions in Article I relate to the governor's proposal for tax free zones for economic development in border communities. Because those provisions are contained in another bill, also referred to the committee, the author asked that the article be deleted and the bill re-referred to the Tax Committee.

## Judiciary

### Child support bill gains

Members of the Judiciary Subcommittee on Family Law met Tues., Mar. 25, to consider several measures for inclusion in the omnibus family law bill to be carried by the panel's chair, Sen. Thomas Neuville (R-Northfield). The bulk of the discussion at the hearing centered around legislation, sponsored by Sen. David Hann (R-Eden Prairie), revising the state's child support laws.

S.F. 751 reforms and recodifies the laws relating to marriage dissolution, child custody, child support, maintenance and property division. The panel adopted an amendment, offered by Hann, deleting a provision requiring courts to conduct a six-month review of child support and parenting time orders if the parties request the review, a requirement that courts order an accounting of the use of child support payments by the obligee and provisions relating to parenting-time adjustments. The amendment also changes the enactment date from July 1, 2004, to January 1, 2005.

Mark Fiddler said the Dept. of Human Services is not opposed to the measure. Mike Dittberner, representing the Minnesota Chapter of the American Academy of Matrimonial Lawyers, said provisions in the bill establishing an income-shares model are overdue. "Minnesota is finally being brought from the Dark Ages," he said. Dittberner also said the accounting provision represented retribution from one parent to another and was rightly taken out of the bill. However, several parents and others

spoke against the measure. Terry Nyblom of Vadnais Heights said the bill will cause more noncustodial parents to work underground because the costs of child support payments will increase drastically. Robert Wenck of Eagan said the bill does not address the actual costs of raising a child. Maple Grove resident Cheryl Johnson said the bill does not address the cap on child support payments, which she said has not been raised since 1988. S.F. 751 was approved for inclusion in the omnibus bill.

Members also voted to include S.F. 900 in the omnibus family law bill. Carried by Sen. Linda Berglin (DFL-Mpls.), the measure gives courts discretion about the use of alternative dispute resolution in matters relating to restraining orders. The panel approved S.F. 758, sponsored by Sen. Don Betzold (DFL-Fridley), which clarifies that restrictions on the division of public pension plans as part of a divorce apply only to defined-benefit plans. Bruce Kennedy, a family law attorney, said defined-contribution plans are not as complicated to divide as defined-benefit plans. S.F. 758 will serve as the vehicle for the omnibus family law bill, Betzold said, and a motion will be made later to change the chief authorship of the bill.

Two measures, carried by Sen. Warren Limmer (R-Maple Grove), were also discussed. Both were laid over and will be considered by the full Judiciary Committee. S.F. 893 requires the completion of an orientation program relating to options for dispute resolution in divorce cases. S.F. 566 requires courts to reduce the child support obligations of members of the National Guard and military reserves if income is being reduced because of active duty obligations.

### Statute of limitations bill okayed

Members of the Judiciary Committee held an evening meeting Tues., Mar. 25, to consider a bill extending the statute of limitations for childhood sexual abuse civil suits. In a hearing room packed with survivors of childhood sexual abuse, the panel, chaired by Sen. Don Betzold (DFL-Fridley), deliberated on the provisions of a bill to extend the statute 30 years from the age of majority.

Sen. Gary Kubly (DFL-Granite Falls), chief author of the bill, said he hoped the bill would help in the survivors' healing process and provide others with the

support needed to come forward and find a way to become whole after having experienced childhood sexual abuse.

The bill, S.F. 575, originally allowed an action for damages to be brought within 30 years of the date the plaintiff reached the age of majority or within six years of the date the plaintiff discovered both the injury and the causal relationship between the injury and the abuse, whichever was later. The bill also provided an opportunity for plaintiffs whose claim was terminated or extinguished on the basis of the previous statute of limitations to bring suit by Aug. 1, 2004.

Several survivors spoke of their experiences. Bob Schwiderski, who has worked on the issue for several years, said the current law protects abusers. Former Rep. John Tuma also spoke in support of the bill. Tuma said, "Many statutes of limitations begin at the time of discovery. Wrongdoers should not be allowed to hide behind the statute of limitations." Dr. Susan Phipps Yonas said, "There is a strong likelihood that persons who have experienced childhood sexual abuse will have difficulties in later life, but only a small percentage ever come forward."

Opponents of the measure argued that 30 years was too long for the statute of limitations. Fr. Kevin McDonough, chief of staff, St. Paul Diocese, said the diocese has been working with other churches to develop best practices procedures to deal with abuse issues. "The bill is not concerned with the perpetrator, but with the institutions with which the perpetrator is associated," McDonough said. He said that as time passes, it becomes difficult to establish facts and to establish the supports necessary to prepare a defense. In addition, McDonough said, the institutions are forced to prove a negative, that the institution had no knowledge of the abuse, which is extremely difficult. Dan Connolly, attorney for the Minnesota Religious Council, said the bill represents a dramatic extension of the statute of limitations.

Former Sen. Ember Reichgott Junge, the author of a bill that provided for a six year statute of limitations after delayed discovery injury resulting from childhood sexual abuse, also spoke in support of the bill. She said, "The Court has undermined the intention of the Legislature in its interpretation of the delayed discovery." She also said that members should remember plaintiffs still have to prove

their case, the bill just allows plaintiffs to bring suit.

Sen. Warren Limmer (R-Maple Grove) said, "It is very difficult to prove a case—the plaintiff might not have a ghost of a chance, but if there is a chance, the plaintiff should be able to go forward." However, Sen. John Hottinger (DFL-St. Peter) countered, "It may be hard to prove a case, but it is also very difficult to defend."

Sen. Thomas Neuville (R-Northfield) offered an amendment to extend the statute of limitations 12 years from the age of majority and limit the action for damages to the person who committed the abuse or a person who had actual knowledge of the abuse, but failed to report the abuse. Hottinger opposed the amendment and said, "The amendment misses the point. The issue is when the person makes the causal connection between the abuse and the injury. That often occurs years later." The amendment failed.

Sen. Julianne Ortman (R-Chanhassen) offered an amendment deleting the 30 years, but specifying that a cause of action for damages based on personal injury caused by childhood sexual abuse may be brought by a plaintiff within six years of the date the plaintiff discovers both the injury and the causal relationship between the injury and the abuse. Ortman said the amendment maintains the intent of the author, but does not let there be an extended period of liability. Hottinger supported the amendment and said the amendment provided direction to the Court. The amendment was adopted.

Sen. John Marty (DFL-Roseville) offered an amendment clarifying that actions may be brought for sexual abuse against an adult within six years of the time the plaintiff knows or has reason to know that the injury was caused by sexual abuse. The amendment was adopted.

Ortman offered an amendment deleting the provision allowing a plaintiff, whose claim was terminated on the basis of a previous statute of limitations, to have until Aug. 1, 2004 to bring suit. After considerable discussion Ortman changed the amendment to provide that a plaintiff whose claim is currently pending or has not yet been extinguished on the basis of a previous statute of limitation is subject to the statute of limitations set forth in the bill. The amendment was adopted.

The bill was approved and sent to the Senate floor.

### **Data issues discussed**

The Judiciary Subcommittee on Data Practices met Thurs., Mar. 27, to consider the data practices provisions in a wide variety of bills. In addition, members, chaired by Sen. Wesley Skoglund (DFL-Mpls.), considered bills for inclusion in the omnibus data practices bill.

S.F. 316, authored by Sen. John Marty (DFL-Roseville), authorizes the commissioner of administration to issue opinions regarding compliance with the open meeting law. S.F. 425, carried by Sen. Don Betzold (DFL-Fridley), establishes Dept. of Human Services hearing procedures. S.F. 565, carried by Sen. Steve Kelley (DFL-Hopkins), restricts the use and display of Social Security numbers. S.F. 727, sponsored by Sen. David Knutson (R-Burnsville), modifies post-adoption services requirements. All four measures were approved and referred to the full Judiciary Committee.

S.F. 685, authored by Sen. Sheila Kiscaden (IP-Rochester), provides for access to appraisal data by property owners in eminent domain proceedings and establishes appraisal and negotiation requirements before eminent domain proceedings for transportation purposes begin. The measure was divided to allow the portion of the bill containing the data practices provisions to be included in the omnibus data practices bill. The balance of the measure was advanced to the full committee.

S.F. 568, sponsored by Skoglund, makes a number of changes to government data classification and dissemination provisions. The measure is the vehicle into which all the remaining bills will be amended to create the omnibus bill.

S.F. 519, sponsored by Sen. Sharon Marko (DFL-Cottage Grove), provides for the release of private data to county human social services departments and other entities under contract to the social services departments in order to coordinate benefits and services. S.F. 687, carried by Betzold, regulates the use and dissemination of unemployment compensation program wage and employment data. S.F. 874, carried by Sen. Linda Higgins (DFL-Mpls.), provides for the sharing of mental health data with law enforcement agencies under certain circumstances. S.F. 948, authored by Sen.

Linda Scheid (DFL-Brooklyn Park), classifies as private data on individuals relating to electronic transmissions with the State Lottery.

S.F. 1059, carried by Skoglund, provides for classification of computer data, clarifies the classification of information in bids and proposals and classifies certain burial site data. S.F. 810, authored by Sen. David Tomassoni (DFL-Chisholm), provides for a consumer's right to privacy, confidentiality, and secrecy of their financial records and requires consumer authorization for exchange or disclosure of their financial records.

All of the measures were approved for inclusion in the omnibus bill.

## **Rules and Administration**

### **Election bills gain**

The Rules and Administration Committee, chaired by Sen. John Hottinger (DFL-St. Peter), met Mon., Mar. 24, to consider several internal Senate matters, the appointment of two individuals to the Campaign Finance and Public Disclosure Board and a variety of bills that had been approved by the Rules and Administration Subcommittee on Elections.

Members adopted changes to the Senate employee roster, okayed an employee leave donation policy and reviewed a statement clarifying the rules governing conflict of interest. The committee also approved the appointments of Terri Ashmore and Bob Milbert to the Campaign Finance and Public Disclosure Board.

The panel then adopted the report of the subcommittee concerning five measures relating to elections. S.F. 334, authored by Sen. Linda Higgins (DFL-Mpls.), requires an affidavit of candidacy to include the candidate's residence address and a telephone number where the candidate may be contacted. S.F. 360, also sponsored by Higgins, provides that judicial offices with only one candidate appear at the end of the ballot. S.F. 329, carried by Sen. Dallas Sams (DFL-Staples), provides procedures and criteria for calling special elections to fill town officer positions. S.F. 152, sponsored by Sen. Linda Scheid (DFL-Brooklyn Park), establishes the voting integrity and voter access account to receive money from the federal government under the Help America Vote Act.



# Committee update

Much of the discussion in the hearing centered on a bill to make absentee voting easier. S.F. 7, authored by Sen. John Marty (DFL-Roseville), also provides for rules and for the delivery of official supplemental ballots to voters upon request. The measure provides that any voter who expects to be unable to go to the polling place may vote by absentee ballot. The measure also allows ballots to be shipped using a commercial shipper at the voter's expense and authorizes voting by fax for persons outside the U.S. or in a health care facility during the seven days before an election. Members focused their discussion on the ability for voters in health care facilities to vote by fax and on a provision requiring supplemental ballots and replacement ballots to be provided to voters who request them. The measure failed to gain approval on an 8-11 roll call vote.

## Housekeeping bills discussed

The Rules and Administration Subcommittee on Elections met Wed., Mar. 26, to consider two elections housekeeping measures. S.F. 767, authored by Sen. Cal Larson (R-Fergus Falls), makes numerous changes in election laws and was suggested by the Office of the Secretary of State. S.F. 1035, sponsored by Subcommittee Chair Linda Higgins (DFL-Mpls.), also makes numerous changes and was suggested by the Minnesota Association of County Auditors. Both bills contain several identical provisions, but there are numerous differences. After reviewing the contents of both measures, the subcommittee directed the authors and other interested parties to work on the bills and develop a compromise measure.

In other action, the panel approved two bills authored by Sen. Jim Vickerman (DFL-Tracy). S.F. 384 provides that the governing body of a city or town may not submit a ballot question at a general or special election and may not accept a petition for submission of a ballot question unless all election-related deadlines can be met, including publication deadlines for all required notices. S.F. 385 clarifies that the legal advisor of a town official is not required to approve instructions regarding the rotation of the names of candidates on the ballot or the layout of the ballot. Both measures advanced to the full Rules and Administration Committee.

## State Government Budget Division

### Agency budgets reviewed

Members of the State Government Budget Division, chaired by Sen. Jane Ranum (DFL-Mpls.), met Tues., Mar. 25, to consider the governor's budget proposals for several state agencies. Administrators from the agency's presented their FY 04-05 budgets and fielded questions from the panel. The division heard the budgets for the State Lottery, Capitol Area Architectural and Planning Board, Peace Officers Standards and Training Board, Legal Professions Board, Electricity Board, Amateur Sports Commission, Campaign Finance and Public Disclosure Board, Racing Commission and Gambling Control Board.

The panel also met Wed., Mar. 26, to consider the budgets for Minnesota Planning, public broadcasting and the Department of Administration. Division members finished hearing the budget overview for the Dept. of Administration at their Thurs., Mar. 27 hearing. The panel reviewed the budget for the Dept. of Finance and discussed pension uniformity at the meeting Fri., Mar. 28.

## State and Local Government Operations

### Licensing bills gain

Members of the State and Local Government Operations Committee, chaired by Sen. Jim Vickerman (DFL-Tracy), met Mon., Mar. 24, to consider several bills relating to licensing.

S.F. 381, authored by Sen. Dallas Sams (DFL-Staples), requires certification for installers of multipurpose potable water piping systems and requires licensing for multipurpose potable water piping system contractors. The measure was approved and sent to the Senate floor. S.F. 179, sponsored by Sen. Sheila Kiscaden (IP-Rochester), requires the commissioner of health to license denturists and establishes licensing and examination requirements. The measure was approved and re-referred to the Judiciary Committee. S.F. 397, also authored by Kiscaden, expands the alternative quality assurance licensing system for services to persons with developmental disabilities. The program

currently operates in Southeastern Minnesota, but the measure provides for expansion to other parts of the state. The bill was approved and sent to the Finance Committee.

A bill, S.F. 414, authored by Sen. Thomas Bakk (DFL-Cook), relating to municipal contracts was amended and re-referred to the Judiciary Committee.

Two measures sponsored by Sen. Scott Dibble (DFL-Mpls.) were also advanced. S.F. 692 authorizes the city of Minneapolis to create a community planning and economic development department. S.F. 805 provides for special assessments for the costs of reinspections after the due date for compliance with an order to correct a municipal housing maintenance code violation. Both measures were approved and sent to the Senate floor.

A bill sponsored by Sen. Sharon Marko (DFL-Cottage Grove) generated considerable discussion. S.F. 731 changes the definition of population for purposes of allocating fire aid to local units of government. Members laid the bill over and directed that the measure be reviewed by the Legislative Commission on Pensions and Retirement.

## OSA housekeeping bill advanced

The State and Local Government Operations Committee met Wed., Mar. 26, to consider a variety of bills. S.F. 919, authored by Sen. Claire Robling (R-Jordan), makes a number of changes relating to the Office of the State Auditor. The bill changes outdated language and modifies the duties of the state auditor. One of the changes, the addition of the phrase "as funds and personnel permit" to provisions requiring the auditor to analyze data gather by local units of government, sparked considerable debate. Ultimately, the bill was approved and advanced to the full Senate.

The panel, chaired by Sen. Jim Vickerman (DFL-Tracy), also approved five additional bills. S.F. 911, authored by Sen. Dallas Sams (DFL-Staples), provides an exception to the conflict of interest law for township officers when the officer is an employee of a contractor who has a contract with the town, but had no role in the contractor's bid or negotiation for the contract and the officer abstains from voting on anything relating to the contract. S.F. 633, carried by Sen. Cal Larson (R-Fergus Falls), changes the name

of the Metropolitan Sports Facilities Commission to Minnesota Sports and Entertainment Commission and increases the membership of the commission from 6 to 10 members. S.F. 486, sponsored by Sen. Yvonne Solon (DFL-Duluth), modifies the 60 day rule for agency actions. S.F. 484, carried by Sen. Betsy Wergin (R-Princeton), authorizes counties to require that a portion of a proposed subdivision be dedicated for public parks or for conservations purposes. All four measures were advanced to the Senate floor. The fifth bill, S.F. 338, sponsored by Sen. Satveer Chaudhary (DFL-Fridley), establishing a multicity housing authority including the cities of Arden Hills, Blaine, Circle Pines, Mounds View, New Brighton, Roseville and Shoreview, was re-referred to the Tax Committee.

## Taxes

### Tax incidence study considered

Members of the Tax Committee, chaired by Sen. Lawrence Pogemiller (DFL-Mpls.), met Wed., Mar. 26, to consider the tax incidence study, which examines the tax burden felt by Minnesotans in income groups. The panel also began discussing the property tax implications of the governor's budget recommendations.

### Price of government set

Members of the Tax Committee met briefly Thurs., Mar. 27, to take up two resolutions. A resolution setting the price of government at 15.6 percent of personal income for FY 04-05 and 15.4 percent for FY 06-07 was approved and advanced to the full Senate.

Committee Chair Lawrence Pogemiller (DFL-Mpls.) said the other body set the same percentages in its resolution, but differed on the division of state and local services. The Senate version sets the state share at 63 percent, while the other body set the state share at 62 percent. Pogemiller said the higher state figure reflects a commitment to keeping property taxes down.

The second resolution establishes the maximum limit on general fund revenues and general fund spending for FY 04-05. The resolution sets a limit on general fund revenues of \$28.383 billion and requires at budget reserve account of at least \$530



**Kevin Marqis of Lindstrom appears before the Transportation Policy and Budget Division, Tues., Mar. 25, in support of a bill that provides for uniform state-wide school zone speed limits. Marqis' brother Ryan was killed as he attempted to cross Highway 8 near his school.**

Photo by David J. Oakes

million. Director of Senate Fiscal Policy Analysis Mark Misukanis said the current law forecast for revenues is \$26.683 billion. He said extra revenue is reflected by the governor's proposals to transfer the entire balance of the tobacco endowment, to increase certain fees, to delay the buyback of June sales tax acceleration and to shift money from the health care access fund. The resolution advanced to the Finance Committee.

## Transportation Policy and Budget Division

### School speed limit bill approved

A bill setting speed limits for school safety zones led off the agenda at the Tues., Mar. 25, meeting of the Transportation Policy and Budget Division.

S.F. 469, authored by Sen. Charles Wiger (DFL-North St. Paul), enacts the Safe School Zone Law. Under the bill, speed limits are set at 25 miles per hour in school zones. Members, chaired by Sen.

Dean Johnson (DFL-Willmar), heard emotional testimony from relatives of children killed by cars as they walked or biked near school zones. Neena Ingvolson, mother of a boy whose death was featured in a recent television broadcast, said, "I appeal to you as parents to get street speed limits lowered to protect our kids."

Discussion centered on unsuccessful efforts communities have made to get speed limits lowered. Dan Brannan, MnDOT, said there is always disagreement about speed limits. "It is important to have an objective process. Our main goal is safety," he said. He added that the department has developed guidelines for establishing speed limits in school zones, but that pedestrian education is an important component for increased safety.

Johnson said, "I think the department is confusing safety with bureaucracy. I'm not sure if it is an engineering issue, a money issue or a bureaucracy issue, but I am not convinced by your arguments."



# Committee update

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Tim Worke, government affairs director, MnDOT, said, "The issue we oppose is a standard one-size fits all approach." Michael Jungbauer (R-East Bethel) said that when he was mayor his community tried to change school zone speed limits, but ran into state regulations that prevented the change.

Members approved the bill and advanced the measure to the full Finance Committee.

Members also laid over three measures for possible inclusion in the division's omnibus bill. Two of the bills relate to usage of high occupancy vehicle (HOV) lanes. S.F. 1061, authored by Sen. Ann Rest (DFL-New Hope), authorizes the commissioner to charge a fee for single occupant vehicles to use the lanes. The bill authorizes varying user fees and allows electronic toll collection.

Former Senator and former division chair Carol Flynn spoke in support of the measure. She said the bill was the product of work done by the Humphrey Institute Value Pricing Task Force. Flynn said the task force looked at the use of rush hour tolls to manage gridlock. A MnDOT study found the HOV lanes on I-394 to be underused and the task force developed the idea of converting the lanes to a toll road during rush hour, Flynn said. She said a similar project has worked well in other states with the surprise benefit of increasing car pools.

Sen. Mike McGinn (R-Eagan) offered an amendment to specify that funds collected from the toll be directed to the higher user tax distribution fund. Rest opposed the motion and said use of revenue from the project should remain flexible as outlined in the bill. The amendment failed on a voice vote.

Rest also sponsored a bill, S.F. 706, directing the commissioner of transportation to allow use of HOV lanes by taxis, limousines, buses, school buses and passenger vehicles with a capacity of at least 10. The third measure laid over for possible inclusion in the omnibus bill, S.F. 223, specifies that any money transferred from the state airports fund to the general fund to solve the budget shortfall must be restored to the airports fund by July 1, 2005. Sen. Mark Ourada (R-Buffalo) said he was concerned that the measure sets a precedent for other affected groups to

request restoration of funds. Chief author, Sen. Dallas Sams (DFL-Staples), said the measure is an attempt to get assurance that funds will be restored at some point in the future.

The division also advanced two additional bills to the full Finance Committee. S.F. 325, sponsored by Sen. Sharon Marko (DFL-Cottage Grove), directs the commissioner of transportation to make grants of federal transportation enhancement funds to the Minnesota Safety Council for use as grants to school districts for development of safe routes to school programs. S.F. 791, carried by Sen. Michelle Fischbach (R-Paynesville), clarifies when headlamps and lighted tail lamps must be displayed.

## Transportation funding bill heard

The Transportation Policy and Budget Division devoted the lion's share of the Thurs., Mar. 27, hearing to discussing a bill containing the governor's proposal for transportation and public safety appropriations. S.F. 655, carried by Sen. Dick Day (R-Owatonna), contains the appropriations for the Dept. of Transportation, state roads, local roads, and transit. In addition, the measure appropriates funds for the Dept. of Public Safety and contains policy provisions for transportation. Members adopted an amendment to bring the appropriations into alignment with the governor's supplemental budget. The bill appropriates a total of \$3.534 billion for transportation and public safety.

Kevin Gray, chief financial officer for the MnDOT, guided the committee through a section by section explanation of the measure. Members also heard testimony from Fred Corrigan, Minnesota Transportation Alliance; Bill Gillespie, Minnesota Peace and Police Officers Association; Barb Thoman, Transit for Livable Communities; and Sherry Munyon, Greater Minnesota Transit Association. No action was taken on the measure.

The committee did approve a bill providing for the reimbursement to cities and towns of expenses related to motor vehicle fires. S.F. 78, authored by Sen. LeRoy Stumpf (DFL-Thief River Falls), was advanced to the full Finance Committee.

## Tour the Capitol on CD-ROM

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Go to the Rotunda, the Governor's Reception Room, the Senate Chamber, the House of Representatives Chamber, the Supreme Court Chamber, and the Quadriga at your own pace. Travel behind the scenes to quarters that are not normally opened to the public like the House and Senate Retiring Rooms, the Supreme Court Justices' Consultation Room, or the Governor's Private Office.

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Brilliant digital photography captures the artistic beauty of the building and the professional voice-over provides background information and historical perspective on the paintings, architecture, sculpture, and interior design that make up Minnesota's State Capitol building.

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## Schedule available on-line

The committee schedule for next week is available on-line: <http://www.senate.mn/schedule/2003/0331.htm>

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# Senate Briefly

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*With apparent awe and wonderment, two-year-old Tiernan Brennan-Jorgenson of St. Paul takes in his surroundings as advocates for crisis nurseries rallied in the Capitol Rotunda, Fri., Apr. 4, to voice opposition to proposed funding cuts.  
Photo by David J. Oakes*



April 4, 2003



# Senate Highlights

## Employee contract bill okayed

The Thurs., Apr. 3, floor session was dominated by debate on a bill ratifying state employee contracts. S.F. 293, sponsored by Sen. John Hottinger, ratifies the labor agreements between the state and various bargaining units reached in 2001.

Hottinger said the bill ratifies the agreements reached under the previous administration with the exception of provisions that provided domestic partner benefits to same sex partners. "Members this is a proposal that has been agreed to by the governor and the Speaker of the House. I wish true ratification were before us, including domestic partnership benefits, which many private companies offer." He said it was the Senate's responsibility to respect the wishes of the governor and to ratify the agreements at this time.

Sen. Thomas Neuville (R-Northfield) offered an amendment to clearly define who is eligible for benefits in future negotiations. Under the Neuville amendment, health insurance benefits would be available for the employee, the employee's spouse, the employee's dependent children, and the employee's dependent grandchildren. Hottinger opposed the amendment and said, "The amendment tries to redirect the approach administrations have always had. The amendment is a direct attack on the whole process of collective bargaining." Neuville countered, "The Legislature, in partnership with the administration, is the employer and we have a right to set parameters of

negotiations." Hottinger questioned the germaneness of the amendment. "The intent of the amendment is significantly different than the intent of the bill," Hottinger said, "it dictates the terms of future collective bargaining agreements." Neuville argued that the amendment and the bill both relate to the relationship between the state and its employees. Senate President James Metzen (DFL-South St. Paul) ruled the amendment germane, however the amendment failed to gain approval.

Sen. Geoff Michel (R-Edina) offered an amendment to remove the statutory requirement that the state use the state-run printing operation and to require each agency to examine whether or not the use of mandatory unpaid leaves of absence would help the agency make budget reductions. The amendment was ruled not germane.

Sen. Dave Kleis (R-St. Cloud) offered an amendment to require members of the Legislature to forego per diem payments for Special Legislative Sessions. The amendment was also ruled nongermane. An appeal to the chair upheld the chair's ruling on a 35-29 roll call vote.

Sen. Scott Dibble (DFL-Mpls.) offered an amendment to reinstate the domestic partner benefits for same sex partners. "The agreements were negotiated in good faith. If we open negotiated contracts by excising certain provisions, we negate the collective bargaining process," Dibble said. Hottinger responded, "I support the concept. Indeed, the Senate has supported the proposal many times, but we are faced with the intransigence of the other body and the amendment will disrupt the process of getting the bill passed." The amendment failed on a voice vote.

Dibble offered a second amendment to allow domestic partners to purchase, at their own expense, health insurance through the state. "The amendment mirrors provisions for other kinds of employees," Dibble said, "If we don't allow the purchase of insurance, we are throwing families into disarray." The amendment failed on a 24-40 roll call vote.

Sen. Dick Day (R-Owatonna) moved to reconsider the vote by which the first amendment, to reinstate the domestic partner benefit, failed to be adopted. Day said he wanted to allow DFL members an opportunity to voice their support. The

motion to reconsider was approved. The amendment, though, failed on a 24-42 roll call vote.

Dibble said, "We are eliminating access to health care for families of state employees because we have passed judgment on those families. This is discrimination, no doubt about it." He said the real cost is in not attracting the best employees, because the state does not treat all employees equally.

Sen. Michele Bachmann (R-Stillwater) said, "We've heard many times we aren't to be micromanaging, but we are the elected representatives of the people. The contracts have a toehold for benefits for same sex partners. It is unreasonable for taxpayers to sustain that level of benefits."

Sen. Sharon Marko (DFL-Cottage Grove) said, "This is an outrageous distortion of the process and an attack on the Public Employees Labor Relations Act. It is not our job to insert a social agenda into the bargaining process."

The bill was granted final passage as a Special Order on a 39-27 roll call vote.

Earlier, members defeated a motion by Sen. Pat Pariseau (R-Farmington) to withdraw S.F. 89 from committee and place the measure on General Orders. S.F. 89 modifies the pistol permit process.

## New standards bill advances

Members of the Education Committee, meeting Thurs., Apr. 3, considered competing proposals to replace the Profile of Learning with new academic standards. The panel heard testimony on both plans and advanced a bill carried by Sen. Steve Kelley (DFL-Hopkins), committee chair.

S.F. 60, sponsored by Sen. Gen Olson (R-Minnetrista), repeals the Profile and establishes a process by which new standards are adopted. Olson, ranking minority member of the committee, said the process has essentially already been implemented by the Dept. of Children, Families and Learning (CFL) through the Minnesota Academic Standards Committee (MASC). She said the emphasis of the standards required by the measure is content, not attitude, behavior or teaching technique. Jim Bartholomew, CFL, said the department's only concern about the proposal is the possibility of the state being found not in compliance with federal education law, including the No Child Left Behind Act (NCLB). He said because the bill enacts a process for the

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**Senators LeRoy Stumpf (DFL-Thief River Falls), left, and Dallas Sams (DFL-Staples) consult on the floor of the Senate during a recent session.**

Photo by David J. Oakes

commissioner to propose rules for standards, and then requires separate legislative action approving the standards, the state may be at risk during the interim between steps. However, Bartholomew said the bill essentially supports the department's efforts to replace the Profile with specific, grade-by-grade content standards. Sen. Michele Bachmann (R-Stillwater) said the bill continues the standards movement of the last 10 or so years without skipping a beat. It emphasizes content areas that business leaders, parents and higher education officials have said they want students to know, she said.

Kelley's bill, S.F. 639, provides a better balance of standards areas, said Edina parent Daniel Schleck. He noted that S.F. 60 has only four content areas, while S.F. 639 enacts six content areas. Schleck said that whatever standards are adopted, they should not interfere with

the systems that have been proven to work in individual school districts. Teachers have told him the MASC-proposed standards will create unnecessary paperwork, extra testing and other distractions from teaching, he said. Colleen Wolfe, also an Edina parent, said representatives of CFL and MASC were negative and condescending at a recent public hearing on the MASC-proposed standards. She said parent concerns and questions were dismissed. Wolfe also urged committee members to build on things that have made Minnesota an education leader. Professor Tom Post, University of Minnesota, said the MASC proposal returns the state to the math education of decades ago, even though the mathematical skills students need when they enter the workforce are radically different.

Kelley said he believes the proposals can be brought together. Ellen Delaney, a

MASC member, said there are similarities between the plans. However, she said, "we must remove curriculum from this conversation at a state level." Curriculum should remain a local decision, she said, while standards must be statewide. Members rejected a motion to advance S.F. 60, 3-6, and re-referred S.F. 639 to the Finance Committee on a 6-3 roll call vote.

In other action, members approved three measures for inclusion in the omnibus education policy bill. S.F. 332 provides for a principled pay practice system, also referred to as performance pay, in K-12 schools. S.F. 938 requires districts to review the state's B3 project guidelines for school construc-

tion. Both measures are sponsored by Kelley. S.F. 854, carried by Sen. Sandra Pappas (DFL-St. Paul), provides for teacher evaluation during the probationary period. The committee then approved the omnibus bill, S.F. 1211, and re-referred it to the Finance Committee. The bill, carried by Kelley, also includes provisions from S.F. 212, S.F. 311, S.F. 399, S.F. 424, S.F. 450, S.F. 481, S.F. 491, S.F. 509, S.F. 577, S.F. 611, S.F. 664, S.F. 851 and S.F. 870.

### Editor's note

Two Friday afternoon committee hearings are not included in this week's Briefly. The Health and Family Security Committee and the Commerce and Utilities Committee were still meeting when this issue was assembled. Look for updates on those committees in next week's Briefly or on the web site under daily updates.



# Committee update

## Agriculture, General Legislation and Veterans Affairs

### 'Livestock friendly' survives

A bill repealing the state's "livestock friendly" county designation program was defeated Mon., Mar. 31, as members of the Agriculture, General Legislation and Veterans Affairs Committee met to consider S.F. 1027, along with five other bills.

The measure, sponsored by Sen. Gary Kubly (DFL-Granite Falls), repeals a program adopted last year. The program is administered by the Dept. of Agriculture and includes a process, with criteria and standards, by which counties may be recognized for and assisted in their efforts to maintain or expand their livestock sector. Kubly said the public perception is growing that the program is a way to promote only large livestock operations. The department has asked counties to give up local control, he said. Counties that are not designated by the department, Kubly said, are being portrayed as not livestock friendly, even though the counties may actively promote livestock farming.

Thom Petersen, Minnesota Farmers Union, said the rules set up by the department, under the program, do little or nothing to promote the majority of farmers, who do not operate large farms. Petersen said county commissioners know what is best for their communities. Rice County Commissioner Heather Robins said the program imposes a significant cost on counties. She said the department has suggested that counties seek to be reimbursed via contributions from the livestock industry, but she said the approach was unethical. Kate Krisik, social concerns director for the Minnesota Catholic Conference, said the program will pit neighboring counties against each other in seeking to promote livestock farming.

However, Bruce Kleven said the Association of Minnesota Cooperatives supports the program. He said local control is not sacrificed. Kleven also noted that other designations, such as the Star Cities program, have not sparked divisive competition between neighboring communities. Assistant Agriculture Commissioner Perry Aasness said counties are not required to participate in the

program. It is up to the county to contact the department, to seek the designation and to withdraw from the program, Aasness said. He urged the panel to keep the program as a tool for livestock development.

While the outcomes haven't been perfect, the idea is still valid, said Sen. Rod Skoe (DFL-Clearbrook). "I don't think we ought to throw the baby out with the bathwater," he said. The committee defeated a motion, on a 5-7 roll call vote, to advance the bill with a favorable recommendation. A motion to advance the bill, without recommendation, was defeated on a voice vote.

The other five measures considered were granted approval. S.F. 1195, authored by Sen. John Hottinger (DFL-St. Peter), authorizes a drainage authority to compensate landowners for the removal of a private bridge. The measure was advanced to the Environment and Natural Resources Committee. Skoe carried S.F. 1080. The bill, which clarifies language relating to the responsibilities and qualifications of the executive director of the Veterans Homes Board, was advanced to the Senate floor. Committee Chair Steve Murphy (DFL-Red Wing) authored two measures. S.F. 1185, re-referred to the Judiciary Committee, authorizes the Dept. of Veterans Affairs to access a database, maintained by the Dept. of Human Services, to verify eligibility for the state soldier's assistance program. S.F. 1120, advanced to the Committee on Finance, suspends ethanol producer payments if an ethanol plant is sold or transferred to a non-eligible entity. A bill carried by Sen. Tom Saxhaug (DFL-Grand Rapids) was approved for inclusion in the omnibus agriculture bill. S.F. 1164 clarifies provisions relating to the labeling of wild rice.

### Mosquito Control Dist. bill ok'd

A bill authorizing additional funding for the Metropolitan Mosquito Control District generated debated at the Wed., Apr. 2, meeting of the Agriculture, General Legislation and Veterans Affairs Committee.

S.F. 712, authored by Sen. Claire Robling (R-Jordan), also adds those portions of Carver County not currently in the district to the Metropolitan Mosquito Control District, adds an additional commissioner to the board, clarifies the exception to prohibiting entry

onto private property, provides for pesticide application for mosquito control and makes the district subject to the Uniform Municipal Contracting Law. Robling said the bill is aimed at helping Minnesota be proactive, rather than reactive, when dealing with West Nile Virus. Funding for the proposal, Robling said, is managed by using half of the livable communities account as a funding source. Several members expressed concern about cutting the funds for the livable communities account. Committee Chair Steve Murphy (DFL-Red Wing) said the livable communities account is designed to aid the homeless and provide affordable housing. Peter Bell, chair, Metropolitan Council, said the urged members to find another funding source. "Affordable housing is a critical need—losing funds from the account results in the loss of the ability to use the funds to leverage additional dollars," Bell said. Sen. Jim Vickerman (DFL-Tracy) offered an amendment deleting the funding source from the bill. The amendment was adopted. Murphy said he would make every effort to ensure a funding source for the bill when the measure reached the Tax Committee. The measure was approved and advanced to the Tax Committee.

Members also discussed a measure to provide access to pesticide application records and to increase the pesticide registration fee. Chief author, Sen. Becky Lourey (DFL-Kerrick), said the original version of the bill transferred the responsibility for evaluating detection of agricultural chemicals in groundwater to the Dept. of Health, but an amendment in another committee deleted that provision. Lourey said the access to records is important in order for research to be conducted on the amount of chemicals in groundwater. She said protecting groundwater is a vital undertaking. Janette Brimmer, Minnesota Center for Environmental Advocacy, spoke in support of the bill and said accurate information about pesticides was important to address public health concerns. However, Greg Buzicky, Dept. of Agriculture, spoke in opposition to the bill. He said the department has access to the records and investigates when complaints about pesticide spraying are received.

Sen. Dallas Sams (DFL-Staples) offered an amendment to limit access to the records to medical and research

personnel. The amendment was adopted. Members also adopted an amendment, offered by Sen. Steve Dille (R-Dassel), providing that applicators need to supply information twice a year, rather than whenever pesticides are applied. Several members expressed concerns about the bill with the result that the measure failed to gain committee approval.

In other action, the panel approved the omnibus agriculture policy bill, S.F. 990. The bill, sponsored by Murphy, changes procedures and requirements for organic food. The measure was amended to include S.F. 1096, relating to milk storage; S.F. 1057, eliminating a requirement for anaplasmosis testing; S.F. 1055, extending a provision authorizing certain animal health emergency restrictions; S.F. 1164, relating to wild rice; S.F. 1000, authorizing embargoes of a food or consumer commodity within a specific area under a governor's emergency order; S.F. 1263, naming the new Dept. of

Health and Dept. of Agriculture building the Orville L. Freeman building; an amendment providing for rules for control of brucellosis in cattle, an amendment exempting certain pastures from feedlot rules and an amendment relating to organic food production. The measure was sent to the Senate floor.

The committee also approved S.F. 1282 and sent the bill to the Senate floor. The bill, sponsored by Murphy, provides for placement in the Capitol Area of a statue commemorating Hmong veterans of the campaign in Laos during the Vietnam War.

## Commerce and Utilities

### Calling areas study approved

Members of the Commerce and Utilities Committee, chaired by Sen. Ellen Anderson (DFL-St. Paul), met Mon., Mar. 31, to approve a bill requiring

a study on possible expansion of local calling areas to include all of a secondary school attendance area. S.F. 69, sponsored by Sen. Tom Saxhaug (DFL-Grand Rapids), was advanced to the full Senate.

Members also advanced S.F. 638 to the full Senate. Authored by Sen. Linda Scheid (DFL-Brooklyn Park), the measure modifies the licensure or certification requirements for architects, engineers, land surveyors, landscape architects, geoscientists and interior designers.

The committee also considered three bills relating to energy, but took no action on the legislation. S.F. 819, carried by Saxhaug, imposes a penalty on public utilities subject to the biomass power mandate for contracted biomass projects failing to be operational and prohibits the Public Utilities Commission from allowing recovery of the penalty from ratepayers. S.F. 934, authored by Sen. Julie Rosen (R-Fairmont), increases the amount of wind energy eligible for



**Senators David Knutson (R-Burnsville) and Jane Ranum (DFL-Minneapolis) carefully inspect a bill during a Crime Prevention and Public Safety Committee hearing, Mon., Mar. 31.**

Photo by David J. Oakes



# Committee update

incentive payments under the renewable energy production incentive program. Anderson sponsored S.F. 930, which establishes a renewable energy standard and provides for an increase in funding for conservation and development of renewable energy.

## Crime Prevention and Public Safety

### Double bunking bill okayed

A bill authorizing the double bunking of inmates at level five correctional institutions gained the approval of the Crime Prevention and Public Safety Committee at the Mon., Mar. 31, hearing.

S.F. 241, authored by Sen. Dave Kleis (R-St. Cloud), was amended with language worked out by the author and the Dept. of Corrections to specify that correctional institutions classified by the commissioner as custody level five must permit multiple occupancy not to exceed the limits of facility infrastructure and programming space. Kleis said the bill applies to the Stillwater and St. Cloud Correctional Facilities. Kleis said the bill also gives the commissioner flexibility with custody level six facilities by specifying level six facilities have inmates in separate cells, except where the commissioner deems necessary. Kleis said the increase in prison populations means that the facilities are running out of beds to house inmates and that the bill allows for greater capacity.

Opposition to the measure was voiced by Julie Bleyhl, AFSCME Council 6, and Brian Bergson, Minnesota Association of Professional Employees. Both said the increased numbers of inmates represent a danger to prison staff. Dennis Benson, Dept. of Corrections, said the department plans to increase staff in those instances where multiple occupancy is necessary.

Members approved the bill and advanced the measure to the Finance Committee.

The committee, chaired by Sen. Leo Foley (DFL-Coon Rapids), also approved three bills relating to neighborhood crime prevention groups. All three measures were sponsored by Sen. Linda Berglin (DFL-Mpls). The first measure, S.F. 41, establishes a pilot project to enhance community policing efforts. The bill provides for grants to law enforcement agencies to be used for community

policing agencies. Berglin said the measure provides for Minnesota alternative policing strategies (MAPS) that are designed to work with neighborhood groups. The measure was re-referred to the Finance Committee. The second bill, S.F. 42, requires that law enforcement agencies in cities of the first class to report the outcomes of criminal investigations, arrests and prosecutions to the community groups that reported the criminal activity. The bill also defines community crime prevention groups. The bill was re-referred to the Judiciary Committee. The third bill, S.F. 43, expands the crime of fourth degree assault to include an assault that inflict demonstrable bodily harm on a community crime prevention group member who is on neighborhood patrol. The measure was also re-referred to the Finance Committee.

In other action, the committee advanced several additional bills. S.F. 96, authored by Sen. Steve Murphy (DFL-Red Wing), expands the crime of fourth degree assault to include assaults on employees or other individuals who provide care or treatment at a secure treatment facility. The measure was approved and re-referred to the Finance Committee. S.F. 1014, carried by Sen. Dan Sparks (DFL-Austin), increases the parental liability owed to a victim for acts by juvenile offenders. The bill also allows a victim of a crime committed by a juvenile, who is a minor, to have a parent or guardian present at the juvenile court proceeding. The bill was approved and re-referred to the Judiciary Committee. S.F. 1065, carried by Sen. Julie Rosen (R-Fairmont), is a Dept. of Agriculture bill. The measure was before the panel because of a provision providing for criminal enforcement of provisions relating to plant protection, nursery and seed laws. The bill was approved and re-referred to the Finance Committee. S.F. 351, authored by Sen. Thomas Bakk (DFL-Cook), allows a person who is designated in writing by the chief law enforcement officer of a political subdivision to use and possess radio equipment while in the course of duties or employment without also having to get an individual permit. Bakk said the measure cuts down on paperwork and allows for more local control. The bill was approved and recommended for placement on the Consent Calendar.

S.F. 972, authored by Sen. Thomas Neuville (R-Northfield), makes numerous changes in provisions relating to child support enforcement. The measure was before the panel because of a provision specifying that before pursuing criminal penalties, the state must first attempt to obtain a contempt order. Discussion centered on specific language relating to when the contempt order must be sought prior to prosecuting the obligor. Members amended the bill to specify the order for contempt must have been sought at any time within the last 36 months. The bill was approved and re-referred to the Judiciary Committee. S.F. 840, also sponsored by Neuville, requires the Bureau of Criminal Apprehension to establish and maintain an Internet web site containing public criminal history data. Neuville said, originally, the bill was enacted two years ago, but the BCA had yet to establish the web site. The bill restates the policy and provides that a \$5 fee, contained in the original legislation but scheduled to expire this year, be maintained until Aug. 1, 2005. The bill was approved and re-referred to the Finance Committee.

### Staggered sentencing approved

A sentencing approach permitting driving-while-impaired (DWI) offenders to seek forgiveness of portions of their sentences gained approval of members of the Crime Prevention and Public Safety Committee Wed., Apr. 2. S.F. 389, sponsored by Committee Chair Leo Foley (DFL-Coon Rapids), authorizes the use of the approach, known as staggered sentencing.

Offenders convicted of a felony or gross misdemeanor DWI offense granted a staggered sentence serve the sentence in three or more segments spaced one year apart, under the bill. The offender may bring a motion before the court for forgiveness of any segment after the first segment. Judge James Dehn said he has been using staggered sentencing for DWI offenders in Isanti County for several years. Dehn said offenders must prove they are actively sober, are involved in a sobriety group and have the support of their probation officer for a segment to be forgiven. He said offenders, under staggered sentencing, are given an incentive to reform and not become a repeat offender. If an offender has another DWI offense during the term of the

staggered sentence, Dehn said, the full sentence for the first offense is served immediately, along with the sentence for the repeat offense. S.F. 389 was re-referred to the Finance Committee.

In other action, the panel approved 12 other measures in afternoon and evening hearings. Sen. John Hottinger (DFL-St. Peter) carried S.F. 998, denoted as the Fair and Clean Elections Act. The bill imposes a 10 percent surcharge on all criminal or civil fines or penalties imposed by a court, in addition to existing surcharges, and directs the money collected to the state elections campaign fund. The measure was re-referred to the Committee on Rules and Administration on a 5-3 roll call vote.

Three measures were re-referred to the Finance Committee. S.F. 869, authored by Sen. Cal Larson (R-Fergus Falls), increases the surcharge on criminal and traffic offenders by \$25 and directs the money collected to be distributed to the law enforcement agency responsible for the conviction resulting in the collection of the surcharge. Sen. Linda Berglin (DFL-Mpls.) also carried a bill increasing the surcharge on criminal and traffic offenders by \$25. S.F. 1044 also imposes a \$3 surcharge on parking tickets and requires co-payments for the use of public defense services. Under the measure, the additional funds are directed to the Board of Public Defense. Members adopted amendments, offered by Berglin, adding a \$200 surcharge to the fee for attorney license renewals—funds collected are directed to support public defense and civil legal services—and establishing alternative placements for offenders with serious and persistent mental illness. S.F. 254, carried by Foley, provides that a crime of identity theft that involves between 4 and 7 direct victims is a 10-year felony, and that a crime of identity theft that involves 8 or more victims, or a total combined loss of more than \$35,000, is a 20-year felony. The measure also adds the use of another person's identity in committing a crime as an aggravating offense under sentencing guidelines.

S.F. 755, sponsored by Sen. Richard Cohen (DFL-St. Paul), was re-referred to the Tax Committee. The bill prohibits state agencies from entering into or renewing contracts with companies operating in nations classified as tax havens. S.F. 1278, carried by Foley, was

recommended for placement on the Consent Calendar. The bill clarifies reporting requirements under the predatory sex offenders registration law. S.F. 1079, authored by Sen. Sheila Kiscaden (IP-Rochester), was re-referred to the Committee on Health and Family Security. The measure requires mental health screening of children under delinquency detention conditions and authorizes courts to consider the results of the screenings in dispositions.

Five proposals were advanced to the full Senate. S.F. 515, authored by Sen. Wesley Skoglund (DFL-Mpls.), establishes the Minnesota Financial Crimes Task Force, superceding the current Financial Crimes Investigation Task Force, and expands the scope of the task force to include investment fraud, insurance fraud, vehicle insurance fraud, financial institution fraud, fraud related to state and federal programs, tax fraud and mail and wire fraud. Sen. Steve Murphy (DFL-Red Wing) carried S.F. 369, which provides for an optional administrative appeal for individual denied permits to carry pistols, increases the minimum age for permit eligibility, specifies necessary training in the safe use of a pistol and provides for data collection regarding permit applications. S.F. 1306, sponsored by Foley, establishes a procedure for probation technical violation sanctions conferences.

Sen. Mee Moua (DFL-St. Paul) carried S.F. 964, which clarifies county responsibility for the costs of medical examinations of victims of criminal sexual conduct to gather evidence, authorizes counties to seek insurance reimbursement from the insurer of the victim upon victim authorization after performance of the examination, specifies victim notice requirements, provides for earlier victim input in the plea agreement process and imposes conditions on the disclosure of videotaped interviews of child abuse victims. S.F. 1140 prohibits persons under age 17 from renting or purchasing restricted video games. The bill, carried by Sen. Sandra Pappas (DFL-St. Paul), was approved on a 6-0 roll call vote.

## Education Committee

### Variety of bills considered

The Education Committee met twice Tues., Apr. 1, to consider a variety of bills for inclusion in the committee's omnibus education policy bill.

The committee, chaired by Sen. Steve Kelley (DFL-Hopkins), held both afternoon and evening hearings in order to complete the agenda before the first committee deadline.

S.F. 920, authored by Sen. Lawrence Pogemiller (DFL-Mpls.), provides for performance bonds for school district contracts relating to information systems. The bill specifies that in the case of contracts to create, develop, provide or maintain student information systems, finance systems, Web pages, ISP systems, human resources and payroll systems, other software, network services and Internet services for \$25,000 or more, the contractor must provide a performance bond if required by the school board. The measure was laid over for possible inclusion in the omnibus bill.

S.F. 792, sponsored by Sen. Becky Lourey (DFL-Kerrick), establishes baccalaureate programs at the Fond du Lac Tribal and Community College. The bill was approved and re-referred to the Finance Committee.

S.F. 1211, authored by Kelley, establishes an on-line learning program, defines student eligibility, establishes on-line course revenue and requires the commissioner of children, families and learning to review and certify districts offering on-line courses. A second Kelley bill, S.F. 1283, provides funding mechanisms for virtual schools. The bill defines virtual school as a program established by a Minnesota school district or charter school that uses technology to deliver a significant portion of instruction through on-line courses. Both measures were laid over for possible inclusion in the omnibus bill.

S.F. 509, carried by Sen. David Tomassoni (DFL-Chisholm), repeals the mandate for three additional days of student instruction or staff development training. S.F. 664, also carried by Tomassoni, permits school districts to pay insurance premiums for teachers on an extended leave of absence. S.F. 870, a third Tomassoni bill, directs the Minnesota State High School League to adopt a policy on corporate sponsorships and repeals league prohibitions on certain commercial relations. All three measures were laid over for inclusion in the omnibus bill.

Several bills were discussed but laid on the table in order to draft amendments and work out compromises. S.F. 1301,



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**Senators Becky Lourey (DFL-Kerrick) and Thomas Neuville (R-Northfield) examine proposed legislation during an Environment and Natural Resources Committee hearing.**

Photo by David J. Oakes

sponsored by Sen. Rod Skoe (DFL-Clearbrook), directs the Board of Teaching to adopt rules granting a license to chemistry, physics and biology teachers and allows science teachers with continuing licenses to be certified to teach other subjects after receiving a qualifying score on a Praxis II test. S.F. 854, sponsored by Sen. Sandra Pappas (DFL-St. Paul), provides for the evaluation of probationary teachers. S.F. 879, also carried by Pappas, makes changes to the Higher Education Services Office. S.F. 1028, sponsored by Tomassoni, permits the Minnesota State High School League to determine the required pool depth for supervised competitive high school diving occurring in pools constructed before 1995. S.F. 938, authored by Kelley, requires compliance with B3 project guidelines for school building projects. Kelley said the B3 guidelines were developed by the Dept. of Administration

and Dept. of Commerce to enhance energy savings features in order to reduce building operating costs.

## E-12 Education Budget Division

### Staff development change debated

The E-12 Education Budget Division met Tues., Apr. 1, to consider a bill changing the revenue reserved for staff development. S.F. 147, authored by Sen. Linda Scheid (DFL-Brooklyn Park), reduces the amount a district is required to reserve for staff development from two to one percent. Scheid said the bill was to provide maximum flexibility to school districts. Committee Chair LeRoy Stumpf (DFL-Thief River Falls) said the current law results in about \$89 million and the change would result in about \$44 million for staff development.

No action was taken on the measure. Members also continued their discussion of the governor's budget proposal. Discussion centered on special education provisions.

### Bills considered for omnibus education appropriations measure

Members of the E-12 Education Budget Division, chaired by Sen. LeRoy Stumpf (DFL-Thief River Falls), met Wed., Apr. 2, to consider a number of bills for inclusion in the omnibus education funding bill.

S.F. 318, authored by Sen. Dallas Sams (DFL-Staples), lowers the actual maximum effort capital loan tax rate for existing loans. S.F. 694, sponsored by Sen. David Tomassoni (DFL-Chisholm), expands district eligibility to participate in the alternative facilities program. S.F. 744, authored by Sen. Michael Jungbauer

(R-East Bethel), redirects the use of the proceeds from the sale of certain school property from the debt redemption fund to the general fund capital account for student safety improvements for ISD #15, St. Francis.

S.F. 952, also sponsored by Sams, specifies that the principal for ISD #213, Osakis, combined maximum effort capital loans is reduced by \$199,000. S.F. 963, authored by Sen. Steve Kelley (DFL-Hopkins), modifies the qualifying criteria to participate in alternative facilities bonding and levy programs. S.F. 1337, carried by Sen. Rod Skoe (DFL-Clearbrook), provides for a grant to ISD #38, Red Lake, for school construction costs.

### **Governor's proposal rejected**

The E-12 Education Budget Division met Thurs., Apr. 3, to take action on S.F. 752. The bill, carried by Sen. Gen Olson (R-Minnetrista), incorporates the governor's budget proposal for E-12 education. Members, chaired by Sen. LeRoy Stumpf (DFL-Thief River Falls), had devoted several hearings to discussion on the provisions contained in the bill.

Members adopted two amendments to delete provisions that relate to accounts that have been shifted to other jurisdictional areas.

Stumpf said the bill takes a step backward in education funding. "We don't have a lot of choices this year, but when we look at the difference between the governor's proposal and current law, it seems schools are better off under current law." Stumpf said there are good proposals in the bill, but he urged members to oppose the measure.

Olson said, "The governor has worked hard to maintain base funding for education and the bill contains some excellent reforms."

Sen. Steve Kelley (DFL-Hopkins) said he agreed that several of the proposals warrant further study. "However, I don't want to vote for a property tax increase today and voting for the bill means a property tax increase," he said. Kelley also said the cuts in early childhood education were too severe.

Sen. David Hann (R-Eden Prairie) said, "I support the governor's proposal. Current law requires an additional \$1 billion in funding. We have not heard any alternatives."

The bill was defeated on an 8-10 roll call vote.

## **Environment and Natural Resources**

### **OHV bill approved**

A bill providing for the regulation of off-highway vehicles and the provisional designation of off-highway vehicle trails was approved by members of the Environment and Natural Resources Committee, Mon., Mar. 31. Sponsored by Committee Chair John Marty (DFL-Roseville), S.F. 850 also imposes a surcharge on the registration of off-highway vehicles.

Marty offered an amendment to the bill, which included the surcharge and provisional designation provisions, that dedicated the surcharge revenue to repairing damage to property that is not part of off-highway vehicle (OHV) trails. The amendment also required the Dept. of Natural Resources to designate at least 1,500 miles of OHV trails, in addition to trail-miles already designated, by Oct. 1, 2005.

Sen. LeRoy Stumpf (DFL-Thief River Falls) said he was concerned by language in the amendment granting the department authority to revoke local designations of road ditches as OHV trails. Sen. Dennis Frederickson (R-New Ulm) offered an amendment to the amendment, which was adopted, restricting the department's power to situations where use of the ditch degrades vegetation on adjoining property, contributes to siltation of state waters, impairs or enhances the taking of game or poses a threat to the safety of trail users or persons on adjoining property. Members adopted the amendment and re-referred the bill to the Finance Committee.

In other action, the panel approved five other measures. S.F. 905, authored by Sen. Steve Murphy (DFL-Red Wing), modifies expenditure limits for upgrading feedlots to comply with federal regulations. S.F. 1001, carried by Sen. Tom Saxhaug (DFL-Grand Rapids), extends the interval between the required updating and approval of solid waste management plans and requires rules regulating plan contents to reflect demographic, geographic, regional and solid waste system differences existing among counties. Both bills were advanced to the Senate floor. Two bills were re-referred to

the Finance Committee. S.F. 981, sponsored by Sen. Keith Langseth (DFL-Glyndon), provides for a high-resolution digital elevation model and flood plain management mapping pilot project. S.F. 1086, carried by Sen. Dallas Sams (DFL-Staples), modifies provisions relating to the state petroleum tank release cleanup fund (Petrofund). A measure sponsored by Sen. Steve Dille (R-Dassel) was approved for inclusion in the omnibus lands bill. S.F. 610 establishes boundaries for a new state park, Greenleaf Lake, in Meeker County.

S.F. 987, sponsored by Sen. Linda Higgins (DFL-Mpls.), was considered by the panel, but a motion to approve the bill was defeated on a voice vote. The measure requires environmental reviews to include information on the cumulative environmental impact of a proposed project.

### **Mourning dove season gains**

The omnibus game and fish bill was approved at the Wed., Apr. 2, meeting of the Environment and Natural Resources Committee. One provision in the bill, S.F. 887, authorizes a hunting season on mourning doves and generated considerable discussion. Sen. Linda Higgins (DFL-Mpls.) offered an amendment to delete the provision. "Doves are song birds," Higgins said, "We already have 15 species of game birds. It would be like having a season on robins or cardinals." Higgins also argued that in a time of war, it was wrong to have a season on a symbol of peace.

Sen. Pat Pariseau (R-Farmington) countered that the U.S. Fish and Wildlife Service classifies mourning doves as a game bird and that it is legal to hunt doves in at least 35 other states.

Former Sen. Allan Spear also spoke in opposition. "Probably no other issue can be more of a perennial issue for the Legislature. Mourning doves have been protected since 1946 and there have been over 20 attempts to have a hunting season on mourning doves." He said, "The people of Minnesota are very fond of mourning doves because they are a part of our neighborhood scene."

The motion to delete the provision, though, failed on a divided voice vote.

Pariseau moved to delete a section setting new length limits for walleye and pike. A representative from the Dept. of Natural Resources said the department



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requested the change in an effort to improve the quality of fishing. The motion was adopted and the provision was deleted.

Other sections of the bill, carried by Sen. Tom Saxhaug (DFL-Grand Rapids), modify provisions relating to the establishment of game refuges, provide for the loss of game and fish license privileges if a person fails to appear in court or pay a fine for violation of game and fish laws, requires successful landowners in the special wild turkey license drawing to hunt on their own property, provides that the shooting hours for the duck opener, except woodcock, will be 9 a.m., allows a nonprofit sponsor of a turtle race to be issued special permits that allow a person to take turtles without a turtle seller's license, provides for a lead fishing tackle awareness program and public education on the dangers of lead tackle and requires a report to the appropriate legislative committee on the change in shooting hours.

The bill was approved and advanced to the Senate floor.

The committee, chaired by Sen. John Marty (DFL-Roseville), also took action on a variety of other bills. S.F. 1195, sponsored by Sen. John Hottinger (DFL-St. Peter), authorizes a drainage authority to compensate landowners for the removal of a private bridge or culvert. The measure was approved and sent to the full Senate.

A bill modifying the lease rates for school trust fund land leased to three individuals was also discussed. The measure, S.F. 465, sponsored by Sen. Thomas Bakk (DFL-Cook), sets the rate at 3 percent of the appraised value and provides for an inflation adjustment. Bakk said that several years ago the decision was made to get rid of the leases of school trust fund lands and that the three leases are the only ones left. However, Bakk said, the current lease rate is prohibitively expensive. The committee advanced the measure to the Finance Committee without recommendation.

S.F. 636, authored by Sen. Linda Scheid (DFL-Brooklyn Park), requires vapor recovery equipment for gasoline

deliveries in the Metropolitan Area. Scheid said the bill aims to reduce volatile organic compounds through retrofitting vapor recovery systems. She said the measure provides for reimbursement through the petrofund. Higgins offered an amendment to allow local units of government outside the Metro Area to require vapor recovery equipment. However, Scheid opposed the amendment on the grounds that it creates a hodge-podge effect. The amendment failed to be adopted. Members approved the bill and re-referred the measure to the Finance Committee.

S.F. 857, authored by Sen. Dallas Sams (DFL-Staples), changes the percentage of property owners necessary to petition for creation and termination of a lake improvement district. The bill was approved and sent to the full Senate. S.F. 841, sponsored by Sen. Thomas Neuville (R-Northfield), provides for the transfer of the Minnesota Valley State Recreation Area Rush River wayside unit to Sibley County. The bill was recommended for placement on the Consent Calendar. S.F.



*With committee deadlines fast approaching, the Environment, Agriculture and Economic Development Budget Division hammers out details on the agricultural component of a budget proposal.*

Photo by David J. Oakes

888, carried by Saxhaug, modifies provisions relating to state timber sales regulation. The measure was also sent to the full Senate.

Two bills were approved for inclusion in the omnibus public lands bill assembled in subcommittee last week. S.F. 1220, sponsored by Sen. Becky Lourey (DFL-Kerrick), provides for the first offer of tax forfeited land within the Fond du Lac Indian Reservation to the Fond du Lac Band of Chippewa Indians. S.F. 610, sponsored by Sen. Steve Dille (R-Dassel), establishes Greenleaf Lake State Park. Members then approved S.F. 935, the omnibus public lands and water bill. The measure, carried by Saxhaug, was re-referred to the Finance Committee.

## Environment, Agriculture and Economic Development Budget Division

### St. Paul ethanol prohibition heard

A bill prohibiting state ethanol producer payments from being made to an ethanol plant in a city of the first class was considered by members of the Environment, Agriculture and Economic Development Budget Division, chaired by Sen. Dallas Sams (DFL-Staples), Tues., Apr. 1.

The panel laid over S.F. 36, sponsored by Sen. Sandra Pappas (DFL-St. Paul), for possible consideration in the division's omnibus appropriations bill. The only existing plant that is affected by the legislation is in St. Paul.

### Two budget proposals fail

Two of the governor's appropriations bills, S.F. 750 and S.F. 798, failed to gain approval of members of the Environment, Agriculture and Economic Development Budget Division, Thurs., Apr. 3. Senators, chaired by Sen. Dallas Sams (DFL-Staples), heard briefly from representatives of state agencies before voting on each bill.

Sen. Steve Dille (R-Dassel) carried the governor's omnibus environment, natural resources and agriculture funding proposal, S.F. 750. Dille said the measure represents a 14 percent cut in general fund spending from FY 02-03. Included in the bill is the governor's plan to cut ethanol producer payments to 10 cents per gallon. Current law provides for

ethanol payments to be 19 cents per gallon in FY 04-05. Sen. Steve Murphy (DFL-Red Wing) said he prefers some of the other options for ethanol payments, including a counter-cyclical plan offered earlier in the session by Dille. The governor's proposal, Murphy said, drastically cuts payments to all plants, even though not all plants are equal in profitability. The bill's arbitrary figure for producer payments cripples half the ethanol industry, he said. Members adopted an amendment, offered by Dille, deleting language folding the Board of Animal Health into the Dept. of Agriculture. The panel also adopted an amendment, offered by Sen. Dennis Frederickson (R-New Ulm), restoring the future resources fund for Legislative Commission on Minnesota Resources projects in FY 07.

Dille said that while he is the measure's chief author, he believes there are at least three areas where it can be improved. He said that another plan should be adopted for restructuring ethanol producer payments, that fees proposed on cervidae farms are too high and that the burning permit system proposed by the Dept. of Natural Resources needs to be examined more closely. Both Dille and Frederickson said they would prefer working on the bill as the session progresses rather than acting on it now. However, the panel acted on a motion to advance the bill and rejected the motion, 4-6.

S.F. 798, sponsored by Sen. Michele Bachmann (R-Stillwater), is the governor's jobs, housing and economic development budget bill. Bachmann said the measure implements the merger of the Dept. of Trade and Economic Development and the Dept. of Economic Security, imposes a registration fee for the apprenticeship program administered by the Dept. of Labor and Industry and eliminates funding for Minnesota Technology and the Humanities Commission. Several members of the panel spoke against the bill's effects on Greater Minnesota and on how the state will deal with the current economic slump. As it represents the priorities of the governor, said Sen. Richard Cohen (DFL-St. Paul), this is a very sorry bill. However, Frederickson said there were no good choices for the governor to make. A motion to advance the bill was rejected, 4-8.

## LCMR project funding discussed

The Environment, Agriculture and Economic Development Committee met Fri., Apr. 4, to consider budget proposals for the Board of Animal Health, the Iron Range Resources and Rehabilitation Board (IRRRB), the Legislative Commission on Minnesota Resources (LCMR) and the Humanities Commission. Members, chaired by Sen. Dallas Sams (DFL-Staples), also reviewed a bill funding a variety of projects. S.F. 359, carried by Sen. Jim Vickerman (DFL-Tracy), authorizes appropriations of about \$48.5 million from a number of funds for LCMR projects. No action was taken on the measure.

## Health and Family Security Committee

### Prior authorization bill advanced

In a reflection of the increased pace because of the first committee deadline, members of the Health and Family Security Committee met twice Tues., Apr. 1, to consider a lengthy agenda of bills.

The committee, chaired by Sen. Becky Lourey (DFL-Kerrick), discussed bills ranging from the definition of cremation to the licensing of alcohol and drug counselors.

S.F. 394, the Minnesota Fair Health Plan Contracting Act, generated considerable discussion. The bill, authored by Sen. Dallas Sams (DFL-Staples), modifies prior authorization requirements for health care services, establishes requirements for provider contracting, modifies provisions for payment of claims and regulates utilization profiling. The major portion of the bill sets requirements surrounding provider contracting procedures. Gord Holton, representing the Provider Coalition, spoke in support of the measure. However, David Haugen, Dept. of Employee Relations, expressed concern that the measure could impact the collective bargaining process. Members adopted an amendment to exempt state public health programs from the bill. The measure was approved and re-referred to the Commerce and Utilities Committee.

Members also completed work on S.F. 448. The bill, sponsored by Sen. Sheila Kiscaden (IP-Rochester), had been heard



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previously by the committee. The panel adopted an amendment deleting provisions relating to an independent informal dispute resolution process. Another amendment was adopted relating to waiving physician involvement in determining the interval for checking incontinent residents. The bill was approved and sent to the Senate floor.

A bill expanding the definition of cremation was also considered. S.F. 394, authored by Sen. David Senjem (R-Rochester), specifies that cremation means the reduction of a body to essential elements through direct exposure to intense heat and flame or a combination of heat and alkaline hydrolysis. Senjem said the combination of heat and alkaline hydrolysis is a new technology and is environmentally sound. Members, however, said that consumers know what cremation means and expanding the definition to include another process is confusing. David Benke, Dept. of Health, said the department wanted to include the new process in statute so that regulatory and consumer protection provisions apply. The bill was laid over in order to work out language that is agreeable to all parties.

The committee approved two bills authored by Sen. Steve Kelley (DFL-Hopkins). S.F. 1019 is an attempt to get at the problem of preventable medical errors, Kelley said. "The bill establishes a reporting system for adverse health care events and lists 27 events that should never happen," Kelley said. The events range from leaving surgical devices inside a patient to death or injury caused by the administration of the wrong drug. The bill sets up a reporting system for such events and requires reporting of corrective actions. The measure was supported by representatives of the Minnesota Hospital Association and the Minnesota Nurses Association. The bill was re-referred to the Finance Committee. S.F. 913, establishes qualified eligibility clearinghouses to provide eligibility data to health care providers. Kelley said the measure is aimed at reducing health care costs through the use of information technology. However, Phil Griffin, representing Preferred One, and Phil Stahlberger, representing Blue Cross and Blue Shield, said their organizations were concerned about increased costs. Kelley said the idea is to provide one point of contact of eligibility information. The bill was re-referred to the Judiciary Committee.

S.F. 985, authored by Lourey, changes the requirements for licensure of alcohol and drug counselors. The bill creates licensure for tier I and tier II counselors, modifies education requirements and creates a Board of Alcohol and Drug Counselors. The measure was approved and re-referred to the State and Local Government Operations Committee. S.F. 1066, sponsored by Kiscaden, modifies social work license requirements and the payment of fees. The measure was approved and sent to the Finance Committee.

S.F. 1043, authored by Sen. Leo Foley (DFL-Coon Rapids), makes numerous technical changes to provisions relating to state-operated services. The measure was approved and recommended for placement on the Consent Calendar.

The final measure, S.F. 1043, sponsored by Sen. Brian LeClair (R-Woodbury), makes numerous technical changes to provisions relating to the Dept. of Human Services, the Dept. of Health, health care and long-term care programs. The measure was approved and re-referred to the Finance Committee.

## Crib safety bill okayed

The Health and Family Security Committee, chaired by Sen. Becky Lourey (DFL-Kerrick), met twice Thurs., Apr. 3, to consider a wide variety of bills prior to the first committee deadline.

One of the measures gaining committee approval, S.F. 377, prohibits the sale and commercial use of cribs that do not meet safety standards. The measure, authored by Sen. Ellen Anderson (DFL-St. Paul), requires cribs to meet safety standards established by the Consumer Safety Commission and the American Society for Testing and Materials. The bill requires second-hand cribs to meet the standards and prohibits the use of cribs that do not meet the safety standards by licensed child care providers and by hotels and motels. In addition, the bill contains an education component to make consumers more aware of crib safety requirements. The measure was approved and advanced to the Senate floor.

S.F. 1049, sponsored by Sen. Sheila Kiscaden (IP-Rochester), modifies newborn screenings. The measure changes terminology to require testing for "hereditary and congenital disorders," rather than "inborn metabolic errors," and

increases the fee to \$61 per specimen. The measure also requires the commissioner of health to periodically revise the list of tests to be administered to reflect advances in medical science and improved testing methods. The bill also provides that an infant may be exempted from the tests if the parents object because the testing is in conflict with their religious beliefs. Finally, the measure provides for an advisory committee to make recommendations concerning tests and treatment for heritable and congenital disorders. The bill was approved and re-referred to the State and Local Government Operations Committee.

S.F. 1071, authored by Sen. David Senjem (R-Rochester), was also considered again by the committee. Members had discussed the bill at an earlier hearing, but laid the measure over to work out language to accurately reflect the author's intent. The bill defines a new process—that of a combination of heat and alkaline hydrolysis—for disposing of a dead human body. The measure was advanced to the full Senate.

S.F. 946, carried by Sen. James Metzen (DFL-South St. Paul), requires the Emergency Medical Services Regulatory Board to study the law governing the designation of ambulance primary service areas. The measure was approved and re-referred to the Finance Committee. S.F. 1119, authored by Sen. Steve Murphy (DFL-Red Wing), allows a licensing change in Goodhue County to an existing ICF/MR. The measure was re-referred to the Finance Committee. S.F. 1234, sponsored by Sen. Linda Higgins (DFL-Mpls.), modifies licensure requirements for occupational therapists whose licenses have lapsed for more than four years. Members approved the bill and sent the measure to the full Senate.

The evening portion of the hearing was dominated by the debate on a bill to prohibit tobacco use in a state regional treatment center, the Minnesota Security Hospital, the Minnesota sex offender program or the Minnesota extended treatment options program. The measure, S.F. 1329, authored by Sen. Leo Foley (DFL-Coon Rapids), sparked considerable discussion, but was approved and sent to the full Senate.

S.F. 1266, authored by Kiscaden, makes several changes to provisions relating to licensed home care agencies. The bill permits a single background study

for home care provider employees, excludes licensed home care agencies from the supplemental nursing services law and excludes certain home care agencies from state survey requirements. The bill was approved and advanced to the Senate floor.

S.F. 1053, carried by Sen. Yvonne Solon (DFL-Duluth), modifies wholesale drug distributor requirements. The measure requires manufacturers to report pharmaceutical pricing criteria such as average wholesale price, wholesale acquisition cost, average manufacturer price and best price as defined in federal law. The measure was approved and advanced to the full Senate.

Members also discussed but laid over two additional bills. S.F. 443, authored by Kiscaden, expands adult foster care licenses capacity. S.F. 1041, sponsored by Sen. Linda Berglin (DFL-Mpls.), makes numerous changes to continuing care provisions.

## Health, Human Services and Corrections Budget Division

### Budget review continues

Members of the Health, Human Services and Corrections Budget Division met Tues., Apr. 1, and Wed., Apr. 2, to continue their in-depth review of the Dept. of Human Services budget proposal. Chair Linda Berglin (DFL-Mpls.) indicated the panel will begin hearing public testimony this week, however the Thurs., Apr. 3, hearing was canceled because the Senate floor session ran long.

## Jobs, Housing and Community Development

### Tax free zone bill gains

A bill, S.F. 496, incorporating the governor's proposals for tax free zones to spur economic development in Greater Minnesota dominated discussion at the Tues., Apr. 1, meeting of the Jobs, Housing and Community Development Committee.

The bill, sponsored by Sen. Thomas Bakk (DFL-Cook), authorizes the establishment of job opportunity building zones (JOBZ), provides tax exemptions for individuals and business entities in the zones and provides for the payment of state aid.

Commissioner Matt Kramer, Dept. of Trade and Economic Development, expressed support for the governor's initiative. Kramer said the administration tried to meet the needs of communities in Greater Minnesota through the proposal. "It is not an economic panacea, but it is an important tool." He said the proposal is modeled on similar programs in Michigan and Pennsylvania. Those programs, Kramer said, had both successes and failures. He said the failures came down to the failure of community efforts to draw businesses to an area. "The key to success is a strong community effort to leverage assets already in the community. Also, established businesses need to cooperate to draw suppliers, partners and vendors into an area," Kramer said.

The committee, chaired by Sen. Linda Scheid (DFL-Brooklyn Park), heard extensive testimony in support of the proposal, before approving the measure and re-referring the bill to the Finance Committee.

Members also approved a bill containing many of the same provisions, but adding biotechnology and health sciences industry tax free zones. S.F. 1067, authored by Sen. Steve Kelley (DFL-Hopkins), also provides tax exemptions and is designed on leveraging discoveries made at research institutions into profitable business ventures. The measure was approved and re-referred to the Tax Committee.

Several additional bills were also advanced. S.F. 1221, sponsored by Sen. Satveer Chaudhary (DFL-Fridley), prohibits employer misrepresentation of the status of employees. Chaudhary said the measure is aimed at those employers who say that workers are independent contractors in order to avoid paying workers' compensation insurance premiums, unemployment insurance premiums and social security taxes. Chaudhary said the bill is not an attempt to restrict independent contractors, but is aimed at those employers who do have an employer-employee relationship with workers.

Andy Morrison, representing the Self-insurers Association, spoke in opposition to the bill and said there are already penalties in place for persons who misrepresent the relationship. A contractor who does declare workers as employees argued for the measure and said that although it is cheaper to call employees

"independent contractors," there is a human cost and taxpayers wind up paying it. The bill was approved and advanced to the Commerce and Utilities Committee.

S.F. 988, authored by Sen. Keith Langseth (DFL-Glyndon), provides for border cities enterprise and development zones. Langseth said cities on the western border of the state have strong competition from cities in the Dakotas and the bill helps offset the cost differential. The measure was approved and re-referred to the Tax Committee.

S.F. 367, carried by Sen. Dallas Sams (DFL-Staples), provides for a tax credit for regional angel investment network funds. Sams said, "Capital is a critical and immediate need for Greater Minnesota economic development and the bill is designed to attract investors to Greater Minnesota opportunities." The bills was approved and re-referred to the Tax Committee.

### Job training bill okayed

Members of the Jobs, Housing and Community Development Committee met Thurs., Apr. 3, to consider three measures. S.F. 921, sponsored by Committee Chair Linda Scheid (DFL-Brooklyn Park), provides grants to qualified job training programs. Specifically, the bill authorizes a \$9,000 placement grant paid to a job training program upon placement in employment of a qualified graduate of the program and a \$9,000 retention grant to the program upon retention of the graduate in employment for at least one year. The bill also spells out the eligibility criteria for a job training grant. Scheid said the measure is a performance based grant program. The measure was approved and advanced to the Finance Committee.

S.F. 1101, carried by Sen. Michele Bachmann (R-Stillwater), clarifies that school conference and activity leaves must be granted during each school year, rather than in any 12 month period. The bill also specifies that the 16 hours authorized is not per child, but for the employee's children. After considerable discussion, members adopted a motion to lay the bill on the table.

S.F. 1098, also authored by Bachmann, makes changes to occupational safety and health provisions. The bill eliminates certain responsibilities of the commissioner of health and increases the minimum period that a citation for a



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violation must be posted by an employer. The bill also increases the penalty limit for a violation that causes or contributes to the death of an employee up to \$25,000. The bill was approved and sent to the Senate floor.

## Judiciary

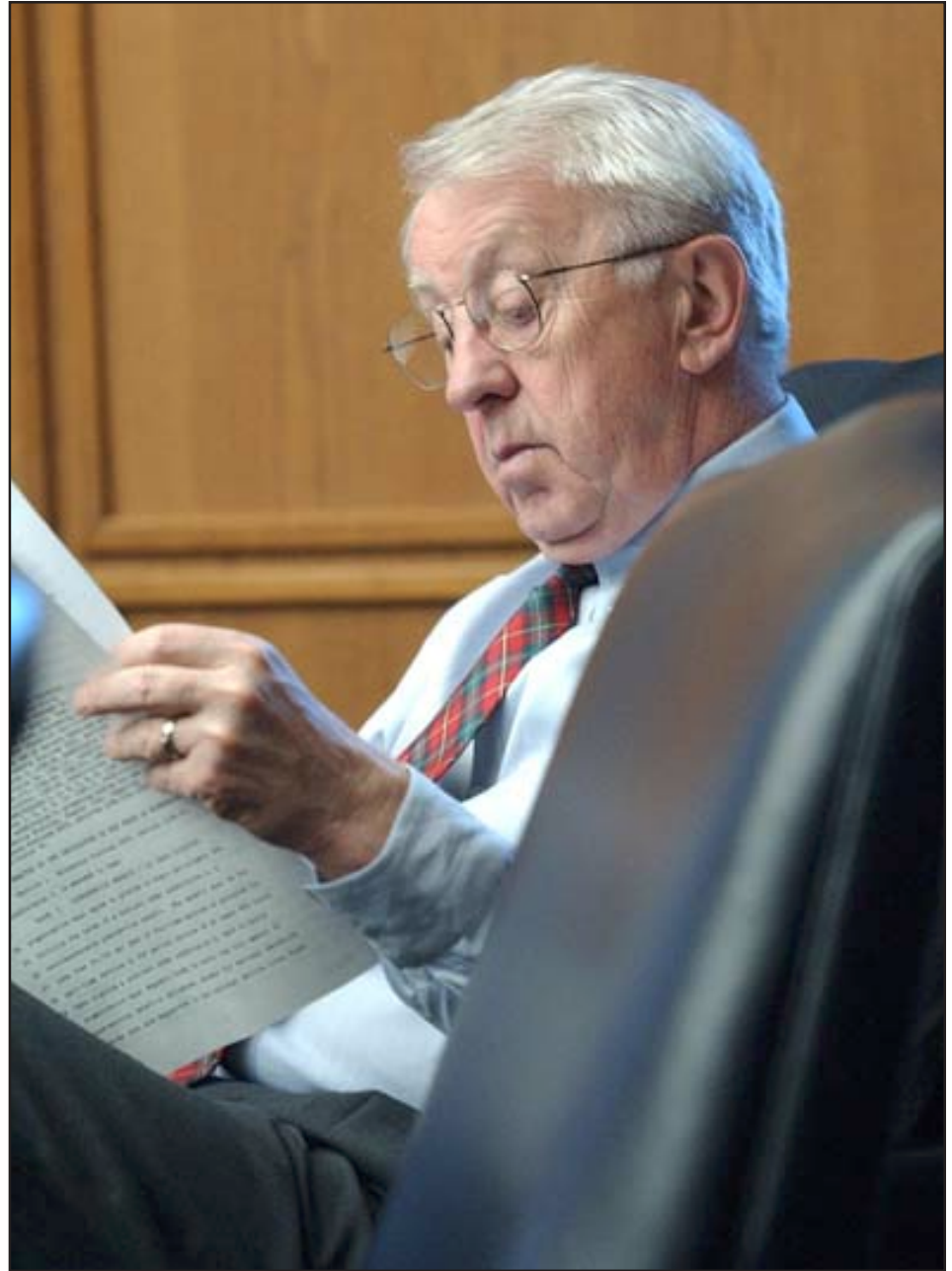
### MA asset recovery falters

Members of the Judiciary Committee advanced the governor's policy provisions without a controversial provision Tues., Apr. 1. S.F. 1079 includes a provision establishing state policy regarding Medical Assistance claims against a recipient's estate. The policy, as articulated in the bill, modifies common law principles by continuing a recipient's life estate or joint tenancy interest in real property after the recipient's death.

The general principle behind the policy is to require Medical Assistance (MA) recipients and their spouses to pay their share of MA costs with their own assets, said Sen. Sheila Kiscaden (IP-Rochester), chief author of the bill. She said the general question is one of what a person's responsibility is to prepare for long-term care. Joe Rubenstein, Dept. of Human Services, said the provision only applies to the estates of MA recipients who die on or after the effective date.

However, Chuck Hoyum said the Minnesota Land Title Association opposes the bill because it will make property less valuable and less attractive as an investment. Several attorneys also spoke against the measure. Julian Zweber, a member of the Elder Law Section of the Minnesota State Bar Association, said the general principle of life tenancy is possessory and the interest dies with the owner. Professor Eileen Roberts, William Mitchell College of Law, said the measure essentially transfers the responsibility for MA cost sharing to an individual who did not incur the costs of MA benefits. She said she understands the budget constraints the state is facing and the need to find creative sources of funds, but this particular proposal is flawed. Roberts said she believes the plan will not pass Constitutional muster. Rubenstein said the department disputes the legal arguments against the proposal.

Sen. David Hann (R-Eden Prairie) suggested one solution may be to require that qualifying for Medical Assistance



**Sen. Cal Larson (R-Fergus Falls) reads the contents of a bill during a meeting of the Higher Education Budget Division, Thur., Apr. 3.** Photo by David J. Oakes

involves liquidation of life estates and joint tenancy interests. However, Zweber said federal law does not permit the state to enact the requirement. He said the department would have to seek a waiver or a change in federal law to be able to require liquidation.

Members debated an amendment, offered by Sen. Richard Cohen (DFL-St. Paul), deleting the sections of the bill enacting the MA asset recovery provision. Cohen said the provision was analogous to taxing persons after they have died, and

that national trends show opposition to such taxes. However, Sen. Julianne Ortman (R-Chanhassen) said the provision is not a tax, but is merely asking people to participate in the costs of their own care. The amendment was adopted and the measure re-referred to the Committee on Crime Prevention and Public Safety.

In other action, members advanced several other measures. Two bills were advanced to the Finance Committee. S.F. 344, carried by Sen. Dan Sparks (DFL-

Austin), makes changes to provisions regarding professional/technical contracts entered into by state agencies. S.F. 179, sponsored by Kiscaden, creates denturism as a new category of licensed health professional.

S.F. 782, authored by Sen. Becky Lourey (DFL-Kerrick), was advanced to the Agriculture, General Legislation and Veterans Affairs Committee. The measure transfers the responsibility for monitoring agricultural chemicals in groundwater and requires records to be filed with the commissioner of agriculture. S.F. 998, carried by Sen. John Hottinger (DFL-St. Peter), establishes the Fair and Clean Elections Act. The bill was re-referred to the Crime Prevention and Public Safety Committee. Sen. Linda Scheid (DFL-Brooklyn Park) carried S.F. 872, which was recommended for placement on the Consent Calendar. The bill modifies provisions relating to real property purchase-money mortgages.

Five bills were advanced to the Senate floor. S.F. 565, sponsored by Sen. Steve Kelley (DFL-Hopkins), restricts the use and display of Social Security numbers. Kiscaden carried S.F. 685, which provides for access to appraisal data by property owners and establishes negotiation requirements for eminent domain actions. Committee Chair Don Betzold (DFL-Fridley) authored S.F. 354, which clarifies that cities have any and all the powers conferred on towns and that cities must adopt ordinances authorizing the manner in which they will charge for emergency services. Sen. Wesley Skoglund (DFL-Mpls.) carried two measures. S.F. 127 provides for civil penalties collected in disciplinary proceedings by various health boards. S.F. 568 is the omnibus data practices bill.

## Bills debated

The Judiciary Committee, chaired by Sen. Don Betzold (DFL-Fridley), met twice Thurs., Apr. 3, to hear a variety of bills before the first committee deadline.

Several measures sparked considerable debate. S.F. 913, authored by Sen. Steve Kelley (DFL-Hopkins), establishes qualified eligibility clearinghouses to provide eligibility data to health care providers. Kelley said the bill is designed to cut health care costs by providing a single point of contact for health care providers to get information about a person's insurance eligibility. The measure

requires the commissioner of health to establish a process to designate business entities as qualified eligibility clearinghouses and sets forth the procedures for businesses to qualify. In addition, the bill requires all health plan companies and group purchasers to provide access to their databases to each qualified clearinghouse. The bill requires the clearinghouse to provide eligibility data to a provider upon request and allows the clearinghouse to charge a fee. After considerable testimony, both in support and opposition to the bill, members approved the measure and re-referred the bill to the Finance Committee.

Members also debated a bill relating to municipal contracts. The bill originally authorized the awarding of attorney's fees in an action brought challenging the validity of a municipal contract. However, the bill was amended in another committee to delete the awarding of attorney's fees and to specify that attorney's fees may only be awarded if the award of a bid is invalidated by a court as a result of fraud, collusion or intentional violation of the law by the municipality. In addition, the bill was amended to provide that the court may award attorney's fees to a municipality if the court rules the action was frivolous and brought in bad faith. Sen. Warren Limmer (R-Maple Grove) offered an amendment to delete the amendment of the previous committee and reinstate the original language of the bill. The motion failed to be adopted. Members approved the bill and advanced the bill to the Senate floor.

Another measure that touched off considerable debate was S.F. 972—a child support federal compliance bill. The measure makes a number of changes in order to bring state law into alignment with federal law. Chief author, Sen. Thomas Neuville (R-Northfield) said the bill was before the committee because of a provision requiring that all applicants for drivers' licenses and hunting and fishing licenses provide their Social Security numbers which are then provided to the Dept. of Human Services for purposes of child support enforcement. Neuville said the state must comply or face a loss of federal child support funds and TANF block grant funds. Members adopted an amendment specifying an applicant's Social Security number must not be displayed, encrypted or encoded on the driver's license or Minnesota identifica-

tion card. Tom Johnson an interested citizen spoke in opposition to the bill. He said a Social Security number should have nothing to do with a driver's license or hunting license. He also cited concerns about identity theft and said the provision assumes a person is guilty of nonpayment of support until proven innocent. "The federal government is blackmailing states," Thompson said. Members worked to fine tune the language to address some of the concerns raised by Thompson and others. The bill was approved and re-referred to the Finance Committee.

S.F. 838, sponsored by Sen. Linda Higgins (DFL-Mpls.), prohibits the placement of electronic products in mixed municipal solid waste sites. The measure was before the committee because of a provision providing immunity from liability under state law relating to antitrust, restraint of trade, unfair trade practices and other regulation of trade for activities related to the collection and management of electronic products. However, Higgins requested the provision be deleted from the bill. Members adopted an amendment striking the provision and advanced the bill to the Senate floor.

Members approved a measure, S.F. 958, authored by Sen. Steve Murphy (DFL-Red Wing), classifying military certificates of discharge as private data. The measure does provide procedures for the release of the data under certain circumstances. The bill was recommended for placement on the Consent Calendar. Members also recommended placement on the Consent Calendar for S.F. 727. The bill, sponsored by Sen. David Knutson (R-Burnsville), specifies the form that must be used by agencies when providing information to an adopted person or adoptive parent. A third bill, S.F. 1176, was also recommended for placement on the Consent Calendar. The bill, sponsored by Sen. John Hottinger (DFL-St. Peter), clarifies that actions against the state by employees under federal law may be brought in federal court.

S.F. 42, authored by Sen. Linda Berglin (DFL-Mpls.), requires law enforcement agencies and prosecuting authorities to notify community crime prevention groups who report criminal activity the outcome of the criminal proceedings. The measure was approved and advanced to the Senate floor.

Two bills authored by Sen. Dan Sparks (DFL-Austin) were approved and



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sent to the Senate floor. S.F. 1015 permits the commissioner of veterans affairs access to taxpayer identification information in order to notify veterans of health hazards that might affect them. S.F. 1014 increases parental liability owed to a victim for acts of juvenile offenders and allows the parents of a minor, who is the victim of juvenile offender to attend delinquency proceedings.

S.F. 156, authored by Kelley, makes clarifying changes to provisions enacted last year regulating data on Internet consumers. The measure was approved and sent to the full Senate. Members also approved a bill authorizing the commissioner of administration to issue written opinions regarding compliance with the open meeting law. The bill was approved and re-referred to the Finance Committee.

Two measures authored by Betzold were also advanced by the panel. S.F. 634 clarifies that persons who qualify as voluntary patients for treatment of a mental illness are not subject to civil commitment. The measure was approved and sent to the full Senate. S.F. 425 establishes procedures for administrative fair hearings and appeals for Dept. of Human Services programs and services. Members approved the bill and re-referred the bill to the Finance Committee.

## Rules and Administration

### Permanent Rules advance

The full Rules and Administration Committee, chaired by Sen. John Hottinger (DFL-St. Peter), met Mon., Mar. 31, to consider two items. Members first formally received the annual Senate audit. The audit, conducted by an outside accounting firm, reviews the Senate's bookkeeping practices. Secretary of the Senate Patrick Flahaven reviewed the contents prior to formal adoption of the Audit Subcommittee report and reception of the audit. Sen. James Metzen (DFL-South St. Paul) complimented the secretary and the fiscal services office staff on a clean audit.

Members then turned their attention to proposed changes in the Permanent Rules of the Senate. Sen. Ann Rest (DFL-New Hope), chair of the Subcommittee on Permanent and Joint Rules, reviewed the proposed changes. She said the changes were to reduce the number of copies of bills from four to three, require

41 votes to withdraw a bill from committee before the committee deadline, conform the names of the omnibus appropriations bills to the names of the budget divisions and delete the requirement that a House bill placed on the Senate Calendar must not be given a third reading on the same day as the substitution. The last change is needed because of adoption of a practice to have a comparison calendar that holds House bills until they reach the floor. Rest offered an amendment, which was adopted, deleting the requirement to have 41 votes to withdraw a bill from committee before the committee deadline.

Sen. Steve Dille (R-Dassel) offered an amendment to allow the Ethics Subcommittee to receive complaints when the Legislature is not in session and to specify that a rule relating to ethical conduct applies to caucuses as well as to members and staff. Discussion on the proposal centered on the difficulty of receiving complaints during a campaign season and the exact definition of caucus. Sen. David Knutson (R-Burnsville) said the provision is difficult because a caucus is not a defined entity. Members ultimately adopted an amendment deleting the caucuses from the amendment. Sen. Linda Berglin (DFL-Mpls.) said the application of the amendment to campaign season would be difficult to enforce on candidates who are not already members of the Senate. The committee adopted an amendment that specifies ethics complaints may be received until the Legislature adjourns sine die. The amendment thus does not apply during campaign season. The Dille amendment was adopted.

Members also adopted an amendment that requires members to address the President of the Senate during debate. Currently, members may turn toward other members when speaking, rather than facing the President. Sen. William Belanger (R-Bloomington), sponsor of the amendment, said that when the rules changed to allow members to turn toward other members, the quality of debate suffered. He said that requiring members to address the President will cut down on personal remarks during debate.

The Permanent Rules were adopted and advanced to the full Senate.

### Elections changes advance

Members of the Rules and Administration Subcommittee on Elections met

Tues., Apr. 2, to advance a bill making housekeeping changes to the state's elections law. Two measures on the issue were before the panel, chaired by Sen. Linda Higgins (DFL-Mpls.).

S.F. 767, sponsored by Sen. Cal Larson (R-Fergus Falls), contains changes recommended by the Office of the Secretary of State. S.F. 1035, authored by Higgins, contains changes recommended by county election officers. Members considered both bills at a previous hearing and recommended the parties involved seek a compromise on items of disagreement.

The panel adopted an amendment to S.F. 767, offered by Sen. Dave Kleis (R-St. Cloud), reflecting the provisions agreed to by the parties. The amendment includes provisions permitting the combination of two precincts in the same municipality if either of the precincts has fewer than 100 registered voters, providing for the appointment of election judges in May, requiring the mailing of supplemental ballots to absentee voters who request the ballots and changing filing deadlines for candidates for school district and hospital district offices.

Members also discussed an amendment offered by Sen. John Marty (DFL-Roseville). The amendment requires counties to post voting history information within eight weeks after the state general election and six weeks after every other election and requires a precinct polling place located outside the precinct to be accessible. The amendment also provides for the appointment of persons who may not be affiliated with a major political party as an election judge, if lists of election judges provided by the major political parties are exhausted, and places restrictions on the behavior of challengers and observers in polling places. The amendment was adopted, along with another amendment offered by Marty requiring uncontested judicial offices to appear after contested judicial offices on ballots. After amending S.F. 767, members replaced the language of S.F. 1035 with the amended language of S.F. 767. S.F. 1035 was then advanced to the full Rules and Administration Committee. Higgins said the intent was to make S.F. 1035 the vehicle for the elections housekeeping measures.

In other action, members also approved S.F. 931 and advanced the measure to the full committee. Carried by

Higgins, the bill contains housekeeping provisions suggested by the Campaign Finance and Public Disclosure Board.

## State and Local Government Operations

### Taxicab bill advanced

A bill altering the regulation of taxicabs by the Metropolitan Airports Commission was advanced at the Mon., Mar. 31, meeting of the State and Local Government Operations Committee. The panel had heard the bill at a previous meeting, but needed to complete discussion. The bill was approved and re-referred to the Finance Committee. S.F. 177, authored by Sen. Satveer Chaudhary

(DFL-Fridley), limits the authority of the Metropolitan Airports Commission to limit the age of cabs to less than six years, allows a cab owner to pay the annual fee in quarterly installments and allows the representative of a permit holder who dies to transfer the permit to an immediate family member.

In other action, the committee, chaired by Sen. Jim Vickerman (DFL-Tracy), heard a variety of other bills. S.F. 364, carried by Sen. Leo Foley (DFL-Coon Rapids), creates a task force to study and make recommendations on judicial selection and retention. The measure was approved and re-referred to the Committee on Rules and Administration. S.F. 547, sponsored by Sen. Don

Betzold (DFL-Fridley), authorizes counties in the seven-county Metropolitan Area to grant economic development authority powers to existing county housing and redevelopment authorities. The bill was approved and re-referred to the Tax Committee.

S.F. 675, authored by Sen. Dallas Sams (DFL-Staples), repeals the expiration date of the Minnesota Agriculture Education Leadership Council. The bill was approved and recommended for placement on the Consent Calendar. S.F. 967, also sponsored by Sams, provides an exclusion from the political subdivision salary limit for public hospitals and clinics. The measure was also approved and re-referred to the Finance Committee.



Sen. David Hann (R-Eden Prairie) closely scrutinizes proposed legislation during a recent Judiciary Committee hearing.

Photo by David J. Oakes



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Members also recommended Consent Calendar placement for S.F. 816. The bill, sponsored by Sen. Steve Kelley (DFL-Hopkins), authorizes the Metropolitan Radio Board to remain in existence until June 30, 2007.

S.F. 789, sponsored by Sen. Richard Cohen (DFL-St. Paul), allows counties to have a private certified public accountant examine their books and removes the mandate for audits by the state auditor. S.F. 904, also authored by Cohen, prohibits the leasing of vehicles for the use of state officials and employees. Under the bill, an exception is made for the governor. Both measures were approved and re-referred to the Finance Committee.

## Elected Met Council gains

The State and Local Government Operations Committee met Tues., Apr. 1, to consider a variety of bills. One measure, a bill providing for a local approval process for capital improvement projects for which the Metropolitan Council has the authority to acquire easements by eminent domain was amended to provide for an elected Metro Council. S.F. 1245, authored by Sen. Linda Scheid (DFL-Brooklyn Park), set forth a timeline for the Met Council to submit a final layout of a capital project, hold a public hearing and place the final layout before the city council to approve or disapprove. The measure also provides for an appeal process.

Sen. Charles Wiger (DFL-North St. Paul) offered an amendment to provide for the election of the Metropolitan Council. Wiger said an elected body would be more responsive and accountable to the citizens of the region. He said, under the amendment, the members of the Metropolitan Council would then elect a chair. The amendment was adopted on a divided voice vote.

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

The committee, chaired by Sen. Jim Vickerman (DFL-Tracy), also approved a bill enacting the reorganization of state government agencies as proposed by the 1993 Commission on Reform and Efficiency. S.F. 1106, carried by Sen. Jane Ranum (DFL-Mpls.), establishes eight governor's secretaries and assigns various state agencies to the secretaries. The bill also provides for implementation and

requires the governor to reduce managerial, supervisory and other positions in agencies to reflect efficiencies achieved under the new organizational structure. The measure was re-referred to the Rules and Administration Committee.

Two other bills sponsored by Ranum were also considered. S.F. 793 clarifies the eligibility of local governments for state aid in building component of the regionwide public safety radio and communications system. The measure was approved and sent to the Senate floor. The second bill, S.F. 1128, increases the 911 emergency telephone service fee to cover the cost of the public safety radio communication system. Ranum said the measure contains the provisions that were in the Senate's antiterrorism bill last year. The measure increases the fee by 19 cents to 52 cents per month. The measure also outlines the disposition of the funds raised through the fee. In addition, the bill authorizes bonding for the communications system and makes a direct appropriation. Another bill before the committee, S.F. 1308, sponsored by Sen. Steve Kelley (DFL-Hopkins), also contained the fee increase. However, S.F. 1308, transfers responsibility for the 911 emergency telephone system and the public safety radio system from the commissioner of administration to the commissioner of public safety. Portions of S.F. 1308 were amended into S.F. 1128. The amended bill was approved and referred to the Commerce and Utilities Committee.

A bill prohibiting state agencies from entering into or renewing any contract with a corporation incorporated in a tax haven country was also approved. S.F. 755, authored by Sen. Richard Cohen (DFL-St. Paul), names several countries as tax havens and specifies that any country that has no corporate income tax or has an effective tax rate of less than 10 percent on income that does not come from that country is a tax haven. The bill does allow the commissioner to waive the prohibition for a compelling public interest. The measure was approved and re-referred to the Crime Prevention and Public Safety Committee. A second bill sponsored by Cohen was also approved. S.F. 1222 requires the city of St. Paul to spend a portion of the revenues from the city's sales tax for cultural organizations. The bill was re-referred to the Tax Committee.

Two measures sponsored by Kelley were approved and advanced to the Senate floor. S.F. 300 extends the maximum length of guaranteed energy savings contracts under the uniform municipal contracting law from 10 to 15 years. S.F. 301 authorizes capital cost avoidance for guaranteed savings contracts.

S.F. 861, authored by Sen. Rod Skoe (DFL-Clearbrook), establishes a Minnesota State Library Board. The bill provides for 11 members to be appointed by the governor and specifies that the board be the leading voice and advocate for libraries in the state. The measure also outlines the powers and duties of the board and authorizes the board to administer grants. The bill was approved and re-referred to the Finance Committee.

Members also approved S.F. 1180, the Dept. of Administration housekeeping bill. The measure, sponsored by Sen. Sharon Marko (DFL-Cottage Grove), was sent to the Senate floor.

## Advisory groups' sunset extended

A bill modifying the expiration dates for a variety of advisory committees was approved at the Wed., Apr. 2, meeting of the State and Local Government Operations Committee.

S.F. 1063, authored by Sen. Claire Robling (R-Jordan), repeals sunset dates for groups ranging from the Governor's Residence Council to the Minnesota Conservation Corps Advisory Committee that were to expire this year. The measure was advanced to the Senate floor.

Members, chaired by Sen. Jim Vickerman (DFL-Tracy), considered three bills authored by Sen. Tom Saxhaug (DFL-Grand Rapids). S.F. 863 makes the Long Lake Conservation Center fund a separate county enterprise fund. The measure was approved and sent to the full Senate. S.F. 885 authorizes counties to transfer jurisdiction and ownership of a vacated county highway. S.F. 886 allows a county to exchange parcels of property for property of similar or equal value when acquiring property for county highway right-of-way purposes. The latter two measures were approved and re-referred to the Finance Committee.

S.F. 190, sponsored by Sen. Don Betzold (DFL-Fridley), the omnibus pension bill was also approved and sent to the Senate floor.

A bill making changes in provisions relating to individual sewage treatment systems was also approved and re-referred to the Finance Committee. S.F. 503, authored by Sen. Steve Murphy (DFL-Red Wing), also requires counties to develop plans for disposal of domestic septage generated within their jurisdictions by July 1, 2005.

S.F. 829, authored by Sen. Scott Dibble (DFL-Mpls.), abolishes the Metropolitan Parks and Open Space Commission, eliminates obsolete reporting requirements, provides for the direct charging, by the Met Council, of industrial dischargers for wastewater treatment user fees and removes an obsolete requirement that metropolitan school districts submit capital improvement plans to the Met Council. The measure was approved and advanced to the Tax Committee.

Finally, members also approved S.F. 1197. The measure, sponsored by Sen. Betsy Wergin (R-Princeton), makes technical and housekeeping changes in provisions relating to the Dept. of Employee Relations. The measure was sent to the Senate floor.

## State Government Budget Division

### Agency budgets reviewed

Members of the State Government Budget Division, chaired by Sen. Jane Ranum (DFL-Mpls.), met Tues., Apr. 1, to consider the governor's budget proposals for the Amateur Sports Commission, the Veterans of Foreign Wars, the Dept. of Employee Relations and the Dept. of Revenue. The panel met Wed., Apr. 2, to consider the budgets for the Dept. of Commerce and three legislative offices: the Legislative Coordinating Commission, the Office of the Legislative Auditor and the Office of the Revisor of Statutes.

### Governor's bill rejected

The governor's proposed budget cuts for corrections, public safety and the judiciary failed as members of the State Government Budget Division, chaired by Sen. Jane Ranum (DFL-Mpls.), took action on the proposal. S.F. 803, sponsored by Sen. Thomas Neuville (R-Northfield), was defeated on a 4-6 roll call vote.

Neuville said he did not see the need for a vote on the bill at this time. The

proposal has room to accommodate reforms, changes and additions, he said. Budgetary cuts contained in the bill do not preclude reforms in state agencies and the courts, Neuville said. He said members should continue to discuss other proposals, such as raising revenue for the courts through fees directly related to services, and amend them onto the bill. However, Sen. Richard Cohen (DFL-St. Paul) said the cuts are bad and the overall plan presented by the governor is bad. Cohen said the measure reflects significant regression in Minnesota's efforts to have a superior judicial system. Before voting, members also heard brief public testimony on the effects of the proposal on the judicial system, guardians-ad-litem and county corrections systems.

### State government budget bill fails

The governor's proposed budget for state agencies was defeated, 3-6, during the Fri., Apr. 4, meeting of the State Government Budget Division.

Sen. David Knutson (R-Burnsville), chief author of S.F. 777, said the governor offered a reasonable budget plan quickly. "This bill includes some of the biggest changes, modifications and realignments I have seen in my term in the Legislature," said Knutson. Most agencies—as well as the constitutional officers and Legislature—have their budgets trimmed by 15 percent, under the bill. The Department of Veterans Affairs budget is cut by 10 percent, but the Dept. of Military Affairs budget is trimmed by only 1.5 percent, reflecting the need for preparedness, Knutson said. Minnesota Planning is cut by 26 percent, the Dept. of Revenue budget is cut 10 percent and public broadcasting is cut by 30 percent. The bill also includes several proposals for new fees and changes in existing fees. "I think the fees are entirely appropriate, given the responsibilities of the boards and commissions," Knutson said. He said he wants to work on crafting a budget on a bipartisan basis. He noted that the Legislature has a lot of work to do in a very short amount of time. However, Sen. Ann Rest (DFL-New Hope) said the proposal does not include much real reform. We have a right to expect more in a budget proposal, she said.

Members adopted amendments, offered by Knutson, adjusting the budget proposal to reflect changes in the state's economic situation, adjusting proposed

fees for the Campaign Finance and Public Disclosure Board from a percentage of expenditures made by political party units and political action committees to a flat fee and requiring administrative law judges and workers compensation judges to retire at the same age as other judges.

Several members of the public spoke to the panel about their concerns with individual budget items, including several fee proposals. Byron Laher, representing the United Way, suggested that nonprofit charities be exempted from the proposed lobbyist registration fee. King Wilson, Allied Charities, spoke in opposition to a provision changing fees for regulation of charitable gambling from a flat fee to a percent of gross revenues.

## Taxes

### Department bills considered

Legislation proposed by the Dept. of Revenue was approved for inclusion in the omnibus tax bill by members of the Tax Committee during their Tues., Apr. 1, meeting.

The panel, chaired by Sen. Lawrence Pogemiller (DFL-Mpls.), approved provisions in S.F. 1007 and S.F. 1008 for inclusion in the omnibus bill. Both measures are sponsored by Sen. Mee Moua (DFL-St. Paul). S.F. 1007 is the department's technical bill. S.F. 1008 is the department's policy bill.

### TIF bills heard

Members of the Senate Tax Committee met Wed., Apr. 2, to consider several measures relating to tax increment financing, a tool used by many local governments to stimulate economic development. The panel, chaired by Sen. Lawrence Pogemiller (DFL-Mpls.), took no action on the bills. Pogemiller said he and his counterpart in the other body have discussed the possibility of offering an omnibus TIF bill separate from the omnibus tax bill. However, he said, no decision has been made on that option.

S.F. 151, carried by Sen. Dallas Sams (DFL-Staples), creates the Lakes Area Economic Development Authority (EDA) in Douglas County. Sen. Ann Rest (DFL-New Hope) sponsored two measures. S.F. 306 provides for the creation of a tax increment financing (TIF) district in New Hope. S.F. 1229 authorizes development authorities to amend TIF plans to



# Committee update

establish affordable housing or hazardous substance remediation accounts. S.F. 387, authored by Sen. Mee Moua (DFL-St. Paul), authorizes the St. Paul Housing and Redevelopment Authority to establish several TIF districts in St. Paul. S.F. 393, carried by Sen. Steve Murphy (DFL-Red Wing), permits the city of Red Wing to extend the duration of several TIF districts.

Sen. Yvonne Solon (DFL-Duluth) carried two bills relating to the Duluth EDA. S.F. 525 permits the establishment of a TIF district for aircraft-related facilities and S.F. 526 permits the expenditure of tax increments collected from a TIF district outside the district's boundaries. S.F. 446, sponsored by Sen. Keith Langseth (DFL-Glyndon), permits the city of Detroit Lakes to pool tax increments for debt service payments. Sen. Steve Kelley (DFL-Hopkins) authored two measures. S.F. 617 and S.F. 1209 extend the durations of TIF districts in Hopkins and Golden Valley, respectively. S.F. 783, sponsored by Sen. Gary Kubly (DFL-Granite Falls), authorizes development authorities to extend the duration of TIF districts to eliminate deficits caused by property tax changes enacted in 2001.

S.F. 830, authored by Sen. Mark Ourada (R-Buffalo), authorizes the creation of a TIF district in St. Michael. Ourada also carried S.F. 1174, which extends the duration of a TIF district in Monticello. S.F. 1190, sponsored by Sen. Mady Reiter (R-Shoreview), extends the duration of a TIF district in Circle Pines. Pogemiller sponsored two measures, both relating to TIF districts in Roseville. S.F. 1109 extends the duration of a district and S.F. 1312 creates a TIF district.

## Transportation Policy and Budget Division

### Governor's proposal defeated

The governor's budget proposal for transportation projects was defeated by members of the Transportation Policy and Budget Division during their Mon., Apr. 1, meeting. S.F. 655, sponsored by Sen. Dick Day (R-Owatonna), appropriated over \$3.5 billion for transportation during FY 04-05 and included funding for debt service. The bulk of the governor's proposal for medium- and long-term transportation planning relies on bonds that are authorized in a separate bill.

Assistant Transportation Commissioner Kevin Gray said the governor's plan includes over \$1 billion more over the next five years. About half of the money is trunk highway bonds, he said, and the remainder is advancing future federal funding. Gray said the plan means \$150 to \$300 million per year more will be let for projects, over the next five years. However, Sen. Keith Langseth (DFL-Glyndon) said the state used to split transportation evenly between projects in the Metropolitan Area and Greater Minnesota. He said the governor's plan does not include the funding division and the governor has not committed to continuing the practice. Gray said the criteria for project selection are not geographic in nature, but include the ability of the project to go forward quickly and the capital intensive nature of the project.

Sen. Dean Johnson (DFL-Willmar), division chair, said the Senate has long prided itself on offering a balanced approach to transportation with highways, local roads and transit projects. He said the governor's plan has very little money for local roads and cuts transit funding. Citizens have offered valid concerns, Johnson said, about reductions in snow plowing, rest area closures and how the state will pay the debt service for the governor's plan. However, Sen. Mark Ourada (R-Buffalo) said the program cutbacks are not as bad as they have been portrayed in the media. Sen. Sharon Marko (DFL-Cottage Grove) said the governor rejected increasing the gas tax when he was a Legislator, in a time of surplus budgets, and is now rejecting a gas tax increase during a time of budget shortfalls. In his mind, she said, there is no good time for a gas tax increase to fund the state's transportation needs. Day said that he has supported a gas tax increase before, but cautioned members that any gas tax increase proposal will be vetoed and is not likely to be overridden. S.F. 655 was defeated on a 6-9 roll call vote.

In other action, members considered six measures. S.F. 825, carried by Sen. Ann Rest (DFL-New Hope), permits cities to impose a transportation utility fee. Eagan Public Works Director Tom Colbert said many of the communities supporting the proposal do not receive municipal state aid payments for local streets because they are too small. He said Eagan has about \$2.2 million in annual

unmet need. If the entire amount were to be assessed against only residential property, Colbert said, homeowners' monthly utility bills would increase by \$7. Imposing the fee against a broader range of properties, he said, makes the monthly fee even lower. Rest noted that the bill requires the fee proceeds to match up with the city's master plan for road development. Fees cover benefits and services provided, she said, and are not meant to increase the city's general obligation revenue.

However, representatives of the Minnesota Trucking Association, Minnesota Association of Retailers and Minnesota Auto Dealers Association spoke against the measure. Amber Backhaus said trucking facilities in cities that impose the fee will be at a competitive disadvantage against facilities in cities without the fee. Sen. Michael Jungbauer (R-East Bethel) said the fee seems to amount to unlimited funding for cities. He said he does not support stacking the fee on top of the other methods by which cities can seek transportation funding, including property taxes. S.F. 825 was approved for inclusion in the omnibus transportation bill.

Five measures were approved and advanced to the Finance Committee. S.F. 915, authored by Sen. Satveer Chaudhary (DFL-Fridley), modifies graduated drivers license provisions. The measure disqualifies a provisional license holder who is 16 or 17 from obtaining a full license if the driver has had a conviction for a moving violation or a seat belt violation during the preceding 12 months. If a disqualifying violation occurred during provisional licensure, the applicant for full licensure must complete at least six hours of behind-the-wheel instruction during the provisional licensure period. The bill also prohibits provisional license holders from driving between midnight and 5 a.m., with more than one passenger under the age of 18 or unless every passenger under the age of 18 is wearing a seat belt.

Sen. Mee Moua (DFL-St. Paul) carried S.F. 1192, which requires the Department of Public Safety to electronically forward information about drivers license applicants to the federal military selective service system. S.F. 973, sponsored by Sen. Scott Dibble (DFL-Mpls.), makes several changes to motor vehicle registration statutes suggested by the department. S.F. 456, carried by Sen. Charles Wiger (DFL-North St. Paul),

clarifies a current exemption in the seat belt use requirement for workers who must alight from and reenter vehicles frequently, such as garbage and recycling truck operators. Johnson authored S.F. 881, which makes permanent an exemption for vehicles owned by public or municipal utilities or cooperative electric associations from highway weight limits.

### **Seat belt bill okayed**

A bill making violations of the seat belt law a primary offense gained the approval of the Transportation Policy and Budget Division at the meeting Thurs., Apr. 3. S.F. 943, authored by Sen. Steve Murphy (DFL-Red Wing), also requires all occupants of a vehicle to wear a seat belt, regardless of age, and increases the fine for a violation from \$25 to \$50. Murphy said, "This bill is about saving lives—it could save 51 lives and prevent over 1,000 injuries each year." Sen. Keith Langseth (DFL-Glyndon) said, "We talk about freedom of choice, but seat belts are so critical when it comes to saving lives." However, Sen. Claire Robling said she was concerned about the increase in the fine. She said there is already a \$35 surcharge on violations and a \$5 fee for county law libraries. She offered an amendment reinstating the \$25 fine. Murphy responded that statistics show an increase in fines leads to greater compliance. The amendment failed. The bill was approved on a 10-4 roll call vote and referred to the full Finance Committee.

Members also approved a bill making changes in the Metropolitan Airports Commission (MAC) regulation of taxicabs. S.F. 177, sponsored by Satveer Chaudhary (DFL-Fridley), specifies that the MAC may not require cabs to be less than six years old, must allow cab owners to pay the annual taxicab permit fee in quarterly installments and must allow a deceased cab permit holder's permit to be transferred to an immediate family member. Chaudhary said the drivers and MAC representatives have failed to negotiate an agreement, necessitating the bill. Division Chair Dean Johnson (DFL-Willmar) said, "I heard a lot of testimony on this bill in the State and Local Government Operations Committee and it was my hope the MAC could work something out." Chaudhary said representatives of the MAC had not been willing to negotiate with the drivers.

Mitch Killian, representing the MAC, responded that the MAC felt there were safety issues involved in using older vehicles and that the quarterly payment of fees is an administrative burden. Sen. Scott Dibble (DFL-Mpls.) said, "The MAC has revamped their entire budget to accommodate Northwest Airlines, this bill is a way to level the playing field and help the little guy." The measure was advanced to the full Finance Committee.

A bill to require the commissioner of transportation to turn off half of the ramp meters in the Metro Area was also okayed. S.F. 702, sponsored by Sen. Dick Day (R-Owatonna), directs the commissioner to order one-half of all meters at access ramps to freeways to be removed or turned off, shut down, taken off line or otherwise rendered nonoperational. Day said the study conducted two years ago resulted in some meters being taken out of service, but drivers were still sitting in long lines. He said the bill will result in energy savings as well as saving time by lessening the wait to enter freeways. The bill was advanced to the full committee.

In other action, the division approved five additional bills. S.F. 262, sponsored by Sen. Leo Foley (DFL-Coon Rapids), allows sales to other dealers by limited used vehicle dealers and exempts donations of vehicles to individuals by a licensed limited used vehicle dealer from the motor vehicle sales tax. S.F. 1022, carried by Sen. Tom Saxhaug (DFL-Grand Rapids), authorizes counties to designate vacated county highways as cartways. S.F. 1037, sponsored by Sen. Dave Kleis (R-St. Cloud), modifies, vacates or transfers various state highways. S.F. 1350, carried by Johnson, eliminates obsolete provisions relating to the department, joint-county state-aid highway and municipal state-aid street status and a variety of other transportation related items. All of the above measures were advanced to the full Finance Committee. S.F. 379, authored by Sen. Ann Rest (DFL-New Hope), increases the limit for reimbursement of eminent domain appraisal fees from \$500 to \$1,500. The measure was laid over for consideration for the division's omnibus bill.

### **Floor action**

#### **Bills approved**

Senators met Mon., Mar. 31, to take up legislation on the Consent Calendar

and bills designated Special Orders. Under Senate Rules, the Majority Leader may designate measures as Special Orders for immediate consideration and final passage.

Seven measures were considered as Special Orders. S.F. 625, sponsored by Sen. Linda Berglin (DFL-Mpls.), generated the most debate. The measure expands the requirement for notice of the right to obtain judicial review of DWI-related vehicle forfeitures and property seizures for controlled substance violations to be printed in the Somali language. Current law provides that the notice must be offered in Hmong and Spanish, as well as English. Sen. Dave Kleis (R-St. Cloud) said the proposal will impose additional costs, especially as other groups ask to have their languages included in the requirement. He offered an amendment deleting the current requirements for Hmong and Spanish. If we're going to have forms and we're not going to use every language, Kleis said, the forms should be in English only. However, Berglin said, confiscating property is a serious matter and persons should be able to understand the legal procedure involved. She noted that county attorneys are reluctant to enforce the law if people on whom it will be applied don't understand the law and their rights. The amendment was defeated, 30-36.

Sen. Dick Day (R-Owatonna) offered an amendment requiring the driver's license examination to be conducted in English only. The amendment also requires applicants to complete the examination without the assistance of an interpreter. About 50,000 non-English speaking people a year drive on Minnesota roads, Day said. No action was taken on the amendment. The bill was laid on the table, at Berglin's request.

The other six bills considered as Special Orders were granted final passage. S.F. 422, authored by Sen. Claire Robling (R-Jordan), allows counties to choose to compensate a title examiner either in the same manner as other county employees or as an adviser to the registrar, otherwise paid on a fee-for-service basis by the person who is presenting the title for action by the examiner. The bill was granted final passage, 63-0. S.F. 155, carried by Sen. Charles Wiger (DFL-North St. Paul), clarifies that health plans must provide coverage for hearing aids for



# Committee update

children with hearing loss due to a congenital malformation of the ears. Wiger said the measure affects about 75 young people in the state and has a negligible fiscal impact. The bill was granted final passage, 61-5. Berglin carried S.F. 39, which permits a Minneapolis clinic to apply for essential community provider status. The measure was granted final passage, 57-9.

Sen. Yvonne Solon (DFL-Duluth) sponsored three measures. S.F. 215, clarifying the definition of the practice of psychology, was approved, 59-4. S.F. 217, modifying the definition of supervision to include electronic supervision, such as live video conferencing, for the practice of psychology, was granted final passage, 65-0. S.F. 328 provides that the Board of Psychology may require mental, physical, or chemical dependency examinations for an individual who is regulated by the board who has demonstrated an inability to practice psychology with reasonable skill and safety to clients due to any mental or physical illness or condition. The same provision already exists for 10 other health professions, Solon said. The bill was passed, 59-4.

On the Consent Calendar, five bills were granted final passage. H.F. 536, sponsored by Sen. Linda Scheid (DFL-Brooklyn Park), modifies provisions relating to the Joint Underwriting Association. Scheid also carried H.F. 267, which makes changes to the standard fire insurance policy. Wiger sponsored S.F. 693, which permits the Metropolitan Council to use energy forward pricing mechanisms. S.F. 926, carried by Sen. John Marty (DFL-Roseville), clarifies language relating to property manager background checks. Sen. Sheila Kiscaden (IP-Rochester) authored S.F. 790, which recodifies and reorganizes the background study provisions in the

Human Services Licensing Act.

In other action, Senators also granted final approval to H.F. 1158. The bill increases intergovernmental transfer payments related to county nursing homes. Berglin, chief author of the measure, said the state can achieve about \$1.5 million in FY 03 savings.

## Brief session held

Members met briefly Wed., Apr. 2, to process the movement of bills between committees as the first committee deadline—Fri., Apr. 4—approached.



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## Schedule available on-line

The committee schedule for next week is available on-line: <http://www.senate.mn/schedule/2003/0407.htm>

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# *Senate Briefly*

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*With temperatures approaching 70 degrees, an elm tree on the Capitol grounds confirms that spring is well under way.  
Photo by David J. Oakes*



*April 11, 2003*



# Senate Highlights

## Racino bill tripped up

A bill permitting the establishment of a state-sponsored casino, or "racino," at Canterbury Park was tabled at the author's request after members of the State and Local Government Operations Committee considered the issue and heard testimony. The committee met Tues., Apr. 8, to consider the proposal.

S.F. 576, authored by Sen. Dick Day (R-Owatonna), authorizes the placement of slot machines and video gambling machines at the Shakopee facility by the State Lottery. The measure provides that the state receives a percentage of adjusted gross receipts—total receipts less prizes paid out. As introduced, the bill provides for the general fund to receive 40 percent of adjusted gross receipts. However, members adopted an amendment setting the level at 51 percent for FY 04-05, 34 percent for FY 06-07 and 40 percent for every year thereafter. Canterbury Park President Randy Sampson said the amendment, offered by Day, is designed to provide more money for the state in the initial 18 months of operation, while the state is dealing with a substantial budget shortfall. At 40 percent, he said, the state should expect to receive at least \$150 million every biennium.

Day said the benefits of the proposal are numerous. Not only does the state receive a sizeable portion of receipts, but Shakopee and Carver County will collect about \$2 million a year in taxes, the horse industry will benefit from a more vibrant Canterbury Park and the plans to expand the facility for both racing and equestrian

exhibitions. Establishing a racino does not expand gambling in Minnesota, Day said, because people already gamble at Canterbury's horse track, off-track betting facility and card club. The demand for gambling in Minnesota is high enough, he said, that American Indian casino operations will not suffer. The 17 casinos are already expanding, Day said. "This will not send us down the road of wrack and ruin," said Sen. James Metzen (DFL-South St. Paul), a co-author of the measure. The racino will create hundreds of jobs, he said, as the facility expands to include a hotel and conference center.

Several proponents of the measure spoke to the economic benefits the racino will bring to the state. Dan Mjolsness, president of the Horsemen's Benevolent and Protective Association, said a healthier Canterbury means larger purses. Purse size, he said, determines the success of racing at any facility, and horse racing contributes to the economic success of agriculture. Minnesota could be a regional leader in horse breeding, Mjolsness said, as Canterbury grows. Judy Jensen of the Tri-State Horsemen's Association said no Minnesota facility can attract or accommodate large horse shows. Other states, without Minnesota's horse tradition, are drawing the shows Minnesota should be and will, with the expanded Canterbury. Allen Stark of Sanborn and Shakopee Mayor William Mares also spoke in support of the proposal. Jaye Rykunik, a hotel and restaurant employees union leader, said a usual concern with economic development opportunities is that the construction jobs will be high-wage, high-benefit union employment, but the long-term employment opportunities of the facility will be low wage. That concern does not exist with Canterbury Park, she said, because the facility has committed to unionization for its employees. Rykunik said she estimates that at least 600 jobs will be created in the casino and its associated food and beverage operations, with countless more in the hotel and conference center.

Several religious leaders spoke against the racino. Brian Rusche, representing the Joint Religious Coalition, urged Senators to look in detail at the social harms of gambling. We are deluding ourselves that this is easy money, he said. Iowa saw an increased addiction level, Rusche said, after it opened a racino outside Des Moines. An Illinois study showed that

over half of gambling revenues come from four percent of the population—problem gamblers—he said. Rusche said there is no logic for containing gambling to Canterbury, and the state is setting its foot onto a slippery slope. "We won't be able to get the cat back into its sack in ten years," Rusche said. Minnesota Family Council President Tom Prichard said the state is preying on the people it is supposed to protect. At least 160,000 Minnesotans have a gambling problem, he said, and the state should be considering how to roll back gambling, not expand it. If the state must raise revenue, Prichard said, it should be upfront with citizens and raise taxes. Budget deficits come and go, he said, but the racino is a short-term fix with long-term problems attached. Paul Shoemaker of Minnesotans Against Gambling and Pastor Mark Peters of the Lutheran Coalition for Public Policy also discussed the social impacts of problem gambling.

A state-sponsored casino at Canterbury Park will have a severe impact on tribal casinos, said John McCarthy, representing the Minnesota Indian Gaming Association. Over the last ten years, he said, the number of machines at casinos has grown by only four percent. The tribal operations pay over \$47 million annually in state and local taxes, he said. Jobs at casinos pay an average of \$9 per hour, plus benefits, he said. McCarthy noted that Indian casinos use construction firms that employ union laborers and expect to do so in the future as the casinos expand or renovate. Creating a racino, he said, also opens up Canterbury as an acquisition target by a Las Vegas gambling operation. However, Sampson said that market studies have shown no negative results from two casinos operating within four miles of each other. Day noted that the state is already paying for the costs of gambling addiction, even though many problem gamblers go to the Indian casinos. The tribal operations do not disclose if they contribute to problem gambling treatment, he said, but state-sponsored gambling dedicates a percentage of gross revenue to such contributions.

Discussion among committee members focused on the certainty of the financial projections for the casino. Sen. Dean Johnson (DFL-Willmar) said gambling proceeds are very volatile and that \$150 million in state revenue cannot be guaranteed. "It is poor public policy to

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### Photographer:

David J. Oakes

use gambling proceeds to balance this budget,” Johnson said. However, Sen. Claire Robling (R-Jordan) said there is no guarantee of state revenue from taxes either. All revenue is projected, she said, and if the money doesn’t materialize, then the state has to deal with that reality.

Members also adopted an amendment appropriating \$500,000 in FY 04-05 from the lottery prize fund to two groups providing services for problem gamblers.

### Governor’s transportation appropriations plan discussed

The highlight of the Tues., Apr. 8, meeting of the Transportation Policy and Budget Division, was a lively discussion of the governor’s transportation funding plan. Lieutenant Governor and Transportation Commissioner Carol Molnau presented the \$1.2 billion highway funding proposal and answered questions posed by division members.

Molnau said the proposal will improve Minnesota’s transportation system by greatly accelerating construction of more than \$1 billion worth of critical, but delayed, state highway and bridge projects. “The Pawlenty-Molnau transportation package provides for \$550

million in trunk highway bonds that will allow us to leverage another \$550 million in federal funds,” Molnau said. In addition, Molnau said the package redirects \$42 million per year of current funding from MnDOT administration overhead and other activities to new trunk highway bonds. Other portions of the package include appropriating \$100 million over 4 years from trunk highway fund growth to the state trunk highway construction program, providing \$5 million over 5 years for high-priority capital investments that support Greater Minnesota transit service and targeting \$50 million of the \$1.2 billion for “transit advantage” capital improvements to support bus transit use within the Metro Area, Molnau said. She also said the administration is committed to acknowledging the need to assist local units of government in financing their share of the accelerated construction projects and will explore options prior to next year’s legislative session.

Division Chair Dean Johnson (DFL-Willmar) said that a centerpiece of the administration’s campaign in the last election was a \$2 billion transportation project and he questioned Molnau on the lower figure contained in the current package. Molnau responded that the rapid

growth of the budget shortfall was a consideration in scaling back the total dollar amount. Johnson also questioned Molnau on the administration’s decision to cut back on snow removal and lane striping and to use the funds saved from performing those services for debt service. Molnau responded that the snow removal and lane striping will continue but that efficiencies in operations and new technologies will allow the department to not perform those services as often.

Molnau said the package is not a long term solution to transportation financing, but that the state needs to get projects moving quickly—something the package accomplishes. “We need time to develop long range solutions,” Molnau said. Johnson and Sen. Keith Langseth (DFL-Glyndon) both said that an increase in the gasoline tax could provide needed funds, without committing the state to long term debt. Sen. Mark Ourada (R-Buffer) countered that the citizens made a decision last fall in the election not to raise taxes. He said using bonding to fund transportation projects allows the state to get “more bang for the buck” because of the long term nature of the projects.

The bill containing the governor’s proposal, S.F. 1269, carried by Sen. Dick Day (R-Owatonna), was set aside for further consideration.

In other action, the panel approved a bill modifying highway vehicle weight limits. S.F. 1090, authored by Sen. David Tomassoni (DFL-Chisholm), provides that vehicles and vehicle combinations weighing up to 88,000 pounds may travel on 9 ton roads in winter. The measure was re-referred to the Finance Committee.

The committee also considered two bills sponsored by Sen. Mady Reiter (R-Shoreview). S.F. 1178 provides for counties to contract with the commissioner of transportation to maintain trunk highways. The measure was laid on the table. S.F. 686 abolishes Metropolitan Area Regional Rail Authorities. The motion to approve the bill failed on a voice vote.

### Editors’ note

One Friday afternoon committee hearing is not included in this week’s issue. The Judiciary Committee was still meeting when this issue was assembled. Look for updates on the committee in next week’s *Senate Briefly* or on the web site under daily updates.



Deborah Denning and her son, Jeffrey Skwarek, both of Minneapolis, join hundreds of others in the Capitol Rotunda Thurs., Apr. 10, to oppose proposed budget cuts to people with disabilities.

Photo by David J. Oakes



# Committee update

## Agriculture, General Legislation and Veterans Affairs

### Animal feedlot review bill gains

Members of the Agriculture, General Legislation and Veterans Affairs Committee met Mon., Apr. 7, to consider a bill changing the statutory process for determining if environmental review is necessary for proposed animal feedlots. S.F. 1281, authored by Sen. Dallas Sams (DFL-Staples), was re-referred to the Environment and Natural Resources Committee.

The bill clarifies that persons who apply to the Pollution Control Agency (PCA) or a county board for a permit to construct or expand a feedlot with a capacity of 500 animal units or more must, within 15 business days before the permit is to be issued, provide notice to each resident and owner of real property within 5,000 feet of the perimeter of the proposed feedlot. S.F. 1281 also exempts proposed feedlots with a total capacity of fewer than 1,000 animal units from environmental review, if the applicant commits, in writing, to design, construct and operate the facility in compliance with PCA feedlot rules. The measure does not extend the exemption to feedlots in environmentally sensitive locations. Committee members adopted an amendment clarifying that the bill does not preempt local ordinances requiring environmental review of any feedlot permit applicants, if the ordinances were in effect on Jan. 1, 2003. Current law requires environmental review for all proposed feedlots larger than 1,000 animal units, exempts feedlots smaller than 300 animal units and makes environmental review discretionary for feedlots between 300 and 1,000 animal units.

Dave Preisler said the Minnesota Pork Producers Association supports the bill because the measure benefits small and medium-sized farmers. Preisler said environmental review can add between 5 and 15 percent onto the costs of building a farm. In many cases, he said, the review process actually has a chilling effect on proposing farmers smaller than 1,000 animal units and encourages the creation of farms larger than 1,000 animal units to absorb the costs of environmental review. President of the Minnesota Farm Bureau Al Christopherson said the bill brings

certainty to the permitting process, but does not rollback environmental protection. David Weirens, Association of Minnesota Counties, said the requirements of environmental review are redundant in many cases. Tina Rosenstein said county feedlot officers need to be focusing their efforts on bringing existing facilities into compliance, not processing petitions for environmental review. Representatives of the Minnesota Milk Producers Association and Southeastern Minnesota Agricultural Alliance also spoke in support of the measure.

Peter Zimmermann, a farmer in south central Minnesota, said he has gone through the environmental review process several times in expanding his farm. He said he learned that even though he met all the requirements, he was going to get pulled into court anyway over environmental review. "We were doing everything right, we were jumping through all the hoops, and it still didn't matter," Zimmermann said. He said the delays cost him about \$70,000. Groups forcing environmental review, he said, are often twisting the process to promote a social agenda, not an environmental one.

Jim Tunheim said the Minnesota Farmers Union opposes any effort to weaken the environmental review process. He said it is not always radical activists who file petitions for review. Tunheim said the bill will not solve farmers' economic problems. Farmers aren't succeeding because prices aren't high enough, he said. Don Arnosti, Minnesota Environmental Partnership, said the bill is the wrong solution to an important problem in agriculture, failing farms. Environmental review is not a duplication of permitting, he said. The environmental review process is meant to bring information to the public and seek their input. He suggested the committee limit individuals eligible to sign a petition to local residents. Allene Moesler, League of Women Voters, said that if budget cuts reduce PCA staff and local feedlot officers, citizen participation will be even more important.

Members, chaired by Sen. Steve Murphy (DFL-Red Wing), approved the bill on a voice vote.

### Fertilizer prohibition bill okayed

The Agriculture, General Legislation and Veterans Affairs Committee met Wed., Apr. 9, to consider one bill. S.F.

680, authored by Sen. Scott Dibble (DFL-Mpls.), specifies that the commissioner of agriculture may not license or register for sale or use in Minnesota any fertilizer containing more than 500 parts per million by weight of arsenic. The committee, chaired by Sen. Steve Murphy (DFL-Red Wing), approved the bill and advanced the measure to the Senate floor.

## Commerce and Utilities

### Supermarket wine sales bill fails

Three major liquor bills led off the agenda at the Fri., Apr. 4, meeting of the Commerce and Utilities Committee.

The bill authorizing the sale of wine in supermarkets, S.F. 914, dominated the discussion for the first portion of the hearing. Sen. Linda Scheid (DFL-Brooklyn Park), chief author, said, "This is a bill whose time has come. It has been dubbed the 'wine with dinner' bill because it is natural and convenient to have wine in grocery stores." Scheid said, "I sincerely believe competition will benefit consumers." She said that 33 other states allow the sale of wine in supermarkets.

Proponents of the measure emphasized the convenience of one stop shopping. Opponents said the bill will harm small liquor stores. Opponents said large supermarket and discount chains have an unfair competitive advantage over small family run liquor stores. In addition, several opponents said that having liquor in grocery stores increased the exposure of young people to alcohol.

Sen. Sheila Kiscaden (IP-Rochester) offered two amendments. The first amendment limited the sale of wine to stores in which 50 percent or more of sales are food sales. Committee Chair Ellen Anderson (DFL-St. Paul) said the amendment truly limits the wine in grocery stores to supermarkets and excludes the large discount store chains such as Wal-Mart. The amendment failed on a divided voice vote. The second amendment authorizes liquor stores to sell snack food items. The amendment was adopted.

The motion to approve the bill failed on a 6-10 roll call vote.

The committee approved a measure extending bar hours until 2 a.m. S.F. 1182, sponsored by Sen. Mark Ourada (R-Buffalo), also eliminates certain geographic restrictions on competition for municipal liquor stores and provides for



**Assistant Majority Leader Ann Rest (DFL-New Hope) fields questions from the media during a press conference, held to promote a Senate DFL budget proposal, Mon., Apr. 7, as Majority Leader John Hottinger (DFL-St. Peter) looks on.**

Photo by David J. Oakes

uniform hours for off-sale liquor in the state. Supporters of the bill, including Minneapolis Mayor R.T. Rybak, said extending bar hours will make the Twin Cities more attractive to conventions. Rybak also said that law enforcement personnel have told him that extending the hours would improve public safety. Members approved the bill and sent the measure to the Senate floor.

S.F. 143, sponsored by Sen. Sandra Pappas (DFL-St. Paul), is this year's omnibus liquor bill. The measure authorizes a variety of liquor licenses in communities across the state. The bill also repeals the statute setting limits on liquor licenses for local units of governments. Finally, the measure authorizes liquor licenses for the Historic Pantages Theatre, the Guthrie Lab, the Jungle Theater, the Southern

Theatre and the Centennial Showboat. The bill was approved and sent to the full Senate.

The second portion of the hearing was devoted to a variety of bills. Members approved a rewriting of the Minnesota Cooperative Associations Act that includes some substantive changes. S.F. 697, authored by Sen. Rod Skoe (DFL-Clearbrook), was approved and re-referred to the Finance Committee. S.F. 665, sponsored by Pappas, prohibits certain credit card marketing practices aimed at students at post-secondary educational institutions. Pappas said aggressive marketing of credit cards to students has led to serious financial difficulty for many students. The bill was approved and re-referred to the Finance Committee. S.F. 394, authored by Sen. Dallas Sams (DFL-Staples), establishes requirements for health provider contracting. The bill, the Minnesota Fair Health Plan Contracting Act, also modifies prior authorization requirements for health care services and modifies provisions for payment of claims. The measure was approved and re-referred to the Finance Committee.

A second bill authored by Sams, S.F. 653, was approved and sent to the Senate floor. The bill modifies emergency 911 telephone system provisions to require multiline telephone systems to provide caller location and provides for special levies for county and city governments and school districts to fund the provision. A second bill dealing with the emergency 911 system was also considered. S.F. 1128, authored by Sen. Jane Ranum (DFL-Mpls.), increases the 911 emergency telephone service fee to cover the cost of the third phase of the public safety radio communication system and transfers the responsibility for the 911 emergency system and the public safety radio system to the commissioner of public safety. Members adopted an amendment, offered by Sen. Steve Kelley (DFL-Hopkins), authorizing the commissioner of administration to recover from the agencies receiving the surcharges, the personnel and administrative cost to collect and distribute the surcharges. The bill was approved and re-referred to the Finance Committee.

S.F. 766, sponsored by Kelley, creates an education telecommunications fund and provides for a 25 cent per line access fee. Kelley said the fund is designed to provide support for K-12 school and



# Committee update

public library telecommunications networks. Sen. Mady Reiter (R-Shoreview) opposed the measure because of the increased cost to telephone subscribers. Kelley countered that the governor has challenged the Legislature to find innovative methods for funding new initiatives and the bill addresses the issue. The bill was approved and advanced to the Finance Committee.

The third portion of the hearing was devoted to consideration of a bill modifying provisions regulating auto glass repair and replacement. Chief Author Steve Murphy (DFL-Red Wing) said the bill, S.F. 615, addresses three issues—pricing, customer steering and freedom to market. He said the measure reinstates auto glass rebates of up to \$35.

Proponents said legislation enacted last year hurt small glass replacement businesses. Proponents said the bill is needed to prevent many businesses from going under. Sen. James Metzen (DFL-South St. Paul) said he carried the legislation last year and thought he was helping the small glass operations.

Opponents said current law is adequate to fix the problems in the industry and that it is more a matter of enforcement than a need for new legislation.

Kelley offered an amendment to delete the section authorizing the rebate of up to \$35. The amendment was adopted, but the bill failed to gain approval.

## Compensation disclosure okayed

Legislation requiring health plans to disclose information regarding the compensation of their 20 highest compensated employees, directors or executives cleared its first hurdle Mon., Apr. 7. Members of the Commerce and Utilities Committee approved S.F. 343, authored by Sen. Dan Sparks (DFL-Austin), on a 6-5 roll call vote.

The measure requires health plans to disclose the names, titles, total compensation—including salary, benefits, bonuses, rights to deferred or future compensation, vehicles and severance pay—and all reimbursed travel expenses, including dates and destinations for travel outside Minnesota, Iowa, Wisconsin or the Dakotas. The disclosure must be made, under the bill, to the attorney general and either the commissioner of health or the commissioner of commerce. The information disclosed is also considered public

data, under the bill. Assistant Attorney General Karen Olson said the bill is meant to ensure that consumers have access to a full, accurate picture of executive compensation for their health plan companies. She outlined some of the loopholes in current disclosure requirements identified during recent audits of two health plans by the Attorney General's Office.

Most of the discussion on the measure centered on the need for the requirement and the provision providing for disclosure to the attorney general in addition to the commissioners. Sen. Brian LeClair (R-Woodbury) noted that the attorney general has already been able to get this information from health plans. He said the bill is unnecessary. However, Olson said the office had to go to court to receive the information. She said the issue is not providing the information to regulatory agencies, but to members of the public. Olson also noted that many health plans are regulated by the attorney general through the office's charities division and consumers look to the attorney general for information and protection.

The bill was re-referred to the Health and Family Security Committee.

Members, chaired by Sen. Ellen Anderson (DFL-St. Paul), also considered S.F. 771, but took no action on the bill. The measure, carried by Sen. Satveer Chaudhary (DFL-Fridley), requires insurers offering long-term care policies in Minnesota to offer coverage to applicants with a preexisting condition. The coverage may impose a waiting period for benefits and may charge a premium twice what would be charged if the applicant did not have the preexisting condition, under the bill. The measure also requires insurers issuing long-term care insurance to review the suitability of the policy for the insured every five years. Finally, S.F. 771 directs the commissioners of human services and commerce to report to the Legislature on the feasibility of adopting a long-term care insurance partnership program to encourage the purchase of private long-term care insurance by permitting the insured to retain more assets than permitted for Medical Assistance eligibility. The commissioner of human services is also directed to report on the feasibility of using Medical Assistance funds to subsidize the purchase of private long-term care insurance. Chaudhary said the bill provides incentives for citizens to participate in their

own long-term care needs. He said about \$1 billion in public funds will be spent this year on long-term care for Minnesotans who have exhausted or hidden their assets.

In other action, the panel approved five other measures. S.F. 1240, sponsored by Anderson, was re-referred to the Committee on Finance. The bill requires the Dept. of Public Safety to sample two percent of Minnesota licensed drivers, who own vehicles, to determine whether the drivers have insurance. Half of the sample, under the measure, must be targeted at drivers who have had insurance violations within the previous year. The bill specifies that drivers who falsely claim coverage must have their licenses suspended.

Sparks also carried S.F. 994, which was advanced to the Senate floor. The bill permits the Minnesota Comprehensive Health Association (MCHA) to offer a plan with a higher deductible, permits MCHA to extend its contract with its writing carrier and permits eligible persons to enroll in MCHA via an application instead of a certificate of eligibility. S.F. 776 was also advanced to the full Senate. Sponsored by Sen. Linda Scheid, the bill makes changes related to regulations of the Minnesota Insurance Guarantee Association. Members also adopted an amendment clarifying that insurance agents do not need written permission to obtain a consumer's credit score if the consumer has asked the agent for policy information. The amendment provides that the agent must inform the consumer that a credit score will be obtained.

Two bills were recommended for placement on the Consent Calendar. S.F. 718, carried by Sen. Steve Murphy (DFL-Red Wing), clarifies that auto dealers who advertise in print media need not include their dealer license numbers if the advertisements contain the dealers' names. Anderson also authored S.F. 537, which adds long-term care insurance to the definition of health insurance and clarifies that long-term care insurance is a type of health insurance intended to be covered by the Minnesota Life and Health Insurance Guarantee Association (MLHIGA). All life and health insurance companies operating in Minnesota are required to be members of the association, which guarantees coverage in the event that a member company becomes insolvent.

## Casks bill crumbles

Legislation permitting the addition of enough casks for the two nuclear reactors at the Prairie Island power plant to continue operating until the end of their federal licenses was defeated after members of the Commerce and Utilities Committee discussed the bill Wed., Apr. 9.

Sen. Ellen Anderson (DFL-St. Paul), committee chair, sponsored S.F. 733, the omnibus energy bill. The measure provides for the addition of 9 nuclear waste storage casks at Prairie Island, a settlement between Xcel Energy and the Mdewakanton Dakota Tribal Council and review by the Public Utilities Commission of any future proposals to increase nuclear waste storage. In addition, the bill establishes a 20 percent renewable energy standard for all utilities, to be achieved by 2020, and creates a tradable renewable energy credit system. S.F. 733 also establishes a state goal for developing a hydrogen energy economy and reduces the biomass mandate enacted in 1994.

Anderson said the proposal represents a major compromise and is the right thing to do. She said it balances short-term energy needs, including the need to keep the Prairie Island facility operational until its licenses run out in 2013 and 2014, with long-term environmental issues. The bill protects jobs, the economy and the environment, Anderson said. At the same time, she said, it stimulates investment in the high-tech power sources of the future, including hydrogen.

However, Sen. Mark Ourada (R-Buffalo) said the bill fails to address the needs of the Monticello nuclear generation facility. The state needs to allow waste storage at Monticello, he said. Anderson said that Xcel has not yet reapplied for federal licensure for the Monticello plant, and a decision regarding storage would be premature. She said the Legislature also needs to review the status of a permanent federal depository for nuclear waste before permitting more in-state storage.

Representatives of Itasca Power and Fibrominn spoke against the provision reducing the biomass mandate. Dean Sedgwick, Itasca Power, said the current biomass mandate of 125 megawatts is minimal. Biomass generation, he said, is finally competitive with other power generation systems. Members adopted an amendment, offered by Sen. Sandra

Pappas (DFL-St. Paul), permitting District Energy in St. Paul to proceed with a biomass project it has proposed. The amendment also raised the reduced biomass mandate from 75 to 83 megawatts, to account for the project.

Tim Rudnicki, representing the Pimicikamak Cree Nation, said the bill does not go far enough to deal with the environmental and social threats of buying power from outside the state. He encouraged members to support provisions in a bill—S.F. 995, carried by Sen. Gary Kubly (DFL-Granite Falls)—giving clear instructions to the Public Utilities Commission to use environmental and socioeconomic criteria in determining Minnesota's energy source mix. However, Anderson said she was not prepared to make those sorts of major policy changes at this time.

Members considered an amendment, offered by Sen. Dallas Sams (DFL-Staples), deleting the renewable energy standards and imposing a renewable energy requirement of 10 percent by 2010 on Xcel Energy. Sams said the bill's renewable energy requirement is too ambitious. Anderson said she would prefer to see the state take a strong position on renewable energy, but that the case can be made for more stringent renewable standards on Xcel because it is asking for more nuclear waste storage. Sen. Steve Kelley (DFL-Hopkins) said the amendment is too blunt because it also removes the tradable credit provisions. Representatives of municipal and cooperative energy companies spoke in favor of the bill, saying they support renewable energy, but as a voluntary program. Jim Alders, representing Xcel, said renewable energy standards and objectives should stand on their own and not be coupled with waste storage. Alders said that if renewable energy standards are to be applied, they should be applied on all energy providers. Members defeated the amendment on a divided voice vote. Kelley offered an amendment similar to the Sams amendment, but preserving the tradable credit provisions. Ourada said the amendment was still unfair to Xcel ratepayers. If renewable energy standards are desirable, he said, they should be considered as good policy for all Minnesotans. The amendment was adopted.

Alders said the company reluctantly opposes the bill. He said 12 casks, not 9, are necessary to keep Prairie Island operational until its licenses expire.

Holding future storage requests to a review process relying on the availability of space in a permanent nuclear waste depository at Yucca Mountain in Nevada will essentially terminate the reactors' licenses, he said. The federal government is committed to a permanent, central repository, Alders said, and the company has confidence in the federal plan. He said the company also believes that energy policy issues should not be linked to additional waste storage. Alders also reviewed other issues with the bill, including transmission complications and the decoupling of funding from Metro Area emission reduction plans.

Anderson said the bill authorizes nine storage casks because that was the number she was given by a company representative. She said her goal is to authorize as many casks as needed to keep the plant operational until the end of its licenses. Members adopted an amendment, offered by Sen. Sheila Kiscaden (IP-Rochester), increasing the additional authorization to 12 casks.

William Grant said the Izaak Walton League supports the bill because it strikes the right balance. He said the league supports the continued operation of existing nuclear plants, but opposes the operation of additional plants until full and satisfactory answers are available to questions concerning disposal of nuclear wastes. No one has offered any certainty about where waste generated at Prairie Island after its licenses are renewed will be stored, Grant said.

Sen. Steve Murphy (DFL-Red Wing) spoke against the bill. He said it is not a compromise and does not settle all of the issues. The measure does not address the Monticello nuclear plant, does not address union concerns, violates the agreement between the tribe and Xcel and is not adequate for the Prairie Island plant because the bill stymies its license renewal. Anderson countered that she has shifted her original position by almost 180 degrees and has tried to resolve the issues in a fair and thoughtful way. She noted that the other side has not offered any compromises at all.

A motion to approve the bill was defeated on a 6-8 roll call vote.

In other action, members considered S.F. 289, carried by Sen. Don Betzold (DFL-Fridley). The bill modifies provisions related to statutory home warranties. Members adopted an amendment remov-



# Committee update



*Outside the Senate Chamber, Jim Turnure of St. Paul dons a clown costume as he and dozens of others anticipate a debate on a bill requiring a 24-hour waiting period prior to receiving an abortion. The House of Representatives added the proposal to a bill that repeals an archaic law restricting circus performances around the time of the State Fair.*

Photo by David J. Oakes

ing all issues under their jurisdiction from the bill. Betzold said the amendment represented an agreement reached between interested parties. The bill was advanced to the Judiciary Committee without recommendation. Members also heard S.F. 1408, sponsored by Kelley. The measure provides that when medical benefits are awarded by an arbitrator, in a no-fault auto insurance case, the award is the final determination of medical costs due. Kelley said the intent of the bill is to prevent care providers from balance billing patients if the arbitration results in an award that is lower than the care providers' fees for the services.

The bill was laid on the table.

## Telecom bills okayed

Members of the Commerce and Utilities Subcommittee on Telecommunications and Technology met Wed., Apr. 9, to consider five measures. The panel, chaired by Sen. Steve Kelley (DFL-Hopkins), approved four bills and advanced them to the full Commerce and Utilities Committee.

S.F. 1277, authored by Sen. Betsy Wergin (R-Princeton), addresses concerns raised by the legislative auditor with regard to fee submission procedures for the 911 service fee. The bill requires all wireless and wire line telecommunications providers to submit a signed fee submission certification confirming the accuracy

of the fee submission. The measure also requires providers to contract with independent certified public accountants to conduct an audit of the certification forms, if the commissioner of administration determines an audit is necessary.

Sen. Dallas Sams (DFL-Staples) carried S.F. 908. The bill authorizes independent telephone companies that serve fewer than 50,000 customers to expand their calling areas without going through the Public Utilities Commission extended area service process. Randy Young of the Association for Rural Telecommunications said independent telephone providers are facing rapid advances in competition in Greater

Minnesota, primarily from wireless providers. He said the measure corrects regulatory inequities and will put the companies he represents into a similar competitive position with wireless providers. However, representatives of Onvoy, AT&T and MCI-WorldCom raised concerns with the proposal. Sams pledged to work with the interested parties on resolving outstanding issues before the full committee takes up the bill.

S.F. 1260, sponsored by Kelley, eliminates eligibility requirements for the telephone assistance program and imposes the requirement that households receiving assistance be eligible for the federal Lifeline telephone service discount. Bonnie Becker, Dept. of Human Services, said the change increases the number of persons served by the program and reduces state funding while increasing federal funding.

Sen. James Metzen (DFL-South St. Paul) carried S.F. 660, which enacts changes—agreed to by telephone companies, the Attorney General's Office, the Public Utilities Commission and the Dept. of Commerce—to laws governing promotion and packaging of telecommunications services. Members adopted an amendment, offered by Kelley, setting a 2005 sunset date for provisions relating to the bundling of services. Kelley said the Legislature should re-examine the issue after the provision has been tested. The panel also considered an amendment, offered by Kelley, providing for the regulation of telephone companies offering cable services as open video systems (OVS) operators. OVS operators are certified by the Federal Communications Commission. After some discussion, Kelley withdrew the amendment.

Kelley also carried S.F. 1311, which establishes a separate chapter of law for the regulation of OVS operators. After discussion of the issue by representatives of the industry and local units of government, members took no action on the bill. However, Kelley said, "It is not satisfactory that we don't have competition for video services in Minnesota."

## Variety of bills advance

The Commerce and Utilities Committee, chaired by Sen. Ellen Anderson (DFL-St. Paul), met Fri., Apr. 11, to consider a variety of bills prior to the second committee deadline. The bills,

which ranged in subject matter from regulation of tax preparers to Medicare supplement insurance regulation federal conformity, were all advanced.

S.F. 172, authored by Sen. Leo Foley (DFL-Coon Rapids), allows the use of county facilities for commercial wireless service providers and allows the lease of sites for public safety communications equipment. S.F. 1277, sponsored by Sen. Betsy Wergin (R-Princeton), modifies 911 emergency telecommunications provisions governing fee submission procedures and audits. S.F. 1252, carried by Sen. Dick Day (R-Owatonna), provides for the correction of interment errors. S.F. 1069, sponsored by Sen. Dan Sparks (DFL-Austin), makes numerous technical changes in provisions regulating financial institutions. S.F. 1260, carried by Sen. Steve Kelley (DFL-Hopkins), makes changes to the telephone assistance plan. All of the bills were advanced to the Senate floor.

S.F. 1363, authored by Sen. Brian LeClair (R-Woodbury), conforms state law regulating Medicare supplement insurance to the minimum federal standards. The measure was amended to include the contents of S.F. 1372. The bill, authored by Sen. Sean Nienow (R-Cambridge), updates specifications for petroleum products. S.F. 1363 was advanced to the full Senate.

S.F. 771, sponsored by Sen. Satveer Chaudhary (DFL-Fridley), expands the availability and quality of long-term care insurances and provides for studies of ways to reduce long-term care costs to the state. The bill was re-referred to the Finance Committee.

S.F. 1400, authored by Sen. Lawrence Pogemiller (DFL-Mpls.), regulates tax preparers, establishes consumer protections and provides for enforcement authority. S.F. 1205, sponsored by Sen. John Hottinger (DFL-St. Peter), provides that attached machinery and other personal property which is part of a combined-cycle combustion-turbine electric generation facility is exempt from taxation. S.F. 715, authored by Sen. David Knutson (R-Burnsville), also provides an exemption from taxation for personal property at an electric generation facility. All three measures were advanced to the Tax Committee.

S.F. 660, authored by Sen. James Metzen (DFL-South St. Paul), regulates promotions and packages of telephone

company services. S.F. 937, authored by Sen. Sheila Kiscaden (IP-Rochester), modifies electricians licensing and examination requirements. Both measures were sent to the Senate floor.

S.F. 613, authored by Sen. Linda Scheid (DFL-Brooklyn Park), providing for flat fee co-payments for health maintenance organizations, was advanced to the Finance Committee without recommendation.

## Crime Prevention and Public Safety

### Child endangerment bill advanced

A bill making it a crime of child endangerment to manufacture controlled substance in the presence of a child cleared the Crime Prevention and Public Safety Committee at a hearing Mon., Apr. 7. Sen. Satveer Chaudhary (DFL-Fridley) said that under current law, a person could only be charged with child endangerment if the person was parent or guardian of the child. Chaudhary said the bill, S.F. 597, also authorizes the court to impose multiple sentences in cases where the defendant is charged with multiple offenses, including endangerment of a child. Chaudhary said children are present in almost half of the methamphetamine labs that have been discovered. Deb Durkin, Dept. of Health, said there are serious risks to children who are in methamphetamine or other drug lab environments, including learning disabilities, chronic cough, skin rashes. Durkin said the dangers also apply to children in-utero. Members approved the bill and re-referred the measure to the Finance Committee.

Committee members, chaired by Sen. Leo Foley (DFL-Coon Rapids), quickly considered a relatively full, though mainly non-controversial, agenda.

S.F. 941, sponsored by Sen. Dan Sparks (DFL-Austin), makes changes to provisions relating to state hazardous materials teams. The bill was amended to specify that "chemical assessment team" means a team trained, equipped and authorized to evaluate and when possible provide simple mitigation to a hazardous materials incident and required to recommend to the local incident manager the best means of controlling the hazards. The measure was recommended for placement on the Consent Calendar.



# Committee update

S.F. 942, authored by Chaudhary, authorizes admission in evidence of chain of custody documentation relating to blood specimens. The bill was also recommended for placement on the Consent Calendar. S.F. 907, sponsored by Sen. Wesley Skoglund (DFL-Mpls.), authorizing the Dept. of Corrections forensic pathologists to issue death certificates and S.F. 276, sponsored by Foley, providing that the Bureau of Criminal Apprehension and local law enforcement agencies collect crime data using the uniform offense codes, were both approved and recommended for placement on the Consent Calendar.

The committee also advanced two additional measures to the Finance Committee. S.F. 242, sponsored by Sen. Dave Kleis (R-St. Cloud), requires the commissioner of corrections to submit an analysis to the Legislature on ways to increase inmate capacity at correction facilities when the number of inmates is in excess of the department's current capacity. S.F. 906, sponsored by Skoglund, authorizes the collection of treatment co-pays from sex offenders in sex offender treatment programs. Both measures were approved and re-referred to the Finance Committee.

One bill was re-referred to the State and Local Government Operations Committee. S.F. 1158, authored by Sen. Don Betzold (DFL-Fridley), modifies provisions relating to DWI breath-testing instruments. The measure also provides for rule-making concerning instruments for preliminary screening or chemical tests for intoxication.

The panel also discussed, but took no action on, a bill providing that government units are not generally required to pay defendants' attorney fees for prosecutorial appeals.

S.F. 823, authored by Foley, was laid over for further discussion.

## Corrections privatization debated

The Wed., Apr. 9, meeting of the Crime Prevention and Public Safety Committee was dominated by discussion about the privatization of corrections services. At issue was a bill, S.F. 1296, sponsored by Sen. Thomas Neuville (R-Northfield), authorizing the housing of short-term (less than 6 month) offenders in county corrections facilities and authorizing the department to issue a request for proposals (RFP) to provide facilities for the same offender population.

Members, chaired by Sen. Leo Foley (DFL-Coon Rapids), discussed the philosophy of outsourcing state services and the need, in light of projected budget shortfalls, to provide space for an increase in the state prison population. Assistant Commissioner of Corrections Dennis Benson said the bill is a response to the projected population increase in the 2005-2007 time period. "We have no place to go, we have nothing left to cut and still run the agency responsibly," Benson said. Neuville said the bill merely authorizes the department to issue the RFP, but does not bind the department to anything. He said, "This is a very responsible proposal. The alternative is to let inmates out or build a new facility, which would be very expensive for the state at a time of budget shortfalls." Benson said, "We have to anticipate growth unless sentencing laws are changed."

John Tuma, speaking for the Metro Inter-County Association, said the association had no position on the RFP portion of the bill, but was in opposition to the provisions allowing short term offenders to be housed in county facilities. He said the bill is a straight shift from the state to counties at a time when state aid to counties is being cut. A representative from the State Sheriffs Association also opposed the provision and said that local facilities are already full.

Sen. Wesley Skoglund (DFL-Mpls.) offered an amendment altering the provisions in the bill relating to the issuance of an RFP to clarify that the department may also respond to the RFP and making the provision permissive, rather than mandatory. The amendment was adopted on a voice vote. Sen. Dave Kleis (R-St. Cloud) offered an amendment to delete the sections dealing with the housing of short term offenders at local law enforcement facilities. The amendment failed. The bill was approved and re-referred to the Finance Committee.

Members also advanced two additional bills. S.F. 1123, authored by Sen. Mee Moua (DFL-St. Paul), requires the Dept. of Corrections to submit a biennial, rather than annual, performance report. The bill was recommended for placement on the Consent Calendar. S.F. 823, sponsored by Foley, provides that government units are not required to pay defendants' attorney fees for prosecutorial appeals when the government unit

prevails. The measure was re-referred to the Finance Committee.

## Education

### Bills heard for policy bill

The Education Committee, chaired by Sen. Steve Kelley (DFL-Hopkins), devoted the Tues., Apr. 8, meeting to considering a variety of bills for inclusion in the panel's second omnibus policy bill.

The second policy bill, S.F. 1344, authored by Sen. Rod Skoe (DFL-Clearbrook), is the administration's policy proposal. S.F. 1300, sponsored by Sen. Linda Scheid (DFL-Brooklyn Park), establishes requirements for education paraprofessionals. The measure directs the Board of Teaching to adopt rules to implement a statewide credential for education paraprofessionals and sets forth initial and additional training requirements. The bill was approved for addition to the policy bill. S.F. 920, carried by Sen. Lawrence Pogemiller (DFL-Mpls.), provides for performance bond for school district contracts to create, develop, or maintain student information systems, finance systems, Web pages, ISP systems, human resources and payroll systems and other information systems that cost \$25,000 or more. The measure was also approved for incorporation into the omnibus bill.

S.F. 346, carried by Sen. Linda Higgins (DFL-Mpls.), provides for a pilot project for the independent review of parental involvement programs. S.F. 564, sponsored by Sen. Betsy Wergin (R-Princeton), eliminates an unneeded K-12 mandate. S.F. 1265, sponsored by Sen. David Tomassoni (DFL-Chisholm), coordinates crisis services with the removal of students with emotional or behavior problems and requires the Board of Teaching to include in the license renewal requirements further preparation in understanding and identifying the key warning signs of early-onset mental illness in children and adolescents. S.F. 682, also sponsored by Tomassoni, authorizes school districts to pursue additional revenue sources. Tomassoni said that allowing school boards to enter into contracts with advertisers, sponsors or others regarding advertising and naming rights to school facilities is a new way to raise needed revenue. Another Tomassoni bill, S.F. 1028, makes supervised competitive high school diving occurring in pools

built before Jan. 1, 1987, subject to the swimming and diving rules of the National Federation of State High School Associations. S.F. 765, carried by Sen. Wesley Skoglund (DFL-Mpls.), specifies that teachers be notified before a student with a history of violent behavior is placed in the teacher's classroom. All of the bills were approved for incorporation in the policy bill.

Members also approved a bill, S.F. 641, requiring students enrolled in institutions of higher education to receive information regarding meningococcal disease. The bill, authored by Sen. Claire Robling (R-Jordan), was re-referred to the Finance Committee.

The panel also discussed, but laid over, a bill allowing school districts to assign a student to an area learning center. The measure is sponsored by Tomassoni. Finally, members laid S.F. 1031 on the table. The bill, sponsored by Tomassoni, allows for judicial review of district exclusion and expulsion decisions.

### **NCLB accounting measure ok'd**

A bill to delay Minnesota's implementation of the federal No Child Left Behind Act until the state determines the cost of implementation was heard at the Thurs., Apr. 10, meeting of the Education Committee.

S.F. 1018, authored by Sen. Michele Bachmann (R-Stillwater), originally prohibited the Dept. of Children, Families and Learning, or any other state agency from entering into a contract or other agreement under the provisions of the No Child Left Behind Act of 2001, unless the financial consequences to the state and each school district have been identified. Bachmann said that other states have determined the costs of implementing the act outweigh the amount of federal funds that the states will receive. She said, "The No Child Left Behind Act is the mother of all unfunded mandates. Implementation will cost the state more than it will receive." Jim Bartholomew, representing the Dept. of Children, Families and Learning, said the department plans on submitting the plan for implementation by May 1 and that if the plan is not submitted, \$200 million in federal funds may be in danger.

The committee, chaired by Sen. Steve Kelley (DFL-Hopkins), laid the bill aside in order to work out an amendment to provide for determining the costs while

not jeopardizing the federal funds. Later, members approved an amendment specifying that the commissioner must submit, by Jan. 15, 2004, to the appropriate legislative committee chairs, a detailed financial analysis of the costs associated with the No Child Left Behind Act, the amount of new federal funds expected to be provided to the state and the consequences to the state of noncompliance. The amendment also provides that the plan submitted to the federal government by May 1, 2003, must include a notification that any commitment on implementing the No Child Left Behind Act expires June 1, 2004, unless legislation affirming the implementation is enacted. The panel amended the language into S.F. 1344, the omnibus policy bill proposed by the department.

Members also considered S.F. 1344. The bill, sponsored by Sen. Rod Skoe (DFL-Clearbrook), makes numerous changes in policy that were suggested by the department. The measure was amended to include bills considered at previous hearings but laid over for inclusion in the measure. The panel also adopted an amendment providing for alternative dispute resolution relating to decisions about the provision of public education to a child with a disability. Another amendment was adopted to provide that supervised competitive high school diving occurring in pools built before Jan. 1, 1987, are subject to the swimming and diving rules of the National Federation of State High School Associations. The panel discussed S.F. 1376, sponsored by Sen. David Tomassoni (DFL-Chisholm), a bill that makes technical changes to provisions relating to Minnesota State Colleges and Universities. The measure was amended into the policy bill. S.F. 1344 was then approved and advanced to the Finance Committee.

A bill making numerous technical changes to provisions relating to education was also approved and re-referred to the Finance Committee. S.F. 875, authored by Sen. LeRoy Stumpf (DFL-Thief River Falls), was reviewed by departmental staff before members approved the measure.

The committee also approved a bill providing for school district primary elections. The bill, S.F. 490, authored by Sen. Dave Kleis (R-St. Cloud), was approved and re-referred to the Rules and Administration Committee.

## **E-12 Education Budget Division**

### **Levy, transportation bills heard**

The E-12 Education Budget Division, chaired by Sen. LeRoy Stumpf (DFL-Thief River), devoted the Tues., Apr. 8, hearing to considering a variety of bills for possible inclusion in the division's omnibus bill. Members heard a series of bills relating to levy authorizations and a series of bills relating to transportation.

S.F. 337, authored by Sen. Thomas Bakk (DFL-Cook), modifies the levy for retired employee health benefits. S.F. 408, authored by Sen. Tom Saxhaug (DFL-Grand Rapids), authorizes a special levy for Independent School District #316, Coleraine. The proceeds of the levy are to be used only for cash flow requirements and are not to be used to supplement district revenues or income for the purposes of increasing the district's expenditures or budgets. S.F. 478, sponsored by Sen. Sheila Kiscaden (IP-Rochester), authorizes a levy for Independent School District #806, Elgin-Millville, for handicapped access and fire safety improvements to school buildings. S.F. 626, sponsored by Sen. Dan Sparks (DFL-Austin), extends the disabled access levy for Independent School District #500, Southland.

S.F. 470, carried by Sen. Linda Scheid (DFL-Brooklyn Park), defines a locally controlled process for establishing hazardous traffic condition pupil transportation zones and authorizes a levy to provide transportation services to students facing hazardous transportation conditions. S.F. 1100, authored by Sen. Steve Dille (R-Dassel), authorizes a levy in order to provide transportation services to students facing hazardous transportation conditions. S.F. 1393, carried by Sen. Michelle Fischbach (R-Paynesville), allows a school district to include bus garages in its building lease levy.

S.F. 510, sponsored by Sen. David Tomassoni (DFL-Chisholm), extends the time period, from 10 to 12 years, during which type III vehicles may be used to transport school children. S.F. 1404, authored by Sen. David Hann (R-Eden Prairie), requires bus transportation for students living farther than one mile from school and authorizes school boards to charge a fee to all students riding buses. S.F. 627, sponsored by Sen. Gen Olson



# Committee update

(R-Minnetrissa), modifies school bus safety training for students requirements, specifies school district bus safety responsibilities and clarifies that a type III school bus is exempt from the requirement of school buses to stop at railroad grade crossings.

## Fund transfer bills heard

The E-12 Education Budget Division, chaired by Sen. LeRoy Stumpf (DFL-Thief River Falls), met Wed., Apr. 9, to consider bills for inclusion in the division's omnibus funding proposal.

S.F. 681, authored by Sen. David Tomassoni (DFL-Chisholm), authorizes a fund transfer for Independent School District #695, Chisholm. S.F. 691, sponsored by Paul Koering (R-Fort Ripley), authorizes a fund transfer for Independent School District #486, Swanville. S.F. 1305, carried by Sen. Gen Olson (R-Minnetrissa), authorizes a fund transfer for Independent School District #277, Westonka. All three measures were laid over for possible inclusion in the omnibus bill.

Members also heard a bill, S.F. 245, providing for school finance simplification, clarification and equity. The bill, sponsored by Sen. Debbie Johnson (R-Ham Lake), makes extensive changes in the way school funding is calculated. Members set the bill aside for possible interim study. S.F. 251, sponsored by Sen. Leo Foley (DFL-Coon Rapids), expands the referendum equalization aid program and eliminates alternative facilities aid. S.F. 624, authored by Sen. Keith Langseth (DFL-Glyndon), makes referendum tax base replacement aid permanent. Members took no formal action on the latter two bills.

## Bills considered

Members of the E-12 Education Budget Division, chaired by Sen. LeRoy Stumpf (DFL-Thief River Falls), met in the evening, Thurs., Apr. 10, to consider a variety of measures. All of the bills were laid over for consideration as part of the omnibus E-12 education budget bill.

Stumpf carried S.F. 583, which authorizes grants for collaborative urban educator recruitment and training programs. Sen. Steve Kelley (DFL-Hopkins) authored two bills. S.F. 818 provides an appropriation for regional training sites for HIV/STI education in

schools. S.F. 1110 authorizes special education revenue through a joint powers agreement for a Metro Area magnet school.

S.F. 1023, carried by Sen. Dan Sparks (DFL-Austin), authorizes an appropriation for the Minnesota Learning Resource Center's comprehensive training program for education professionals charged with helping children acquire basic reading and math skills. Sen. Dean Johnson (DFL-Willmar) sponsored S.F. 1165, which clarifies the current funding for limited English proficiency programs. S.F. 1082, carried by Sen. Keith Langseth (DFL-Glyndon), provides an appropriation for Minnesota economic opportunity grants.

Panel members also discussed the budget for the Dept. of Children, Families and Learning.

## Environment, Agriculture and Economic Development Budget Division

### Flood mitigation bills heard

Flood hazard mitigation was the focus of attention for members of the Environment, Agriculture and Economic Development Budget Division at the Tues., Apr. 8, meeting. The panel, chaired by Sen. Dallas Sams (DFL-Staples), considered three bills dealing with flood hazards in the northwestern part of the state.

S.F. 892, authored by Sen. LeRoy Stumpf (DFL-Thief River Falls) provides for a bond appropriation to provide aid to Roseau from last year's flood and for a general fund appropriation to fund the state share of flood hazard mitigation in the area. S.F. 1026, also carried by Stumpf, authorizes the issuance of bonds and appropriates money for flood hazard mitigation projects for Warren and Hay Creek. The third measure, S.F. 1149, sponsored by Sen. Rod Skoe (DFL-Clearbrook), appropriates money for the Marsh Creek flood mitigation project in the Wild Rice River Watershed District in Mahanomen County.

Members adopted amendments lowering the dollar amounts in the bills. The bills were approved and advanced to the Capital Investment Committee.

The division also heard budget presentations on the Minnesota Arts Board, the Dept. of Labor and Industry and the Center for Rural Development.

### Budgets presented

The Environment, Agriculture and Economic Development Budget Division met Wed., Apr. 9, to hear a budget overview from the Workers Compensation Court of Appeals and to discuss the Minnesota Film and TV Board. In addition, members, chaired by Sen. Dallas Sams (DFL-Staples), heard a presentation on Lifetrack Resources, a supportive employment program for people with mental illness.

### Funding bills heard

The Environment, Agriculture and Economic Development Budget Division met Fri., Apr. 11, to consider a variety of funding bills. The division, chaired by Sen. Dallas Sams (DFL-Staples), heard the measures and laid the bills over for possible inclusion in the division's omnibus appropriations bill.

S.F. 728, authored by Sen. Dennis Frederickson (R-New Ulm), provides an appropriation to the Board of Soil and Water Resources for a grant to Area II, Minnesota River Basin Projects, Inc. for floodplain management. S.F. 562, carried by Sen. Richard Cohen (DFL-St. Paul), provides an appropriation for a grant to the city of St. Paul for park and trail improvements in the area above the Meeker Island lock historic site. S.F. 173, carried by Sen. Thomas Bakk (DFL-Cook), appropriates money to acquire permanent easements for a snowmobile trail to connect the Willard Munger State Trail in Hermantown to the North Shore State Trail in Duluth.

S.F. 196, authored by Sen. Ellen Anderson (DFL-St. Paul), appropriates money to the Housing Finance Agency for the family homelessness prevention and assistance program. S.F. 835, sponsored by Cohen, provides funding for the displaced homemaker program by increasing the marriage license fee by \$20. S.F. 185, authored by Sen. Scott Dibble (DFL-Mpls.) appropriates money for the transitional housing program and for emergency services grants. S.F. 690, also carried by Dibble, provides education to employers to support HIV/AIDS general education and awareness and to improve capacities to manage HIV/AIDS in the workplace. S.F. 884, carried by Dibble, appropriates money for a grant to Minnesota Project Innovation to provide assistance to Minnesota businesses in obtaining federal contracts.

## Health and Family Security

### Continuing care bill advances

Members of the Health and Family Security Committee met Fri., Apr. 4, to finish work on bills needing to meet the first committee deadline. The committee, chaired by Sen. Becky Lourey (DFL-Kerrick), devoted much of the hearing to consideration of S.F. 1041.

The bill, authored by Sen. Linda Berglin (DFL-Mpls.), makes numerous changes in provisions regulating the family support grant, relocation service coordination, Medical Assistance home care and other Dept. of Human Services programs. Members adopted an amendment incorporating provisions of S.F. 1079. The measure, authored by Sen. Sheila Kiscaden (IP-Rochester), modifies fee requirements for child support services, changes requirements for the waiver of income withholding, provides for recovery of expenditures for alternative care for nonmedical assistance recipients and establishes an alternative care lien. The bill was approved and re-referred to the Finance Committee.

Members also advanced S.F. 1322 to the Finance Committee. The bill, sponsored by Lourey, provides for reporting and review of health care providers' expenditures and provides for audits of certain referrals.

S.F. 443, authored by Kiscaden, expands adult foster care license capacity. The measure was approved and advanced to the full Senate.

The fifth bill on the agenda, S.F. 1347, was also discussed. The bill, sponsored by Berglin, restricts the construction of radiation therapy facilities. The bill failed to gain the committee's approval.

### Vaccine disclosure approved

A bill requiring the commissioner of health to educate providers, hospitals and patient families on vaccine safety gained the approval of members of the Health and Family Security Committee, Tues., Apr. 8, and headed toward consideration on the Senate floor.

S.F. 1078, authored by Sen. Sean Nienow (R-Cambridge), requires the Dept. of Health (MDH) to continue the educational campaign to providers and hospitals on vaccine safety. In addition, the bill requires the department to

encourage providers to provide vaccine information statements at multiple visits and in anticipation of future immunizations. MDH must encourage providers to use existing screening for immunization precautions and contraindication materials and make proper use of the vaccine adverse events reporting system, under the measure. The bill also requires the department to develop and make available patient education materials on immunizations and to encourage providers to use thimerosal-free vaccines when they are available. When MDH proposes a modification to the immunization schedule, the department must consult with the Minnesota Natural Health Coalition, Vaccine Awareness Minnesota, Biological Education for Autism Treatment, the Minnesota Academy of Family Physicians, the Minnesota Chapter of the American Academy of Pediatrics and the Minnesota Nurses Association, in addition to current consultation requirements, under the bill.

Kris Ehresmann said the Dept. of Health is already taking the actions required in the bill, but wants to be clear in its commitment to vaccination issues. Members also adopted an amendment, offered by Sen. Leo Foley (DFL-Coon Rapids), requiring the department to develop materials educating providers about vaccine content. A.J. Peron-Wildes told committee members about her son, who developed autism after being immunized while sick with double ear infections. Almost 90 percent of autistic children were immunized while ill, she said, while only 5 percent of the general population was immunized while ill. Peron-Wildes and Stephanie Lee, whose daughter died last year after suffering from vaccine-related epilepsy, said parents should have access to complete, accurate information about vaccine risks. S.F. 1078 was approved and sent to the full Senate.

Committee members also advanced four other measures to the Senate floor. S.F. 396, carried by Sen. Dennis Frederickson (R-New Ulm), exempts children who are eligible for adoption assistance payments and who have a special need for medical or rehabilitative care from having to enroll in the prepaid medical assistance program. S.F. 418, authored by Sen. Scott Dibble (DFL-Mpls.), permits optometrists to prescribe legend drugs as well as topical drugs. Under the measure, the authority is

limited to schedule IV and V controlled substances. S.F. 962, sponsored by Sen. Julianne Ortman (R-Chanhassen), authorizes a managed care pilot project for services provided to persons with developmental disabilities. S.F. 796, carried by Sen. Claire Robling (R-Jordan), permits experienced aides to work in child care centers without direct supervision for up to 25 percent of the center's daily hours. The bill also requires experienced aides to be trained in CPR every two years and to have 4,160 hours of experience, 120 days of which must be in the employment of the current company. The measure also permits child care centers to use one experienced aide for every four full-time classroom staff.

Three bills were re-referred to the Committee on Finance. Ortman sponsored S.F. 426, which authorizes an exception to the hospital construction moratorium to permit the addition of 20 beds for rehabilitation services at a Carver County hospital. Sen. Sheila Kiscaden (IP-Rochester) carried S.F. 1215, which extends until 2006 the time limit for the governor to enter into an agreement with the Nuclear Regulatory Commission for the discontinuation of the commission's licensing and related regulatory authority over by-product, source and special nuclear materials and the assumption of regulatory authority by the state. Committee members re-referred S.F. 824 to the Finance Committee without recommendation. Authored by Sen. Rod Skoe (DFL-Clearbrook), the measure provides an exception to the nursing home construction moratorium for a 124-bed facility in Hubbard County for the construction of a new addition, conversion of existing space into a special care unit and short-term rehabilitation unit and the expansion of dining and activity facilities.

In an evening hearing, committee members approved S.F. 613, carried by Sen. Linda Scheid (DFL-Brooklyn Park). The bill permits health maintenance organizations to impose a flat fee co-payment on outpatient office visits and outpatient prescription drugs. The panel also heard testimony on bills imposing additional informed consent requirements on abortions. Committee Chair Becky Lourey (DFL-Kerrick) explained that the committee could not take action on any of the bills, because they had been withdrawn by their respective authors.



# Committee update

## Child support bill advances

The Health and Family Security Committee met Thurs., Apr. 10, to consider several bills and to hear testimony on a bill limiting the use of family planning grants.

The committee, chaired by Sen. Becky Lourey (DFL-Kerrick), devoted considerable time to consideration of the omnibus family law bill, S.F. 758. The measure, sponsored by Sen. Thomas Neuville (R-Northfield), recodifies laws relating to marriage dissolution, legal separation, custody, parenting time and visitation. The measure also makes a number of changes in child support provisions, including new tables for computing support and requiring the court to consider the income of both

parents. The bill also exempts harassment restraining order actions from mandatory alternative dispute resolution requirements and modifies provisions dealing with the distribution of certain pension plan assets or benefits. The bill was approved and re-referred to the Finance Committee.

The panel also approved a bill, S.F. 343, sponsored by Sen. Dan Sparks (DFL-Austin), that requires health plan companies to report the compensation of the highest paid executives to the commissioner of commerce or the commissioner of health. The bill was advanced to the Senate floor.

Several additional bills were endorsed by the panel. S.F. 201, sponsored by Sen. Michelle Fischbach (R-St. Cloud), designates nursing facilities, located in

areas designated as Metropolitan Areas by the federal Office of Management and Budget, as metropolitan for purposes of establishing reimbursement rates. The bill was approved and re-referred to the Finance Committee. S.F. 1152, also carried by Fischbach, provides for a statewide study of the need for additional hospital beds. The measure was also advanced to the Finance Committee.

Two bills authored by Lourey were also approved. S.F. 1402 modifies a number of provisions relating to child care assistance in an effort to prevent fraud and provide accountability. S.F. 267 modifies emergency medical services regulatory provisions. Both bills were re-referred to the Finance Committee.

The early part of the hearing was devoted to hearing testimony on S.F. 431.



*Stephanie Lee of Finlayson presents photos of her daughter Lily to members of the Health and Family Security Committee Tues., Apr. 8, as she describes how her daughter suffered seizures and subsequently died last October as a result of being immunized while sick. A bill was being heard that requires immunization information, including the risks of adverse reactions to vaccines, be given to parents.*

Photo by David J. Oakes

The bill limiting the use of family planning grants was not formally before the committee, thus no action was taken. However, there were several individuals who spoke in opposition to the measure.

## Health, Human Services and Corrections Budget Division

### Public testimony heard

Members of the Health, Human Services and Corrections Budget Division met Tues., Apr. 8, and heard testimony from a variety of interested persons on the governor's budget proposal.

Former Minnesota First Lady Susan Carlson spoke on fetal alcohol syndrome, a cause she has been involved with for many years. Carlson spoke on the effects of fetal alcohol syndrome and said that in her current position as Juvenile Court referee she sees children in the system that have been diagnosed with the syndrome. A number of representatives of social service agencies also spoke on their efforts in helping women with substance abuse problems and children with fetal alcohol syndrome.

The committee, chaired by Sen. Linda Berglin (DFL-Mpls.), also heard from Shepard Harris, Jewish Community Relations Council, on a variety of programs for senior citizens. Several social service agency representatives spoke on specific programs, such as Meals on Wheels, designed to help older Minnesotans stay in their homes.

Jim Fasset Carmin of the group Remembering with Dignity spoke in support of a bill, S.F. 1303, that appropriates money to provide grave markers for persons who died while at regional treatment facilities.

### Variety of bills advance

The Health, Human Services and Corrections Budget Division met Wed., Apr. 9, to take action on bills ranging from adult foster care license changes to compulsive gambling.

S.F. 593, carried by Sen. Michele Bachmann (R-Stillwater), specifies that the maximum combined capacity for adult foster care and family adult day care is five adults, except that the commissioner may grant a variance for a family adult day care provider to admit up to seven individuals for day care services and one individual for respite care services. The bill was

approved and advanced to the full Finance Committee.

S.F. 630, authored by Sen. Cal Larson (R-Fergus Falls), authorizes the issuance of bonds for a dementia unit at the Fergus Falls Veterans Home. The members discussed the bill and set it aside for possible referral to the Capital Investment Committee.

Members, chaired by Sen. Linda Berglin (DFL-Mpls.), approved a bill providing for psychologist emeritus registration. S.F. 216, authored by Sen. Yvonne Solon (DFL-Duluth), was approved and advanced to the full Finance Committee. Solon also sponsored a bill, S.F. 788, that provides for an appropriation for the prevention and education about compulsive gambling. The measure was laid over for consideration for the division's omnibus bill.

S.F. 179, sponsored by Sen. Sheila Kiscaden (IP-Rochester), provides for the licensure of denturists. Kiscaden said denturism is the making, repairing or supplying of dentures. The measure was laid over for possible inclusion in the omnibus bill.

A bill making a change to the definition of first degree murder, S.F. 136, authored by Sen. Leo Foley (DFL-Coon Rapids), failed to gain the division's approval.

## Higher Education Budget Division

### Fond du Lac degrees considered

Two baccalaureate programs at Fond du Lac Tribal and Community College were considered by members of the Higher Education Budget Division, Thurs., Apr. 10.

S.F. 792, authored by Sen. Becky Lourey (DFL-Kerrick), permits the college to establish four-year degree programs in elementary education and sustainable development. Lourey said the intent of the proposal is not to make the college into a baccalaureate institution, but to expand a successful pilot project. College President Don Day said the two programs fit into the college's mission to provide educational opportunities to American Indians. About half of Minnesota American Indian students, he said, drop out of high school. Part of the reason for that statistic, Day said, is that American Indians account for about one percent of

the teaching population. Fond du Lac intends to train American Indian teachers through its program, he said. The college will graduate about 14 students in its first graduating class, Day said, and anticipates enrolling over 100 students by its third year. He said the college has applied for federal Title III grant funding for the programs' first five years. Fond du Lac will not be seeking state funding, he said.

Leslie Mercer, associate vice chancellor, said the Minnesota State College and Universities Board of Trustees supports the college's endeavor. She explained the steps Fond du Lac will have to take after the proposal receives legislative approval. David Laird of the Private Colleges Council and Jim Pehler of the Inter-Faculty Organization also spoke in support of the proposal. The bill was laid over for possible inclusion in the division's omnibus appropriations bill.

Two other measures were also laid over for inclusion in the omnibus higher education bill. Sen. Claire Robling (R-Jordan) carried S.F. 641, which requires all higher education institutions in the state to provide information about meningitis to all enrolling students. Robling discussed the effects of meningitis, which can be fatal, and said that many of the state's colleges already offer some information about the disease. Sen. Sandra Pappas (DFL-St. Paul), division chair, sponsored S.F. 665. The bill prohibits postsecondary institutions from selling student contact information to credit card issuers without the student's affirmative consent. The measure also prohibits colleges from entering into any agreements to market credit cards to undergraduate students.

## Jobs, Housing and Community Development

### Job reference bill gains

A bill limiting the liability of employers for references for former employees dominated the discussion at the Tues., Apr. 8, meeting of the Jobs, Housing and Community Development Committee.

S.F. 837, authored by Sen. David Knutson (R-Burnsville), provides protection for disclosure of job reference information and requires disclosure of data between school districts and charter schools relating to acts of violence or inappropriate sexual contact with



# Committee update

students. Members adopted an amendment that provides that an employee may review his or her personnel record once each year after separation for as long as the personnel record is maintained and sets forth other requirements for employee authorization for the disclosure of information. A provision setting forth the evidence standard for employees to bring suit against an employer for disclosure of information sparked considerable discussion. The bill provides that the employee demonstrate by clear and convincing evidence that the information was false and defamatory, that the employer knew the information was false and acted with malicious intent and the information was acted upon by a prospective employer in a manner that harmed the employee. Several committee members felt that the clear and convincing standard was too high. Sen. Linda Higgins (DFL-Mpls.) offered an amendment to make the standard a preponderance of the evidence and delete the requirement the employee prove the information was acted upon by a prospective employer. The amendment failed. Sen. Ellen Anderson (DFL-St. Paul) offered an amendment to substitute preponderance for clear and convincing as an evidence standard. The amendment also failed. The bill was approved and re-referred to the Judiciary Committee.

In other action, the committee, chaired by Sen. Linda Scheid (DFL-Brooklyn Park), considered three relatively non-controversial measures. S.F. 1225, authored by Sen. Keith Langseth (DFL-Glyndon), limits the use of archaeologist services by state agencies to sites that are known or are based on investigations on public lands or waters. The measure was recommended for placement on the Consent Calendar.

S.F. 1097, sponsored by Sen. Michele Bachmann (R-Stillwater), eliminates obsolete mandatory retirement age provisions. The measure was approved and sent to the full Senate. S.F. 1340, authored by Sen. Geoff Michel (R-Edina), makes a number of technical changes in workers compensation provisions. The bill was also approved and sent to the Senate floor.

## Judiciary

### Family law bill gains

The Judiciary Committee, chaired by Sen. Don Betzold (DFL-Fridley), met

twice Tues., Apr. 8, to consider a variety of bills. One of the major bills, S.F. 758, authored by Sen. Thomas Neuville (R-Northfield), recodifies laws relating to marriage dissolution, legal separation, custody, parenting time and visitation. The measure also makes a number of changes in child support provisions, including new tables for computing support and requiring the court to consider the income of both parents. The bill also exempts harassment restraining order actions from mandatory alternative dispute resolution requirements and modifies provisions dealing with the distribution of certain pension plan assets or benefits. The bill was approved and advanced to the Health and Family Security Committee.

Members also approved two additional bills that were added as amendments to the omnibus family law bill. S.F. 566, sponsored by Sen. Warren Limmer (R-Maple Grove), provides for modification of support obligations of persons called into active military service. The measure provides that an increase or decrease in an obligor's income because of active military service is grounds for a motion for a temporary modification of support. The panel approved the measure for incorporation into the omnibus bill.

S.F. 827, authored by Sen. Mee Moua (DFL-St. Paul), provides marriages may be solemnized among Hmong by the Mej Koob, according to the form and usage of Hmong culture. Moua emphasized that the marriages must conform to Minnesota law and that the bill eliminates a step for Hmong couples who wish to marry according to cultural tradition. Under current law, Hmong couples who have a solemnization ceremony according to cultural tradition must also have a ceremony by a person authorized to solemnize marriages and file a marriage certificate with the court. Sen. Wes Skoglund (DFL-Mpls.) offered an amendment to specify that allowing a child to enter into a marriage in violation of state law, allowing a child to enter into a marriage without the child's consent or otherwise allowing solemnization of a marriage in accordance with a particular religion or culture is prohibited. Skoglund said the amendment is to insure that underage and forced marriages do not take place. The amendment was adopted. There was also considerable discussion on other cultural differences. Moua said the

bill is aimed at providing an avenue for Hmong traditions to be transitioned into more mainstream society while still being valued as part of Hmong cultural heritage. "The Hmong community is now part of the landscape and we want to provide a positive method of transition and integration into society," Moua said. Members approved the bill and incorporated it into the omnibus family law bill.

In other action, members also approved a variety of other bills. S.F. 1414, sponsored by Betzold, sets a cap of \$25 million on appeal bonds for money judgment stays of execution. Current law sets the appeal bond at twice the value of the judgment, Betzold said. He said that in some large cases, such as tobacco litigation, the company could be forced into bankruptcy posting the bond while appealing the judgment. The bill was approved and re-referred to the Finance Committee.

A second bill sponsored by Betzold was also approved and re-referred to the Finance Committee. S.F. 834 limits the liability of nonprofit corporations providing day training and habilitation services for adults with mental retardation, daytime developmental achievement center services or group homes serving children under a contract with a county or the state. The bill limits liability to the same limits in effect for municipalities. John Barker, Minnesota Day Training Activity Association said there has been a rapid rise in rates for liability insurance and that it was hoped the bill will slow the increases. However, Joel Carlson, representing the Trial Lawyers Association, said the insurance cost increases are due to the business cycle and underpriced insurance products. Jan Gibson-Talbot, also representing the day training association, said insurance costs have risen 300 percent and the only way to recover is through staff cuts which decrease service. Betzold said he was trying to strike a balance between the right to bring suit and the ability of programs to stay in operations. Members adopted an amendment, offered by Neuville, adding nursing homes to the nonprofit corporations.

A third Betzold bill, S.F. 1148, was approved and sent to the Senate floor. The bill clarifies that schools may report alleged juvenile offenses occurring on school property to the juvenile justice system without obtaining prior parental consent.

Members also approved two additional bills. S.F. 722, authored by Sen. Leo Foley (DFL-Coon Rapids), provides immunity for good faith reports to or requests for assistance from law enforcement. The bill was sent to the full Senate. S.F. 163, sponsored by Sen. Charles "Chuck" Wiger (DFL-North St. Paul), requires disclosure of the Baytown special well construction area and its construction code before real property sales and development within that area. The bill was recommended for placement on the Consent Calendar.

### License amendment adopted

The Judiciary Committee, chaired by Sen. Don Betzold (DFL-Fridley), met twice Thurs., Apr. 10, to consider a number of bills before the second committee deadline.

A bill providing for acquiring right-of-way from common interest ownership communities was amended to require additional identity and residency information in order to obtain a drivers license. S.F. 1103, authored by Sen. Mee Moua (DFL-St. Paul), specifies that in eminent domain proceedings, the association of a common interest ownership community will accept service on behalf of all unit owners and provides that the association has the power to grant right-of-way easements. Sen. John Hottinger (DFL-St. Peter) offered an amendment containing the drivers license provisions. Hottinger said there has been a great deal of discussion on the drivers license issue throughout the session and the amendment provides for additional strengthening of the proof of identity needed to obtain a license. The amendment provides that the applicant must provide proof of residency, in addition to information that is currently required, when applying for a license of Minnesota identification card. The amendment also specifies the personal information that is to be shown on a license or ID card, requires identity information and a personal appearance in order to obtain a duplicate license, requires proof of residency when renewing a license and eliminates the authority of the commissioner of public safety to specify the personal information that may appear on the drivers license. In addition, the amendment provides that drivers' licenses and identity cards issued to short-term residents expire on the date the admission period expires or four years

after issuance, whichever occurs first. Finally, the bill provides that an applicant for an identification card must surrender any identification card or driver's license issued by another jurisdiction. Members adopted the amendment and advanced the bill to the Finance Committee.

Earlier in the day, a bill allowing individuals with E-2 visas to own farm land in Minnesota sparked considerable debate. Sen. Steve Dille (R-Dassel), chief author of the bill, said the measure is designed to aid Minnesota's ailing dairy farms. Under the bill, S.F. 717, a person who is the holder of an E-2 visa with a nationality from Canada or a country on the European continent, and maintains a dwelling place in Minnesota for 10 months out of every 12 month period, may own a dairy farm in Minnesota. The bill further specifies that the farm may have up to 1,500 acres of agricultural land and that the eligibility is limited to 3 years, unless the commissioner of agriculture waives the limitation.

Sen. Wesley Skoglund (DFL-Mpls.) moved to delete the provision limiting the ability to own farm land to persons from Canada or Europe. The amendment was adopted.

The committee heard testimony in both support and opposition to the measure. Supporters said there is a danger, with so many dairy farms going out of business, of falling below the critical mass needed to sustain the dairy industry in Minnesota and the bill draws additional families into the business. Opponents said there is a fear that the bill will lead to absentee landlords and that the additional competition will hurt existing farms. Members approved the bill and advanced the measure to the Senate floor.

The committee also approved a bill modifying provisions relating to certificates of title to manufactured homes. The bill, S.F. 878, sponsored by Sen. James Metzen (DFL-South St. Paul), was sent to the Senate floor.

Several additional bills were advanced by the committee. S.F. 1185, sponsored by Sen. Steve Murphy (DFL-Red Wing), grants authority to the Dept. of Veterans Affairs to access the MAXIS database maintained by the Dept. of Human Services for the purpose of verifying eligibility for benefits under the state soldiers assistance program. The bill was approved and recommended for placement on the Consent Calendar. S.F.

1121, authored by Sen. Leo Foley (DFL-Coon Rapids), prohibits false claims against the state, allows the state to bring suit and provides for civil penalties. Foley said the measure is another tool to combat fraud. The bill was approved and sent to the full Senate.

A bill modifying provisions regarding parentage of a child conceived through artificial insemination was also approved. S.F. 814, sponsored by Sen. Linda Higgins (DFL-Mpls.), provides that the wife is treated as the biological mother if the wife is implanted with embryos created with eggs donated by another woman and her husband's sperm. The bill was advanced to the Senate floor.

The evening portion of the hearing was dominated by discussion of two bills relating to housing eviction records expungement. S.F. 959, sponsored by Sen. Dallas Sams (DFL-Staples), provides that the court may order expungement of an eviction case file only upon motion of a defendant and decision by the court and only if the court makes an explicit written finding that the plaintiff's case is with basis in fact or law. The bill also specifies that the fact that a case was stricken from the calendar, dismissed or settled, or that an agreement between parties allows expungement, is not determinative that the case was without basis in fact or law.

The second bill, S.F. 883, authored by Linda Berglin (DFL-Mpls.), provides for expungement if the court finds that there is a change in circumstances for the defendant that indicate that the eviction case is not a reasonable predictor of future tenant behavior. In addition, the bill provides for mandatory expungement if the court finds that the defendant prevailed in the action, the parties have agreed to expungement, or the plaintiff's case is sufficiently without basis in fact or law.

Members heard testimony in support of both measures. However, members could not determine a method of reconciling the two bills. Members adopted a motion to lay both bills on the table.

In other action at the evening portion of the hearing, the panel approved three additional bills. S.F. 1455, authored by Sen. Julianne Ortman (R-Chanhassen), authorizes administrative powers, penalties and remedies for the Dept. of Public Safety to regulate deputy registrars. The measure was approved and re-referred to the Finance Committee.



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S.F. 370, sponsored by Sen. Ann Rest (DFL-New Hope), regulates the limitation periods of certain lawsuits and adopts the Uniform Conflict of Laws-Limitation Act. The bill was approved and sent to the Senate floor. S.F. 289, carried by Betzold, relates to statutory home warranties and provides for a statutory cure of defects, amends the exclusions for liability of the vendor and home improvement contractor and specifies a limitation of actions based on breach. The bill was approved and sent to the Senate floor.

## Rules and Administration

### Elected Met Council debated

The Rules and Administration Subcommittee on Elections, chaired by Sen. Linda Higgins (DFL-Mpls.), met Mon., Apr. 7, to consider a variety of bills.

One measure that triggered considerable discussion provides for the election, rather than appointment, of members of the Metropolitan Council. S.F. 1245, carried by Sen. Linda Scheid (DFL-Brooklyn Park), specifies that the Metropolitan Council be elected beginning in 2004, clarifies that a candidate for the Council must file a statement of economic interest, imposes spending limits, imposes limits on contributions and provides a public subsidy to candidates who survive a primary and who have filed a spending limit agreement. Discussion focused, primarily on the provisions relating to public subsidy for candidates. Sen. Dave Kleis (R-St. Cloud) offered an amendment to delete the public subsidy provisions from the bill. The amendment failed on a tie vote. Members did adopt an amendment that limits contributions to \$300 in a campaign year and \$100 in a non-campaign year—similar to the limits for city council and county commissioner. Members approved the bill and referred the measure to the full Rules and Administration Committee.

The subcommittee also advanced three additional bills to the full committee with a recommendation to pass. S.F. 1084, authored by Sen. Mark Ourada (R-Buffalo), permits campaign signs in highway rights-of-way. Ourada said the current law prohibiting the signs is very spottily enforced. S.F. 658, sponsored by Higgins, requires distribution of voter registration to students who will be eligible to vote at the next election.

A bill aimed at the practice of “push” polling also generated considerable discussion. The bill specifies that a person who conducts a poll in which the polling is intended to influence the person being polled must disclose who the person represents in conducting the poll, the name of the candidate, the party unit or the campaign committee authorizing the poll, if any, and where the person being polled can get more information about the polling effort. Sen. Julie Rosen (R-Fairmont) said the bill, S.F. 1373, is not intended to curtail free speech, but is simply an attempt to provide adequate information to the person being polled.

## State and Local Government Operations

### Shooting range bill gains

At bill changing provisions relating to shooting ranges provided a focal point for discussion at the Mon., Apr. 7, meeting of the State and Local Government Operations Committee.

S.F. 462, carried by Committee Chair Jim Vickerman (DFL-Tracy), defines generally accepted operation practices and provides for the relationship of the shooting range with local ordinances. The bill also addresses the closing and relocation of a shooting range and nuisance liability. The measure was approved and sent to the full Senate.

Members also approved a measure allowing local units of government to request that the commissioner of finance prepare a fiscal note on the impact of a proposed administrative rule or rule change. S.F. 1070, sponsored by Sen. David Senjem (R-Rochester), also requires that agencies determine if the cost of implementing the rule exceeds \$100,000 over the first 10 years of implementation; if so, the rule must not take effect until the rule is approved by a law enacted after the agency determination. The bill was approved and advanced to the Senate floor.

S.F. 259, sponsored by Sen. Carrie Ruud (R-Breezy Point), permits Beltrami County to contract with the state Dept. of Corrections for the cost of secretarial support for juvenile probation and parole services of the county. The panel approved the bill and sent the measure to the Senate floor.

S.F. 497, authored by Sen. David Hann (R-Eden Prairie), provides that all

noncommercial signs of any size may be posted in any number from Aug. 1 in a state general election year until 10 days following the state general election. The bill was approved and re-referred to the Rules and Administration Committee.

### Treasurer duties transferred

The State and Local Government Operations Committee met Wed., Apr. 9, to tackle a lengthy agenda. The committee, chaired by Sen. Jim Vickerman (DFL-Tracy), considered bills ranging from authorizing linked bingo to limiting the amount set aside for public art in new state building construction.

One measure, S.F. 997, provides for the transfer of the duties of Office of the Treasurer to the commissioner of finance. Voters approved eliminating the constitutional office of treasurer, but legislation must be enacted to formally transfer the duties of the office to another state agency. The bill, sponsored by Sen. Geoff Michel (R-Edina), also makes a number of technical changes related to state finance. The bill was approved and advanced to the Senate floor.

The panel also approved a measure that provides penalties for false claims against the state. S.F. 1121, sponsored by Sen. Leo Foley (DFL-Coon Rapids), allows the state to bring suit for false claims and provides a civil penalty of \$5,000 to \$10,000. The bill was approved and re-referred to the Judiciary Committee.

S.F. 1153, carried by Vickerman, makes various clarifying and technical changes to provisions governing lawful gambling. The measure permits resale of certain gambling equipment, provides for fees, prices and prize limits and clarifies requirements for gambling managers and employees. The measure was approved and sent to the Senate floor. A bill authorizing linked bingo, S.F. 666, was also granted approval and re-referred to the Finance Committee. The measure, authored by Vickerman, allows bingo games to be linked electronically among several organizations and provides for a single prize pool.

A third bill sponsored by Vickerman, S.F. 197, allows municipalities to prescribe fees by a fee schedule, instead of by ordinance. The bill was approved and sent to the full Senate.

Members also had a thorough discussion of a bill specifying that public



**Senators Thomas Neuville (R-Northfield), left, and Dennis Frederickson (R-New Ulm) consult on proposed legislation during a recent meeting of the Environment and Natural Resources Committee.** Photo by David J. Oakes

safety radio communications operators are essential employees. By including public safety radio communications operators in the definition of essential employees, the operators would not be allowed to strike. S.F. 1045, sponsored by Sen. Dean Johnson (DFL-Willmar), was approved and sent to the Senate floor.

S.F. 1158, authored by Sen. Don Betzold, provides for rulemaking in relation to alternative DWI breath-testing instruments. The bill was recommended for placement on the Consent Calendar. S.F. 304, sponsored by Sen. Sheila Kiscaden (IP-Rochester), establishes licensure for professional counseling. The bill establishes the Board of Professional Counseling and sets forth the board's duties and responsibilities. In addition, the measure establishes the requirements for licensure. The bill was approved and advanced to the Finance Committee.

The committee also approved two bills authored by Sen. Claire Robling (R-Jordan). S.F. 910 sets a monetary limit on

art acquisition for state buildings. Under current law, an appropriation for the construction of any state building may contain an amount of up to one percent for the acquisition of works of art. The bill specifies the limit as being one percent or \$100,000, whichever is less. S.F. 1062 provides an exception to the priorities for designating a qualified newspaper.

## State Government Budget Division

### Litigation proceeds discussed

Members of the State Government Budget Division, chaired by Sen. Jane Ranum (DFL-Mpls.), met Tues., Apr. 8, to consider five measures. No action was taken on any of the bills.

Sen. Thomas Neuville (R-Northfield) sponsored S.F. 468, which makes permanent a requirement that money recovered in litigation, or settlement of litigation, by a state official is state money and must be

deposited in the general fund. The requirement was originally enacted in 2001. Neuville said the genesis of the law was dissatisfaction with the tobacco settlement reached in the late 1990s. It is the exclusive job of the Legislature to appropriate money, he said, not the attorney general or other state officials involved in litigation. Maintaining legislative involvement will ensure accountability in the use of state proceeds, Neuville said, which has been lacking in the case of tobacco settlement funds distributed to the Minnesota Partnership for Action Against Tobacco (MPAAT). The requirement also applies to the use of public money for contingency fees for outside counsel retained by the state in pursuit of litigation. Neuville said he does not believe the language handcuffs the attorney general in litigation, because the Legislature has a good record of approving requests for contingency fees for important cases.

However, Deputy Attorney General Ken Peterson said the Attorney General's



# Committee update

Office opposes the bill. Peterson said the attorney general agrees that the awarding of settlement money to MPAAT without legislative oversight was inappropriate. He noted that the office has taken MPAAT to court to ensure that the organization uses settlement money within the limits of its original mission. The only contingency fees currently authorized, he said, are for litigation on behalf of the State Board of Investment for recovery of retirement funds from national and international companies involved in recent financial scandals. Peterson said the attorney general believes that if specific individuals who have been wronged by the defendant can be identified, then any litigation or settlement proceeds should be directed to them. In cases where individuals cannot be identified, he said, the attorney general believes that money can be targeted to non-profit groups working in the general area of the offense. Peterson cited an instance of a pharmaceutical company donating settlement money to a mental health group. In some cases, he said, companies do not wish to make payments to states, but prefer to involve a third party in the settlement. However, Sen. David Knutson (R-Burnsville) objected to the practice. "It is just plain wrong to pursue a lawsuit and then reach a settlement for the benefit of a non-profit," Knutson said. He said it is an improper use of the judiciary to compel donations to charity.

Peterson said the requirements also limit the state's ability to participate in settlements of multi-state litigation. Often in a joint settlement, he said, proceeds are directed to charities in each state. He said the attorney general agrees that proceeds should generally go to either individuals directly affected or to the general fund, but that the office should also have the flexibility to settle litigation quickly. Neuville said he is willing to work with the attorney general on the state's participation in multi-state litigation. He said he is interested in finding common ground and resolving the matter in statute. Neuville and Peterson said they would work on the legislation.

Members also considered S.F. 117, carried by Sen. Don Betzold (DFL-Fridley). The measure authorizes the state to pay the salary differential of state employees who are called to active duty as part of their service in the National Guard or military reserves. The bill also permits local units of governments to pay

salary differentials for their employees. Ranum sponsored S.F. 1396, which appropriates \$500,000 in FY 03 to cover the costs of National Guard activation by the governor. S.F. 716, authored by Sen. Steve Murphy (DFL-Red Wing), requires gas, heating, ventilation, cooling, air conditioning, fuel burning, and refrigeration contractors to file surety bonds with the Dept. of Administration, in lieu of bonds filed with local units of government. S.F. 735, carried by Sen. Wesley Skoglund (DFL-Mpls.), requires indoor firework display permit applications to be made to the state fire marshal by the operator of the facility where the display is to occur.

## Lottery report heard

A report challenging the efficiency of the state lottery issued by an advocacy group proved to be controversial between the group and the lottery administration when members of the State Government Budget Division heard from representatives of both parties, Fri., Apr. 11.

John Curry, legislative director, said the Minnesota Center for Environmental Advocacy (MCEA) chose to explore the link between lottery proceeds and the environmental trust fund. Minnesotans, he said, have supported the lottery in the past, and continue to support it, because they believe there is a clear path between lottery spending and environmental efforts in the state. The trust fund, he said, should be getting 40 percent of lottery proceeds. However, Curry said, Minnesota is not delivering on that promise. A gaming industry publication found that the Minnesota Lottery has the highest administrative expenses and lowest proceeds of the 37 states with lotteries, he said. Curry said that of every dollar spent on the lottery by consumers, only 5.6 cents end up in the environmental trust fund. Bob DeBoer reviewed the information in the MCEA report and the comparison between the lotteries in nine states: Arizona, Colorado, Indiana, Kentucky, Louisiana, Minnesota, Missouri, Washington, and Wisconsin. The report makes five recommendations, he said, including establishing substantive oversight of lottery budget and operations, requiring a minimum return in proceeds to the state, establishing meaningful limits on administrative costs, exploring outsourcing and staff reductions and requiring periodic performance evaluations.

George Anderson, director of the lottery, said the report is inaccurate and biased. MCEA, he said, is obviously seeking a bigger piece of the lottery revenue pie for its own purposes. The group wants to believe that the pie will stay the same size, he said, but their slice will grow. The environmental trust fund is getting exactly the 40 percent required by the state Constitution, Anderson said. The Legislature has also allocated additional money from lottery proceeds to other environmental funds, including the game and fish fund, he said. Anderson said the lottery operates below its 15 percent limit on administrative costs, at only 12 percent of proceeds. He challenged the comparison with eight other states and said the markets are not as comparable as the MCEA would like to believe. Anderson noted that the Twin Cities are the 14th largest media market in the nation and media costs, per minute, are 47 to 72 percent lower in the largest media markets of the eight other states. If the per-minute costs of buying advertising time were factored into the analysis, he said, Minnesota would drop from the highest advertising spender to the middle of the pack. Anderson said each state also has accounting and policy differences in handling lottery proceeds. He said Minnesota spending on compulsive gambling treatment and education, from the lottery, exceeds lottery contributions for those efforts in the eight other states combined.

In other action, members, chaired by Sen. Jane Ranum (DFL-Mpls.), considered three measures, but took no action on the bills. Sen. Claire Robling (R-Jordan) sponsored S.F. 1232, which allocates one-third of fines and forfeitures received by district courts in counties where the state takeover of the court system has occurred to the counties. Current law provides that the full amount of the fines and forfeitures goes to the state after the courts are taken over. Sen. Ann Rest (DFL-New Hope) carried S.F. 868. The bill appropriates \$250,000 for grants to nonprofit organizations that help low-income taxpayers prepare and file tax returns and refund claims.

Members also considered S.F. 344, authored by Sen. Dan Sparks (DFL-Austin). The measure modifies state agency technical and professional contracting requirements. The panel adopted an amendment that contained provisions agreed upon by parties involved in the

issue. Sen. David Knutson (R-Burnsville) also presented three amendments for the division to review, but no action was taken on the amendments. One of the amendments addresses the emergency authority of agencies, with the approval of the Dept. of Administration, to permit contract work to begin before the contract is fully executed. The amendment expands the definition of emergency situations beyond natural disasters. Other amendments change requirements for the Dept. of Administration to operate central printing, mailing and graphics services to permissive authority. Knutson said the department should be allowed to close operations that lose money while still retaining the authority to operate the enterprises if they are cost-effective.

### Sales tax bills heard

The Tax Committee, chaired by Sen. Lawrence Pogemiller (DFL-Mpls.), met Wed., Apr. 9, to consider several sales tax bills for inclusion in the committee's omnibus tax bill.

S.F. 877, sponsored by Sen. Ann Rest (DFL-New Hope), provides for an exemption from sales and use taxes on delivery or distribution charges for direct mail. S.F. 530, carried by Sen. LeRoy Stumpf (DFL-Thief River Falls), provides for the application of sales tax to sales of prefabricated homes. S.F. 809, sponsored by Sen. Linda Higgins (DFL-Mpls.), provides for a separate excise tax for dairy mixed cocktails. S.F. 438, carried by Pogemiller, allows vehicle dealers to pay sales tax or use tax for use of a vehicle other than for demonstration purposes and exempts loaner vehicles from motor vehicle sales tax and use tax. All of the measures were laid over for possible inclusion in the omnibus bill.

The committee also considered several measures for possible inclusion in an omnibus tax increment financing bill. S.F. 338, authored by Sen. Satveer Chaudhary (DFL-Fridley), establishes a multicity housing authority including the cities of Arden Hills, Blaine, Circle Pines, Mounds View, New Brighton, Roseville and Shoreview. S.F. 547, sponsored by Sen. Don Betzold (DFL-Fridley), authorizes counties in the seven-county Metropolitan Area to grant economic development authority powers to existing county housing and redevelopment authorities. S.F. 49, authored by Sen. Dean Johnson (DFL-Willmar), authorizes Kandiyohi County to exercise the powers

of a city for the purposes of establishing an economic development authority and permits the joint exercise of powers by Kandiyohi County and the city of Willmar.

Members also considered two additional bills. S.F. 635, sponsored by Sen. William Belanger (R-Bloomington) abolishes the Metropolitan Fiscal Disparities Act. S.F. 1141, sponsored by Pogemiller, regulates the transportation of cigarettes for sale out of state.

The committee advanced one bill to the Rules and Administration Committee. S.F. 232, authored by Sen. Steve Kelley (DFL-Hopkins), is a resolution memorializing Congress to require Internet sellers to collect state and local taxes.

## Floor action

### Ten bills gain

Senators met briefly Mon., Apr. 7, to action on several pieces of legislation.

Members repassed S.F. 112. Carried by Sen. Don Betzold (DFL-Fridley), the bill adopts article 5 of uniform probate code. Betzold said only minor amendments to the bill were made by the House.

Nine measures on the Consent Calendar were granted final passage. S.F. 980, carried by Sen. Leo Foley (DFL-Coon Rapids), provides reporting procedures and venue for identity theft. S.F. 1095, sponsored by Sen. Julie Rosen (R-Fairmont), establishes a residency requirement for the state soldiers assistance fund. S.F. 1099, authored by Sen. Michele Bachmann (R-Stillwater), repeals obsolete regulations for entertainment agencies. Sen. John Hottinger (DFL-St. Peter) sponsored H.F. 647, which provides an exception to the nursing home construction moratorium. S.F. 479, carried by Sen. Cal Larson (R-Fergus Falls), permits county nursing homes to use certified public accountants for annual audits. Sen. Steve Kelley (DFL-Hopkins) authored S.F. 816, which extends the expiration date of the Metropolitan Radio Board. The expiration date for the Minnesota Agriculture Education Leadership Council is eliminated by S.F. 675, carried by Sen. Dallas Sams (DFL-Staples). S.F. 1001, sponsored by Sen. Tom Saxhaug (DFL-Grand Rapids), modifies requirements for solid waste plans. Sen. Thomas Bakk (DFL-Cook) carried S.F. 351, which allows a person who is designated in writing by the chief law enforcement officer of a political

subdivision to use and possess radio equipment while in the course of duties or employment without also having to get an individual permit.

Senators also observed a moment of silence for television news correspondent and Minnesota native David Bloom, who died in Iraq over the weekend. Sen. Geoff Michel (R-Edina) briefly discussed Bloom's personal and professional accomplishments and offered condolences to Bloom's family.

The Senate also met very briefly Wed., Apr. 9, to process committee reports and facilitate the movement of bills between committees.

### Brief session held

Senators met briefly Thurs., Apr. 10, to process the movement of bills between committees as the second committee deadline approached. Much of the Senate's time was devoted to handling motions from the floor.

Majority Leader John Hottinger (DFL-St. Peter) offered two motions to remove bills from the Commerce and Utilities Committee and refer them to the Rules and Administration Committee. After some discussion, the motions were approved. S.F. 733, authored by Sen. Ellen Anderson (DFL-St. Paul), provides for additional nuclear waste storage at Prairie Island and enacts a renewable energy standard. Sen. Steve Murphy (DFL-Red Wing) also sponsored a bill, S.F. 794, authorizing additional storage at Prairie Island.

Two motions offered by Sen. Dave Kleis (R-St. Cloud) were defeated on 31-35 roll call votes. Both motions involved removing S.F. 87, carried by Kleis, from the Crime Prevention and Public Safety Committee and referring the bill either to the full Senate or to the Rules and Administration Committee. The bill makes several changes to drivers license provisions, including requiring full-face photographs and requiring a temporary foreign visitor's visa expiration date be printed on the driver's license. Kleis said the bill is common sense legislation that he believes the majority of the Senate supports. The proposal should be debated on the floor, he said.

### Schedule available on-line

The committee schedule for next week is available on-line: <http://www.senate.mn/schedule/2003/0414.htm>



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# *Senate Briefly*

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*Looking westward towards the Senate Chamber, a tour group pauses near the Rotunda to take in the Capitol building's grandeur.*

*Photo by David J. Oakes*



*April 18, 2003*

# Senate Highlights

## Omnibus bill approved

The Higher Education Budget Division reviewed and approved an omnibus higher education appropriations proposal at the Tues., Apr. 15, meeting. The division, chaired by Sen. Sandra Pappas (DFL-St. Paul), referred the funding package to the full Finance Committee.

"I deeply regret I am bringing forward a division proposal with base cuts to our higher education institutions," Pappas said. "We did maintain a core goal of the division's by maintaining student choice," she added.

The proposal contains an 8 percent cut in base funding for the University of Minnesota and the MnSCU system, which is less than the governor's proposal for a 15 percent cut, Pappas said. She also said the bill maintains the grant program at the 2003 level of \$240 million. She said the division's proposal does not fund growth in the grant program the way the governor's proposal does, but the governor's proposal does so at the expense of core funding in the public institutions.

The bill appropriates a total of \$2.7 billion from the general fund for higher education. Under the bill, the Higher Education Services Office receives \$310 million, the MnSCU system receives \$1.91 billion, the University of Minnesota receives \$1.98 billion and the Mayo Medical Foundation receives \$2.7 million in general fund appropriations. The measure also contains a mixture of division and gubernatorial proposals. The bill also lowers the child care grant award

level from \$2,600 to \$2,200 in an effort to include more recipients. The measure incorporates the governor's proposal for Minitex, MnLink and the Learning Network of Minnesota, as well as the governor's recommendation for the Minnesota college savings plan and agency administration.

Pappas said the proposal makes an 8 percent cut to the base for MnSCU and the University of Minnesota and a 15 percent cut for the Mayo Medical Foundation. The bill also includes provisions from S.F. 641, authored by Sen. Claire Robling (R-Jordan), requiring postsecondary students to be provided with information about meningitis. In addition, the proposal contains a bill, sponsored by Pappas, that prohibits credit card marketing to students at post secondary institutions.

The measure also changes the calculation for cost of attendance by using average tuition and fees, rather than actual tuition and fees in the calculation. The bill specifies that fees include only those fees that are mandatory and charged to all students attending the institution.

Another provision in the proposal, containing language from a bill sponsored by Sen. Becky Lourey (DFL-Kerrick), authorizes the Fond du Lac Tribal and Community College to offer two baccalaureate programs. Finally, the bill incorporates the governor's proposal to allocate 6.5 cents of the cigarette tax to the Academic Health Center. However, Pappas said the measure contains a provision specifying a floor of \$22.5 million for the appropriation.

## Revised standards discussed

Revisions, gathered from recommendations and comments solicited at public hearings, to proposed academic standards were presented to members of the Education Committee by Cheri Pierson Yecke, commissioner of the Dept. of Children, Families and Learning.

Yecke told committee members, chaired by Sen. Steve Kelley (DFL-Hopkins), that the total number of standards was reduced by 30 percent, in both language arts and mathematics, from the first draft to the revised draft. When members of the Minnesota Academic Standards Committee (MASC) met, Yecke said, she told them to keep in items that they might have doubts over. Such items would be easier to revise or remove

after public comments, she said. Yecke said members of the public suggested reducing the number of kindergarten standards to accommodate the many half-day kindergarten programs in the state. She said the new standards give flexibility to districts while ensuring that all students are at the same level by the end of second grade. Yecke also reviewed other changes made to the standards document. She said the next step is to seek more input from national experts in issue areas. After that, she said, a final decision must be made by the Legislature. Yecke noted that other states have not put their standards in rule, but have instead created guidance documents that cannot be changed without a public review and comment process.

In fielding questions from the panel, Ellen Delaney said the standards have a dual purpose. Delaney, a MASC member, said some items will be very difficult to test, but the standard is meant to ask teachers to ensure that students have certain skills and knowledge. She said standards were placed at levels where MASC members believed all students should be expected to have mastered the knowledge.

Yecke said the standards committee was trying to draft curriculum-neutral standards for the benefit of school districts. She said districts should get rid of materials that don't support good classroom instruction, but districts will be able to support their remaining materials with the emphasis of the standards. Yecke also explained the testing window identified by the department for evaluating student achievement. Ideally, she said, students would be tested on the last day of the year. However, reporting requirements and other issues require testing to occur earlier, so the department settled on the first two weeks of May.

Other MASC members—including Charlene Briner, Gary Davison, Bert Fristedt and Wendy Swanson-Choi—offered comments on the revised standards. Barbara Taylor, a professor at the University of Minnesota, also presented her evaluation of the language arts standards.

## 24-hour waiting period bill passed

Much of the Mon., Apr. 14, floor session centered on a debate over the process by which the bill requiring a 24-hour waiting period before an abortion

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takes place was brought to the Senate floor. Members of the other body attached the measure to S.F. 187, a bill that eliminates a prohibition on circus performances around the time of the Minnesota State Fair.

Sen. Steve Dille (R-Dassel), chief author of S.F. 187, moved that the Senate concur with the amendments placed on the bill by the other body. Sen. John Hottinger (DFL-St. Peter) moved that the Senate not concur and request the appointment of a conference committee. Hottinger's motion is a higher motion, under Senate Rules, and was acted upon first.

Dille reviewed the amended language, also referred to as the "Women's Right to Know." He said the measure expands on current informed consent requirements. The bill explains what a physician must to provide a patient with full knowledge and facilitate her informed consent, he said. The bill requires the physician to discuss with the woman the risks of abortion, the probable gestational stage of the fetus and the risks of carrying the fetus to term. The measure also requires the physician to offer information regarding the possibility of receiving state assistance for caring for the child after it is born and actions that can be taken to enforce the father's legal responsibilities for the child. The physician must also offer the woman information, in a variety of forms prepared by the Dept. of Health (MDH), regarding adoption, fetal development and fetal pain, under the bill. The measure exempts abortions that must be performed because of a medical emergency from the informed consent requirements. The amendment also imposes reporting requirements upon physicians, including the number of abortions performed, the number of women provided the required information, whether the information was provided by the physician performing the abortion or the referring physician, the number of women who accepted the MDH information and the number of emergency abortions performed without fulfilling the informed consent requirements.

Almost 15,000 abortions were performed in Minnesota in 2001, Dille said. Of those, he said, 4,000 women reported they were using contraceptives when they got pregnant and about 6,000 women were having their second or later abortion. While such provisions are not in the bill, Dille said, the state needs to keep emphasizing birth control and continue

funding programs that seek to reduce unintended pregnancies. "With the technology available today, there is no reason to have that failure rate," he said. Dille noted that 16 other states have passed right-to-know laws. All of the states in the Upper Midwest, he said, have adopted similar laws, except Minnesota and Iowa. He said that sterilization procedures, such as tubal ligation and vasectomies, require 30-day waiting periods when Medical Assistance dollars will be used to fund them. It is reasonable, he said, to have a one-day waiting period for abortions.

Several members spoke about the process that brought the bill to the Senate for action. "The last time I was this nervous speaking before this body was nine years ago," said Sen. Jane Ranum (DFL-Mpls.), speaking in support of the Hottinger motion. The real issues, she said, is not women's rights or one's views on abortion, but "the very independence of the Minnesota Senate as an institution and the independence of its members." The public has known since November that the Legislature would pass and the governor would sign a right-to-know bill, she said. However, Ranum said, Senators of all parties have always taken pride in the body's history of deliberation, independence from the other body and civility. In recent years, she said, she heard discussion of the days when it was the rule that public policy could be debated on the floor and in committee, with bipartisan cooperation and without name-calling. Some in the Legislature and in the public have claimed that former Gov. Jesse Ventura was to blame, she said. "We are kidding ourselves if we blame him," Ranum said, because it was not his doing. Rather, she said, big money has taken a dominant role in legislative activity. Ranum cited recent increases in the number of lobbyists and the amount of money spent to influence policy. According to a report from the Campaign Finance and Public Disclosure Board, she said, almost \$200,000 per Legislator was spent in 2002 to influence policy. A vote not to concur with the other body's amendments, Ranum said, says that enough is enough.

Hottinger noted that the original provisions of S.F. 187 aren't in the version of the bill sent back from the other body. In conference committee, the Senate will have an opportunity to take a thoughtful position and negotiate provisions consid-

ered controversial even by some who support right-to-know language, he said. Sen. Yvonne Solon (DFL-Duluth) said she had amendments to the bill that she would have offered, but the process by which the bill came to the Senate for a vote prevented her, or any other Senator, from offering amendments.

Sen. Dean Johnson (DFL-Willmar) said that as a Legislator who supports the right-to-know provisions, he has wrestled with the issue of accepting the procedures that brought the provisions to the Senate floor. Johnson said he would have preferred the Senate had taken up waiting period legislation earlier in the session, but that it was now too late for such action to occur. However, he warned members that rules in the other body are sufficiently different from Senate Rules to permit substantial, dramatic changes to any legislation. "If it can happen on this bill, it can happen on any other bill," Johnson said. Sen. Linda Berglin (DFL-Mpls.) reminded Senators that none of the original bill, relating to circuses, was in S.F. 187 anymore. If this were any other issue, she said, the Senate would immediately have voted to send the bill to conference committee.

However, Sen. Claire Robling (R-Jordan) said the procedural issue was about the independence, not of the Senate, but of the individual. Sending the bill to a conference committee means only three Senators, she said, will make decisions about the bill. Today, we can vote individually and finally on the measure, Robling said. Members of the majority should not cry out about the process, said Sen. Thomas Neuville (R-Northfield). The process is abused, he said, and members of the minority could list numerous times where their amendments and bills have been frustrated by procedural rulings. The bill does not need to go to conference committee, Neuville said, because members know how they want to vote on the provisions. Dille also noted that several years ago, members on both sides of the issue tried to find a compromise with the governor, only to find that the compromise they reached wasn't palatable to any of their colleagues. It is time for a right-to-know bill to pass and be signed, he said.

Senators also discussed the merits of the legislation. Sen. Linda Berglin (DFL-Mpls.) said that if the bill is passed, it will be the first bill of the session spending state money. The appropriations con-

# Senate Highlights

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**Senators Betsy Wergin (R-Princeton) and Sean Nienow (R-Cambridge) discuss proposed legislation during a recent committee meeting.**

Photo by David J. Oakes

tained in the bill, she said, are not reflected in the governor's budget. The bill adds new positions to the state bureaucracy, Berglin said, at a time when government is being downsized. The real cost of the bill is much higher than the appropriations it contains, she said, because of the costs of a legal challenge. Accepting the bill, she said, will mean \$700,000 in additional cuts or a reserve account that is \$700,000 smaller. The measure will also regulate obstetric physicians out of business, she said, because the risks of practicing in that area of medicine will be too high.

Sen. Linda Scheid (DFL-Brooklyn Park) said physicians are already facilitating informed consent. She said that doctors won't even prescribe antibiotics for recurring infections over the phone, but the measure permits them to provide information about the probable age of the fetus and other information over the

phone, without even seeing the patient. However, Sen. Sean Nienow (R-Cambridge) said the intent of the provision was to make it easier for women and physicians to comply with the law.

Sen. Michelle Fischbach (R-Paynesville) said the bill boils down to giving women information about an important procedure. She noted that there are many other bills granting rights to know to other parties, including to consumers about pesticide application. Sen. Mike McGinn (R-Eagan) said the decision to abort a fetus cannot be rescinded and the effects are often long-term for the mother. Women should be given additional information and a short waiting period makes sense, he said. However, Sen. Scott Dibble (DFL-Mpls.) said it is the height of condescension to believe that women have not considered this decision before they see a physician. Similar language has reduced abortions by

half in Louisiana, said Sen. Warren Limmer (R-Maple Grove). States without right-to-know laws that neighbor states that have recently passed waiting period language, said Sen. Becky Lourey (DFL-Kerrick), have seen their abortion numbers climb.

The Hottinger motion not to concur was defeated on a 31-35 roll call vote. The Dille motion to concur with the amendments was approved, 40-26. S.F. 187 was repassed, 41-24. Senators also defeated a motion to reconsider the vote, 24-41.

In other action, Senators concurred in amendments to S.F. 790. Carried by Sen. Sheila Kiscaden (IP-Rochester), the bill recodifies and reorganizes the background study provisions in the Human Services Licensing Act. Kiscaden said the amendments involved a five-word technical change. The bill was repassed, 64-0.



# Committee update

## Capital Investment

### Bonding bill approved

Members of the Capital Investment Committee met briefly Mon., Apr. 14, to approve S.F. 2, the omnibus bonding bill. The measure provides for over \$400 million in projects, most of which were voted by then-Gov. Jesse Ventura last year.

Sen. Keith Langseth (DFL-Glyndon), chief author and committee chair, said about \$50 million in new projects are included in the bill, such as \$10 million for the Minneapolis Community and Technical College to acquire land from the Billy Graham Evangelistic Association and \$5 million to match federal funds for the Neighborhood House in St. Paul. S.F. 2 also includes about \$24.5 million to deal with on-going effects of flooding in Northwestern Minnesota in late 2001.

Members also discussed funding for the Northstar Commuter Rail project. Langseth said the bill includes \$10 million as a placeholder figure and a final amount will be negotiated with the other body. However, Sen. Dean Johnson (DFL-Willmar) said the Senate should consider what amount will really be needed to secure federal involvement and investment in the line. Michael Schadauer, Dept. of Transportation project manager for Northstar, said the latest indication from the federal government is that at least half of the local share of \$151 million must be dedicated to the project. He said money has been raised towards the \$75.5 million goal, but a little less than \$50 million remains. Schadauer said \$25 million is needed to pay for the final project design.

Sen. Linda Berglin (DFL-Mpls.) said it may not be appropriate for the bill to include money for improvements at the Brainerd Regional Treatment Center. The governor's budget, she said, proposes phasing out the regional treatment centers. Sen. Paul Koering (R-Fort Ripley) said putting the Brainerd treatment center residents into the community is the wrong decision. He also spoke in favor of bonding for cleaning up the Hennepin Paper Company facility in Little Falls. About \$3.8 million in federal funding is contingent on a \$1 million state investment, he said, to clean up asbestos in the facility that straddles the Mississippi River.

Though the projects are not in his district, Sen. David Gaither (R-Plymouth) spoke out in support of bonding for the Guthrie Theater, Children's Theatre and Minnesota Zoo. These facilities are vitally important to my constituents, he said. The projects were included in the vetoes last year.

Members approved the bill and advanced it to the Finance Committee on a voice vote.

## E-12 Education Budget Division

### Profile repeal advances

A bill repealing the Profile of Learning and replacing it with new statewide standards in six learning areas gained the approval of members of the E-12 Education Budget Division, Mon., Apr. 14. The panel, chaired by Sen. LeRoy Stumpf (DFL-Thief River Falls), advanced the measure to the full Finance Committee.

S.F. 639 implements state standards designed to meet and exceed the requirements of the federal No Child Left Behind Act, said Sen. Steve Kelley (DFL-Hopkins), chief author. The bill does not impose new costs on school districts, he said, to implement new standards. However, enactment of the legislation will cost the state money to design new tests to evaluate student achievement of the standards, which is required by NCLB. Stumpf said no fiscal note has been forthcoming, even though one was requested about one and a half months ago.

Members discussed numerous provisions in the bill and heard testimony from both supporters and opponents of the bill. Sen. David Gaither (R-Plymouth) offered an amendment replacing the bill's language with language passed in the other body. The language reflects the procedure used by the Dept. of Children, Families and Learning (CFL) to use the Minnesota Academic Standards Committee to set new standards to replace the Profile. The amendment was defeated on an 8-9 roll call vote. S.F. 639 was approved, 9-8. Kelley pledged not to take up the bill until a fiscal note was received from CFL and the Dept. of Finance.

In other action, the panel approved S.F. 875, carried by Stumpf, for inclusion in the division's omnibus bill. The

measure is the department's technical bill. Members also approved S.F. 1211, sponsored by Kelley, which includes a variety of education policy initiatives. The legislation was tabled, however, to await a fiscal note before it is included in the omnibus appropriations bill.

Two bills were approved for inclusion in the division's omnibus bill. S.F. 766, carried by Kelley, creates an education telecommunications fund. S.F. 1344, authored by Sen. Rod Skoe (DFL-Clearbrook), is the department's policy bill. Members also discussed S.F. 684, sponsored by Kelley, which appropriates money to promote professional teaching standards. The bill was laid over for possible inclusion in the omnibus E-12 budget bill.

### Library bills heard

The E-12 Education Budget Division continued hearing bills for possible inclusion in the panel's omnibus bill at the hearing Tues., Apr. 15. The division, chaired by Sen. LeRoy Stumpf (DFL-Thief River Falls), heard two measures relating to libraries.

S.F. 861, sponsored by Sen. Rod Skoe (DFL-Clearbrook), establishes a Minnesota State Library Board. Skoe said the board would be the leading voice and advocate for public, kindergarten through grade 12 school, academic, government and special libraries in the state. S.F. 756, authored by Sen. Thomas Bakk (DFL-Cook), provides an appropriation for an electronic library. The measure specifies that the appropriation be used for statewide licenses to on-line databases selected in cooperation with the Higher Education Services Office for school media centers, public libraries, state government agency libraries and public or private college or university libraries.

Members also considered three additional bills for possible inclusion in the omnibus bill. S.F. 507, authored by Sen. Mee Moua (DFL-St. Paul), dedicates a portion of the statewide property tax for the payment of adult basic education aid. S.F. 1072, carried by Sen. Sandra Pappas (DFL-St. Paul), encourages school districts to reduce school bus emissions and permits school districts to provide repairs and technologies to protect students from emissions.

S.F. 435, authored by Sen. Julianne Ortman (R-Chanhassen), adjusts school

# Committee update

district financial reporting dates. A portion of the bill, creating a notification process for operating referenda and debt elections, was approved for inclusion in the omnibus bill. Another section, regulating school district elections for obligations, must be heard by the Rules and Administration Committee. Members indicated the provision adjusting financial reporting dates needed continued work.

## Environment, Agriculture and Economic Development Budget Division

### Lands bill advances

The Environment, Agriculture and Economic Development Budget Division, chaired by Sen. Dallas Sams (DFL-Staples), met Mon., Apr. 14, to consider a variety of bills for inclusion in the division's omnibus bill. In addition, the panel approved a bill providing for the acquisition of state lands and adding to and deleting from various state parks, recreation areas, state forests and wildlife areas. S.F. 935, sponsored by Sen. Tom Saxhaug (DFL-Grand Rapids), is the annual state lands bill. The measure also establishes Greenleaf Lake State Park, establishes a mineral coordinating committee and modifies the Mississippi Whitewater Trail. The bill was advanced to the full Finance Committee.

Members also considered a bill aimed at preventing chronic wasting disease in cervidae. S.F. 548, authored by Sen. Steve Dille (R-Dassel), provides for increased restrictions on domestic cervidae and provides for additional authority for the commissioner of natural resources relating to wildlife disease prevention. In addition, the bill requires that fencing for cervidae be at least eight feet tall beginning Jan. 1, 2004. Also, beginning Jan. 1, 2004, all farmed cervidae must have identification and all persons who possess live cervidae be registered with the Board of Animal Health. The bill requires surveillance for CWD and specifies that any movement of animals must be reported. In addition, the bill restricts the importation of hunter-harvested cervidae to certain portions, makes permanent the import restrictions on live cervidae and prohibits possession of live cervidae except for farmed cervidae that are registered with the board.

The division considered several bills relating to economic development. S.F.

921, authored by Sen. Linda Scheid (DFL-Brooklyn Park), provides grants for job training programs. S.F. 1051, also carried by Scheid, provides appropriations for Women Venture and the Metropolitan Economic Development Association. S.F. 1285, carried by Sen. Gary Kubly (DFL-Granite Falls), reinstates money for Minnesota economic opportunity grants. S.F. 580, sponsored by Sams, provides for an appropriation for the Agriculture and Food Science Academy.

Members also heard a bill providing money for the Metropolitan Regional Park System. S.F. 647, authored by Sen. Ellen Anderson (DFL-St. Paul), appropriates \$4 million in each year of the biennium for maintenance and operation of Metropolitan Area regional parks.

S.F. 1065, sponsored by Sen. Julie Rosen (R-Fairmont), recodifies and clarifies plan pest, pest control and seed laws. S.F. 636, carried by Scheid, requires vapor recovery equipment for gasoline deliveries in the Metropolitan Area.

### ATV bill debated

A bill limiting ATV use, while expanding designated trail use, was approved at the Tues., Apr. 15, meeting of the Environment, Agriculture and Economic Development Budget Division.

S.F. 850, sponsored by Sen. John Marty (DFL-Roseville), moves the state forward in the designation of off-highway vehicle trails and in the regulation of off-highway vehicles. Marty said the bill is trying to strike a balance between environmental protection and allowing the recreational activity to proceed.

Sen. Carrie Ruud (R-Breezy Point) said, we have worked very hard to craft four bills into a proposal that gets good trails on the ground. It is a great recreational sport, Ruud said, but we need to protect the environment. Many groups and organizations throughout the state have given their support to this bill, she said.

Members concentrated on the financial provisions in the measure. However, members adopted a series of amendments that were primarily technical in nature. One amendment, though, spurred controversy. As a result, the division laid the bill over until a future hearing.

In other action, the division, chaired by Sen. Dallas Sams (DFL-Staples), considered several additional bills for

inclusion in the panel's omnibus appropriations bill. S.F. 198, authored by Sen. Becky Lourey (DFL-Kerrick), authorizes the director of the Office of Environmental Assistance to terminate the obligations of Chisago, Fillmore, Isanti, Kanabec, Mille Lacs, Pennington, Pine, St. Louis and Wright Counties for waste processing grants. S.F. 336, carried by Sams, moves the Minnesota Conservation Corps to the Friends of the Minnesota Conservation Corps, an existing nonprofit corporation, and provides an appropriation. Another bill sponsored by Sams, S.F. 390, provides that job enhancement is a goal of business financing programs and converts the Minnesota Investment fund to a revolving loan fund. A third measure sponsored by Sams, S.F. 1086, modifies provisions relating to the petroleum tank release cleanup fund.

S.F. 532, sponsored by Sen. Keith Langseth (DFL-Glyndon), provides for grants for the farm wrap network and the rural help network. S.F. 981, also carried by Langseth, appropriates money for a high-resolution digital elevation and flood plain management mapping pilot project.

S.F. 1089, authored by Sen. Scott Dibble (DFL-Mpls.), appropriates money for the Minnesota employment center for people who are deaf or hard of hearing.

The division also discussed S.F. 503, sponsored by Sen. Steve Murphy (DFL-Red Wing), relating to septic systems and establishing a task force. The bill was amended to provide for a surcharge for individuals buying septic tanks, provide for loans to upgrade systems and authorize a pilot program in five counties.

Finally, members heard a budget overview from the Housing Finance Agency.

## Finance

### Bonding, pay differential okayed

Two measures were granted approval by members of the Finance Committee, chaired by Sen. Richard Cohen (DFL-St. Paul), during a brief Wed., Apr. 16, meeting. Both bills were sent to the Senate floor.

S.F. 2 is the bonding bill. Carried by Sen. Keith Langseth (DFL-Glyndon), the measure includes capital investment items vetoed last year by then-Gov. Jesse Ventura. The bill also includes funding for additional cleanup and rebuilding efforts in Northwestern Minnesota after the fall 2001 floods.





**Senators Dennis Frederickson (R-New Ulm), left, and Steve Murphy (DFL-Red Wing) converse during a recent meeting of the Environment, Agriculture and Economic Development Budget Division.**  
Photo by David J. Oakes

Sen. Don Betzold (DFL-Fridley) sponsored S.F. 117, which provides for the payment of salary differentials to state employees who have been called up to active duty in the National Guard or military reserves. The bill also permits local units of government to pay salary differentials to their employees who have been activated.

## **Health, Human Services and Corrections Budget Division**

### **Crime bills considered**

The budget implications of a variety of crime prevention bills were examined at the Mon., Apr. 14, meeting of the Health, Human Services and Corrections Budget Division.

S.F. 969, sponsored by Sen. Ann Rest (DFL-New Hope), is the anti-skimming

bill. The measure makes it a crime to scan a credit card without the authorized user's knowledge with the intent to defraud the authorized user or a merchant. Rest said the bill is an attempt to deal with identity theft. The division, chaired by Sen. Linda Berglin (DFL-Mpls.), adopted an amendment removing the felony penalty from the bill. Rest said she supported the removal in order to lessen the impact on the state's corrections budget. The bill was advanced to the full Finance Committee.

S.F. 355, authored by Sen. Wesley Skoglund (DFL-Mpls.), was also advanced to the full Finance Committee. The bill provides a gross misdemeanor penalty for fifth degree arson that results in bodily harm to a person. S.F. 597, carried by Sen. Satveer Chaudhary (DFL-Fridley), expands the crime of child endangerment to include manufacturing controlled substances in the presence of a child.

Chaudhary said current law specifies that it is child endangerment if the parent or guardian is convicted of manufacturing controlled substance in the presence of the child; the bill provides that the person does not have to be a parent or guardian. The bill was also advanced to the full Finance Committee.

Members also approved and sent to the full Finance Committee a bill providing for the aggregation of prostitution offenses. S.F. 960, carried by Sen. Leo Foley (DFL-Coon Rapids), was amended to require the collection of information and reports concerning certain types of prostitution and the use of money collected from penalty assessments. The amendment also provides that the penalty assessments be appropriated to the commissioner of public safety.

The division also approved two bills for inclusion in the panel's omnibus

# Committee update

appropriation bill. S.F. 43, sponsored by Berglin, provides a gross misdemeanor penalty for assaulting a member of a community crime prevention group. Berglin offered, and the division adopted, an amendment that requires law enforcement agencies in cities of the first class report about the outcomes of criminal investigations, arrests and prosecutions to the groups that reported the criminal activity. The amendment had been contained in another measure, S.F. 42.

S.F. 1053, authored by Sen. Yvonne Solon (DFL-Duluth), requires drug manufacturers to disclose pharmaceutical pricing information to the Board of Pharmacy and the commissioner of human services as a requirement for licensure. Linda Carroll Shern, representing the Pharmaceutical Research and Manufacturers of America, spoke in opposition to the measure. Carroll Shern said the bill may be in violation of federal law and that the current federal law works well. Members adopted an amendment specifying that any funds captured under the bill be appropriated to the commissioner of human services. The measure

was approved for inclusion in the omnibus bill.

## ER toured

The Health, Human Services and Corrections Budget Division, chaired by Sen. Linda Berglin (DFL-Mpls.), devoted the Tues., Apr. 15, hearing to a tour of Regions Hospital emergency room.

## Judiciary

### Fault apportionment bill okayed

The Judiciary Committee devoted the Fri., Apr. 11, meeting to discussion of a bill providing protection for employers disclosing job reference information and bills changing the apportionment of fault standard in joint and several liability actions.

The panel began with discussion of the job reference measure, S.F. 837. Chief author Sen. David Knutson (R-Burnsville) said the bill allows the free flow of information. "Employers are saying they can't exchange information because of the threat of law suits. The bill at-

tempts to give some limited protection to employers who share truthful information to prospective employers about employees," Knutson said.

Members heard testimony in support of the measure from Ellen Sampson, an attorney with Leonard Street & Deinard, David Lenzen from Liberty Diversified and Tom Deans of the Minnesota School Board Association. Deans said the bill is also needed to ensure public safety by allowing employers to disclose violence or inappropriate sexual contact on the part of an employee.

The committee, chaired by Sen. Don Betzold (DFL-Fridley), set the bill aside temporarily in order to begin discussion of the apportionment of fault bills.

S.F. 95, sponsored by Sen. Linda Scheid (DFL-Brooklyn Park), specifies that joint and several liability applies to persons whose individual fault is equal to or greater than 50 percent. Scheid said, "Joint and severable liability is the doctrine that a party found partially at fault may pay up to all of the damages in a suit. The bill raises the 15 percent threshold to an amount equal to, or



*Senators Sandra Pappas (DFL-St. Paul) and LeRoy Stumpf (DFL-Thief River Falls) consult with one another during an Education Committee hearing in Room 15 of the Capitol.*

Photo by David J. Oakes



greater than, 50 percent.” She said defendants found to be less than 50 percent at fault would only be required to pay their apportioned share of liability. Scheid said the potential for liability precludes many nonprofit organizations involvement in a number of beneficial activities, but changing the fault threshold lessens the risk of liability. “The word ‘fairness’ is used a lot and it is fair to have people or companies pay for the harm they do. It is not fair to pay for damages caused by other parties which is what happens under current law,” she said. The bill is a reasonable, common sense approach to discourage law suits against parties that have only marginal responsibility, Scheid said.

A number of individuals spoke in support of the bill. Rich Thomas, Defense Lawyers Association, said the current threshold is an economic hammer hanging over the head of someone whose fault is a minor share of damage. Jury verdict awards are going up dramatically, he said, and it is the threat of exposure that runs the settlements and threatens the deep pocket.

Jack Hennen, League of Minnesota Cities, said, “Government is almost always seen as a deep pocket defendant. Our whole goal is that we pay to the extent we are at fault, but not that we be added to a suit as a deep pocket defendant.”

A second bill, S.F. 1462, was also discussed. Betzold, author of the measure, said the bill contained similar joint and several liability provisions. In addition, though, Betzold said, “We also have to look at the insurance issues. One section of S.F. 1462 provides a cause of action if an insurance company acts in bad faith.”

Bob Johnson, Minnesota Insurance Federation, spoke in opposition to the provision of S.F. 1462 that creates first party bad faith suits. “In our opinion, this is not necessary. We do not need to introduce a new class of causes of action. The Claims Settlement Practices Act provides standards for the proper administration of all lines of insurance,” Johnson said. He said current law provides fast and efficient response for consumers.

Betzold said, “I think changing joint and several will hurt people—will hurt consumers. To pass the liability provisions, without something else to allow consumers redress is not fair.”

Members adopted an amendment incorporating most of the provisions in

S.F. 837, relating to employer job reference information disclosure.

Sen. Julianne Ortman (R-Chanhassen) offered an amendment to delete the cause of action for insurance company acts of bad faith. The amendment failed on a 3-7 roll call vote.

The committee approved S.F. 1462 and advanced the bill to the full Senate.

## Rules and Administration

### CORE bill advanced

The Rules and Administration Committee met briefly Mon., Apr. 14, to consider a provision that sets up a task force and to act on the recommendation of the Subcommittee on Bill Referral.

S.F. 1106, authored by Sen. Jane Ranum (DFL-Mpls.), provides for the reorganization of executive branch agencies. Ranum said the contents of the measure are from former Gov. Arne Carlson’s administration’s CORE report. The report, Ranum said, reorganized state government agencies into eight executive offices, each headed by a secretary. The bill was before the Rules and Administration Committee, Ranum said, because of a provision requiring the majority and minority leaders to appoint members to a task force that is charged with implementing the bill. The committee, chaired by Sen. John Hottinger (DFL-St. Peter), adopted an amendment to specify the Subcommittee on Committees of the Rules and Administration Committee appoint two members, one of whom should be a member of the minority. The bill was approved and re-referred to the Finance Committee.

Members also adopted the Bill Referral Subcommittee report. The report recommended that S.F. 1295, authored by Sen. Dave Kleis (R-St. Cloud), be referred to the Finance Committee, rather than the Crime Prevention and Public Safety Committee. Kleis said the bill did not need to go to the crime prevention panel because the measure contains no penalty provisions. Members approved the motion to send the bill to the Finance Committee.

### Appeal bonds bill heard

Members of the State Government Budget Division met Tues., Apr. 15, to consider several measures for inclusion in the panel’s omnibus appropriations bill.

Among the bills heard was a measure limiting the size of appeal bonds. No action was taken on the measures.

Sen. Don Betzold (DFL-Fridley) sponsored S.F. 1414, which limits the size of appeal bonds to double the amount of the judgment, but no more than \$25 million. The bill also stays the execution of the initial judgment for the course of all appeals or discretionary appellate reviews of the judgment. Current law provides for the execution of the judgment to be stayed for only six months. Betzold said the bill really has no fiscal impact for the state, but that the measure was referred to the panel at his request. He said an underlying issue is that if a tobacco company were to declare bankruptcy, it would no longer be required to make payments to the state under the tobacco settlement agreement.

Minnesota has one of the highest appeal bond requirements in the nation, said Tom Hesse of the Minnesota Chamber of Commerce, at twice the amount of the judgment with no cap. The level impedes the ability of defendants to appeal a judgment, he said. Hesse said defendants currently have two options to prevent plaintiffs from collecting a judgment while the appeal is being heard: filing the appeal bond at twice the amount of the judgment or filing bankruptcy. Capping the appeal bond prevents otherwise solvent companies from being forced into bankruptcy, Hesse said. He also noted that the measure permits judges to require a bond in excess of \$25 million if the plaintiff can prove the defendant company is dissolving its assets to avoid paying the judgment.

Attorney Keith Teel said the tobacco industry is not attempting to run from litigation or the agreements it reached with the states in the late 1990s. He said that judgments against the industry are climbing, driving appeal bond requirements up even higher, to levels no company can afford. He said research has shown the world bond market limit for any one company is about \$2 billion, even though judgments are coming in at \$10 billion and more. The tobacco companies, Teel said, prefer to continue meeting their obligations under the settlement agreements with the states, rather than filing for bankruptcy.

However, Jeremy Hanson of the Minnesota Smoke-Free Coalition said the bill is not about protecting companies in

# Committee update

general, but about helping the tobacco industry. No Minnesota business, that he knew of, has declared bankruptcy because of appeal bonds, Hanson said. He noted that appeal bond amounts can be, and have been, negotiated with the courts. Hanson also said the tobacco industry has enormous financial resources and will not be forced into mass bankruptcy. Minnesota does not need to lower its appeal bond limit, he said, because other states have already done so, thereby reducing the danger to tobacco companies. Hanson also urged members not to think of the tobacco settlement payments as the best source of state revenue.

The division also heard 13 other bills. S.F. 41, carried by Sen. Linda Berglin (DFL-Mpls.), establishes the Minnesota alternative policing strategies pilot project for community policing efforts. Sen. Jane Ranum (DFL-Mpls.), division chair, authored three bills. S.F. 1106 reorganizes the executive branch agencies along the model proposed by the 1993 CORE report. S.F. 1128 includes several anti-terrorism provisions passed by the Senate last year, including an increase in the 911 service fee. S.F. 1131 authorizes a ballot question on a constitutional amendment permitting bonding for information technology systems, licenses and infrastructure.

S.F. 1447, sponsored by Sen. Sheila Kiscaden (IP-Rochester), provides for expansion of the 800 MHz radio system to the State Patrol districts serving St. Cloud and Rochester. Sen. Richard Cohen (DFL-St. Paul) carried S.F. 904, which prohibits state agencies from leasing vehicles for the exclusive use of a state official, except for the governor. Cohen also sponsored S.F. 105, re-establishing the Office of Crime Victim Ombudsman as a separate state agency. S.F. 1436, authored by Sen. Scott Dibble (DFL-Mpls.), provides for a grant to a consortium of agencies addressing problem gambling in the Southeast Asian communities.

Sen. Steve Kelley (DFL-Hopkins) carried S.F. 1430, which encourages state agencies to share information technology resources when it is cost-effective to do so. S.F. 840, authored by Sen. Thomas Neuville (R-Northfield), requires the Bureau of Criminal Apprehension to establish and maintain a web site containing public criminal history data and extends the date for collecting an access

fee. Sen. John Marty (DFL-Roseville) carried a bill, S.F. 316, authorizing the commissioner of administration to issue written opinions regarding compliance with the open meeting law. Sen. Dallas Sams (DFL-Staples) authored S.F. 967, which excludes public hospitals, clinics and health maintenance organizations from the public employee salary limit. S.F. 666, sponsored by Sen. Jim Vickerman (DFL-Tracy), provides for the regulation of linked bingo games.

## Election bills gain

The State Government Budget Division and the Rules and Administration Subcommittee on Elections held a joint meeting Tues., Apr. 15, to take action on two bills. The panels, chaired by Sen. Linda Higgins (DFL-Mpls.) and Sen. Jane Ranum (DFL-Mpls.), approved both bills.

S.F. 152, authored by Sen. Linda Scheid (DFL-Brooklyn Park), establishes an account to receive federal funds from the Help America Vote Act. The measure specifies that the money in the account must be spent to improve the administration of elections in accordance with the Help America Vote Act and for reporting and administrative requirements under the act. The bill was approved and advanced to the full Finance Committee.

Members also approved a bill that provides for conformity with the federal Help America Vote Act. S.F. 986, authored by Sen. Charles "Chuck" Wiger (DFL-North St. Paul), also sets up a complaint process and provides a penalty. The bill was advanced to the full Rules and Administration Committee.

## Taxes

### Marathon hearings begin

The Tax Committee, chaired by Sen. Lawrence Pogemiller (DFL-Mpls.) began a two day marathon set of hearings Mon., Apr. 14, to consider all of the bills assigned to the panel. No formal action was taken on the measures, but most will be considered for inclusion in the omnibus tax bill.

S.F. 361, sponsored by Sen. Gary Kubly (DFL-Granite Falls), provides for economic growth in rural counties of the state by allowing credit against the income tax of an employer for the creation and retention of qualifying jobs.

Under the bill, qualifying job means a job in an industry that produces goods or services that bring outside wealth into an eligible county. Further, the bill specifies that at a minimum, a qualifying job must provide full-time employment and pay at least \$12 per hour or \$10 per hour, plus health insurance benefits. The bill specifies that a qualifying county is one in which the net new job growth between 1991 and 2001 was at a rate of less than 15.6 percent or a county that has a population of less than 15,000. S.F. 367, carried by Sen. Dallas Sams (DFL-Staples), is also aimed at spurring economic development in Greater Minnesota. The bill provides for a tax credit for investment in a qualifying regional angel investment network fund.

S.F. 458, sponsored by Sen. Julie Rosen (R-Fairmont), provides for a subtraction for military income. The bill specifies that the first \$10,000 of compensation received by a veteran who is disabled or 65 years of age or older from a pension or other retirement pay from the government for service in the armed forces.

S.F. 1310, carried by Sen. Mee Moua (DFL-St. Paul), authorizes the sale of tax liens. Under the bill, a taxing authority may sell its allocable portion of tax liens securing delinquent real property taxes and assessments or other charges that are made a lien on real property for the benefit of the taxing authority.

Members also considered a number of bills setting local sales and use taxes. S.F. 168, sponsored by Sen. Carrie Ruud (R-Breezy Point), provides for a Bemidji sales and use tax the proceeds of which are to be used for parks and trails within the city. S.F. 528, carried by Sen. Yvonne Solon (DFL-Duluth), expands the use of the Duluth sales tax proceeds to include debt service for bonds issued for improvements to the Duluth Entertainment and Convention Center and to pay the debt service on bonds issued to finance improvements to the Great Lake Aquarium.

S.F. 559, carried by Sen. Tom Saxhaug (DFL-Grand Rapids), allows Itasca County to impose the local lodging tax and prohibits municipalities located within the county from imposing a separate tax.

Sen. Thomas Bakk (DFL-Cook) sponsored three measures. S.F. 573 authorizes the city of Proctor to impose an



additional sales and use tax in order to fund construction and improvements of city streets, public utilities, sidewalks, bikeways and trails. S.F. 1003 authorizes Beaver Bay to impose additional sales and use tax to pay the bonded indebtedness on the city community building and to provide funding for recreational facilities, the upgrading of the water and sewer system, the upgrading and replacement of fire equipment and the improvement of streets. S.F. 1360 expands the uses of the revenue from the Hermantown tax imposition.

S.F. 657, sponsored by Sen. Dick Day (R-Owatonna), authorizes the city of Medford to impose additional sales and use taxes to pay up to \$5 million in costs related to improving the city's wastewater system and wastewater treatment plant. S.F. 742, carried by Sen. Rod Skoe (DFL-

Clearbrook), authorizes the city of Park Rapids to impose additional sales and use taxes to pay for a variety of projects including a community center, park improvements and city storm and wastewater improvements. S.F. 852, carried by Sen. Steve Kelley (DFL-Hopkins), authorizes the city of Hopkins to impose a food and beverage tax to pay for expenses related to public art facilities, community or public arts projects of purchase or acquisition of art for public purposes. S.F. 961, authored by Sen. Becky Lourey (DFL-Kerrick), authorizes the city of Cloquet to impose an additional sales tax and provides bonding authority to pay for a variety of projects.

Members indicated that several bills will not be in the omnibus bill this year.

S.F. 15, authored by Sen. Brian LeClair (R-Woodbury), increases the tax

credit for long term care insurance. Currently, the credit is \$100 for individual taxpayers; the bill provides for a \$500 credit. S.F. 662, sponsored by Sen. Steve Murphy (DFL-Red Wing), also increases the tax credit for long term care insurance. The measure provides for a \$250 credit for individual tax payers. S.F. 1226, carried by Day, provides for income tax checkoffs to provide additional funding for kindergarten through grade 12 education, health care, higher education, early childhood and family education and state parks.

Two measures sponsored by Sen. Michele Bachmann (R-Stillwater) will also probably not be included this year. S.F. 736 provides an income tax checkoff to fund benefits for survivors of law enforcement officers and firefighters and provides for maintenance of peace officer and



**Sen. James Metzen (DFL-South St. Paul) closely scrutinizes a report during a State Government Budget Division hearing.**

Photo by David J. Oakes

# Committee update



Sen. Sheila Kiscaden (IP-Rochester) stands by as Sen. William Belanger (R-Bloomington) signs onto a bill as a co-author.

Photo by David J. Oakes

firefighter memorials. S.F. 740 abolishes the estate tax.

## Property tax bills heard

The Tax Committee devoted the Tues., Apr. 15, hearing to bills relating to property taxes. The panel, chaired by Sen. Lawrence Pogemiller (DFL-Mpls.), laid most of the bills over for consideration for inclusion in an omnibus tax bill.

S.F. 901, sponsored by Sen. Michele Bachmann (R-Stillwater), provides for the physical appraisal of property every five years rather than every four years. S.F. 1145, sponsored by Sen. David Tomassoni (DFL-Chisholm), extends the terms for which certificates of indebtedness for public safety equipment, ambulance equipment and road construction may be

issued by statutory cities. The term is increased from 5 to 10 years under the bill. S.F. 161, authored by Sen. Thomas Bakk (DFL-Cook), provides that the Cook County Hospital District levy may be adjusted for inflation. S.F. 1299, carried by Sen. Carrie Ruud (R-Breezy Point), provides for homestead classification for resorts owned by a limited liability company. S.F. 321, also carried by Ruud, delays the date by which class 1c property or class 4c resort property taxes are due until July 15. S.F. 1236, authored by Sen. Linda Higgins (DFL-Mpls.), provides a valuation exclusion for lead paint removal. S.F. 1242, carried by Sen. Mee Moua (DFL-St. Paul), specifies that in determining the market value of class 4d rental property, the assessor must

reduce the value of the property by its restricted use value using guidelines set by the commissioner. S.F. 714, sponsored by Sen. Tom Saxhaug (DFL-Grand Rapids), extends the property tax exemption for business incubators. S.F. 1004, authored by Sen. James Metzen (DFL-South St. Paul), allows levies to exceed charter limits as property tax aids decrease. S.F. 480, sponsored by Sen. Steve Murphy (DFL-Red Wing), requires the state to share with counties five percent of the excise taxes collected from casino gaming on a reservation in the county if the tribal government has not entered into a tax agreement. S.F. 1418, carried by Sen. Steve Kelley (DFL-Hopkins), modifies the 60 day rule in dismissal of property tax petitions. S.F. 1011, authored by Sen.



Michelle Fischbach (R-Paynesville), repeals an aggregate tax exception for Benton and Stearns Counties. All of the above bills will likely be included in the omnibus tax bill.

Two measures were laid over for possible inclusion in an omnibus tax increment financing bill. S.F. 1443, sponsored by Murphy, allows disaster areas to qualify as redevelopment districts with an original tax capacity equal to the land value. S.F. 1477, carried by Pogemiller, authorizes the creation of a redevelopment tax increment financing district in Richfield.

The committee also heard a number of bills which may be included in the omnibus bill. S.F. 1412, sponsored by Sen. Keith Langseth (DFL-Glyndon), extends the city of Moorhead's authority to impose a tax levy. S.F. 988, also carried by Langseth, advances a date for the designation of border city development zones and authorizes additional allocations. S.F. 319, a third bill carried by Langseth, accelerates the annual dates for the commissioner of revenue to certify the state general property tax levy rate to county auditors and accelerates the date for delivery of proposed property tax notices to taxpayers. S.F. 1413, carried by Tomassoni, authorizes the extension of a tax increment financing district in Hibbing. S.F. 1434, also sponsored by Tomassoni, treats the state general tax rate as a local tax rate for purposes of a tax increment financing district in Hibbing. S.F. 1492, authored by Moua, provides a tax credit for qualifying affordable housing contributions. S.F. 366, authored by Sen. Steve Dille (R-Dassel), repeals proposed property tax notice and hearing requirements of local government units.

S.F. 482, sponsored by Moua, eliminates limits on local government aid increases. S.F. 659, authored by Sen. Scott Dibble (DFL-Mpls.), also eliminates limits on local government aid increases. S.F. 211, authored by Sen. Richard Cohen (DFL-St. Paul), extends the phase-out of limited market value for purposes of determining property taxes. S.F. 996, authored by Sen. Ann Rest (DFL-New Hope), converts the state general tax on commercial-industrial property to a tax based on land value. S.F. 1189, sponsored by Sen. Dick Day (R-Owatonna), expands the valuation and property tax deferment for open space to auto racing tracks. S.F. 1358, sponsored by Sen. Thomas Neuville

(R-Northfield), excludes individuals with rent constituting property taxes paid by the group residential housing program from the definition of claimant for property tax refund purposes. S.F. 150, authored by Sen. Don Betzold (DFL-Fridley), authorizes local government units to use special levies to pay for increases in the cost of health insurance coverage for employees. S.F. 1374, sponsored by Sen. Charles "Chuck" Wiger (DFL-North St. Paul), requires the separate statement of Ramsey County Library levies on proposed property tax notices and property tax statements.

Members heard two measures that will not be in the bill. S.F. 368, sponsored by Rest, provides a reduced property tax classification rate for unimproved property bordering public waters and specifies covenant agreement requirements. S.F. 1421, authored by Langseth, reinstates authorization to levy for transit purposes and provides for additional means of financing transit.

## Transportation Policy and Budget Division

### Projects examined

Members of the Transportation Policy and Budget Division met Tues., Apr. 15, and worked through a lengthy agenda of bills providing funding for a wide variety of transportation and transit projects.

S.F. 984, authored by Sen. Ann Rest (DFL-New Hope), authorizes \$30 million in bond funds for the design and construction of the remaining portions of the Northwest busway. Rest said the busway connects downtown Minneapolis to Rogers, northwest of the Metro Area. Natalio Diaz, Metropolitan Council Transportation Division, said the busway is the council's number one priority. Diaz said there was great support from the communities involved and that the project was very important to improve transit through the area. Rest also carried S.F. 984, a bill clarifying a prior Northwest busway appropriation.

The division, chaired by Sen. Dean Johnson (DFL-Willmar), heard an additional 11 bills for specific projects. S.F. 44, carried by Sen. Mady Reiter (R-Shoreview), directs the commissioner of transportation to proceed with the reconstruction of the I-35E and I-694

interchange. The "unweave the weave" project is ready to go, Reiter said, but is not scheduled until 2007. Marc Goess, Dept. of Transportation, said the total project will be about \$95 million, but that 80-90 percent of the cost will be from federal funds.

S.F. 113, sponsored by Sen. Linda Scheid (DFL-Brooklyn Park), authorizes the issuance of \$30 million in bond funds for completion of a segment of Highway 610 as a four-lane freeway. S.F. 513, also carried by Scheid, directs the Metropolitan Council to build a permanent transit center in Brooklyn Center. Scheid said there have been on-going negotiations about the project because the Metropolitan Council has not agreed to the type of transit facility the city has requested. Richard Rovang representing Metro Transit said the council has concerns about the proposed location, inconvenience to riders and security issues concerning the public restrooms requested by the city.

S.F. 619, authored by Sen. Becky Lourey (DFL-Kerrick), authorizes the issuance of bonds for right-of-way acquisition, planning and engineering of the Rush Line corridor transitway between St. Paul and Hinckley. S.F. 569, sponsored by Sen. Sean Nienow (R-Cambridge), authorizes the issuance of \$6.8 million in bonding for construction of a new bridge on Highway 95 at its intersection with I-35 in North Branch. S.F. 154, sponsored by Sen. Charles "Chuck" Wiger (DFL-North St. Paul), authorizes the issuance of \$5.5 million for the McKnight Road and Highway 36 interchange project in Ramsey County.

A second bill, S.F. 38, sponsored by Wiger, authorizes the issuance of \$40 million in bonding for the interchange project for I-94 at Century Avenue and McKnight Road.

S.F. 1388, sponsored by Sen. Julie Rosen (R-Fairmont), directs the commissioner of transportation to consider the design-build method in reconstructing Highway 14 and authorizes the issuance of \$100 million in bonding for the reconstruction. S.F. 1424, sponsored by Sen. Sharon Marko (DFL-Cottage Grove), authorizes \$1 million in bonding for preliminary engineering and environmental review of the Red Rock corridor transitway between Hastings, through St. Paul, to Minneapolis.

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S.F. 1181, authored by Sen. Mee Moua (DFL-St. Paul), reauthorizes an appropriation for the central corridor project. A second bill, S.F. 249, also sponsored by Moua, authorizes the issuance of state bonds to finance planning, the final environmental impact statement and preliminary engineering of the Central Corridor Transit Way. S.F. 1136, sponsored by Sen. Scott Dibble (DFL-Mpls.), requires the Dept. of Transportation and the Metropolitan Council to conduct a study of bus rapid transit on I-35W between Minneapolis and Lakeville.

## Floor action

### Noncontroversial bills passed

Members of the Senate devoted most of the Tues., Apr. 15, floor session to discussion and action on bills deemed noncontroversial on the Consent Calendar and on Special Orders.

Only one measure engendered debate. S.F. 266, authored by Sen. Don Betzold (DFL-Fridley), is a family law bill and changes procedures for a custodial parent to remove a child's residence from Minnesota. The bill shifts the burden of proof to the custodial parent to demonstrate why the move is in the best interest of the child. Discussion centered on an amendment, offered by Sen. John Marty (DFL-Roseville), specifying an exception. Under the amendment, if a court finds the existence of domestic abuse between the parents, the burden of proof is upon the parent opposing the move. Marty said that demonstrating it is in the best interest of the child to move out of state should be changed to the custodial parent, except in cases of domestic abuse. In those situations, Marty said, the burden of demonstrating that it would not be in the best interest of the child to move should fall to the parent opposing the move. Sen. Julianne Ortman (R-Chanhassen) spoke in support of the amendment. The amendment was adopted. The bill was granted final passage on Special Orders on a 62-0 roll call vote. Betzold moved to lay the bill on the table because the companion measure in the other body has been incorporated into the House omnibus family law bill.

A variety of bills were granted final passage on the Senate Consent Calendar. S.F. 872, sponsored by Sen. Linda Scheid

(DFL-Brooklyn Park), modifies provisions relating to the conveyance of real property between spouses and modifies provisions relating to purchase-money mortgages. S.F. 727, sponsored by Sen. David Knutson (R-Burnsville), modifies post adoption services requirements by designating a particular form that must be used. S.F. 1176, carried by Sen. John Hottinger (DFL-St. Peter), clarifies that civil actions against the state may be brought in federal court under specific federal statutes. S.F. 276, sponsored by Sen. Leo Foley (DFL-Coon Rapids), authorizes the Bureau of Criminal Apprehension and local law enforcement agencies to collect crime data using the uniform offense codes.

S.F. 942, sponsored by Sen. Satveer Chaudhary (DFL-Fridley), authorizes admission into evidence of blood sample chain of custody documentation. S.F. 259, authored by Sen. Carrie Ruud (R-Breezy Point), permits Beltrami County to contract with the state Dept. of Corrections for the cost of secretarial support for juvenile probation and parole services. S.F. 907, carried by Sen. Wesley Skoglund (DFL-Mpls.), authorizes Dept. of Corrections forensic pathologists to issue death certificates. H.F. 51, sponsored by Sen. Ellen Anderson (DFL-St. Paul), clarifies that the definition of health insurance in a specific law includes long-term care insurance. S.F. 941, authored by Sen. Dan Sparks (DFL-Austin), modifies state hazardous materials team provisions. S.F. 1123, carried by Sen. Mee Moua (DFL-St. Paul), requires a biennial, rather than an annual, performance report from the Dept. of Corrections. S.F. 1158, sponsored by Betzold, modifies provisions relating to DWI breath-testing instruments.

Members also granted final passage to an additional nine bills on Special Orders. S.F. 421, authored by Sen. Linda Higgins (DFL-Mpls.) provides for the establishment of positions in the unclassified service of the city of Minneapolis by the Minneapolis City Council. S.F. 433, also carried by Higgins, requires specialized Alzheimer's disease training in nursing facilities that serve persons with Alzheimer's disease or related disorders. The measure also provides for consumer disclosure. A third bill sponsored by Higgins was also granted final passage. S.F. 233 makes changes to the Minnesota Nurse Practices Act.

S.F. 272, sponsored by Sen. Linda Berglin (DFL-Mpls.), allows the commissioner of human services to grant a waiver for facilities providing care for HIV/AIDS patients to allow one additional bed.

S.F. 225, carried by Sen. Sharon Marko (DFL-Cottage Grove), allows the State Fair Police Dept. to employ more part-time peace officers. Members laid the bill on the table and, pursuant to Rule 45, amended the language of S.F. 225 onto H.F. 268, the House companion bill. Members then granted final passage to H.F. 268.

S.F. 506, authored by Sen. Ann Rest (DFL-New Hope), prohibits the printing of full credit or debit card numbers on sales receipts. S.F. 668, sponsored by Sen. Steve Kelley (DFL-Hopkins), clarifies the authority of the Hennepin County Housing and Redevelopment Authority. S.F. 224, sponsored by Sen. Sheila Kiscaden (IP-Rochester), modifies provisions relating to the purchase alliance stop-loss fund. H.F. 266, the companion in the other body, was substituted for the bill and granted final passage. S.F. 28, sponsored by Betzold, enacts revisions to the general provisions of the Uniform Commercial Code and amendments to Articles 3 and 4 of the Uniform Commercial Code recommended by the National Conference of Commissioners on Uniform State Laws.

Finally, members also granted concurrence and repassage to S.F. 1095. The bill, sponsored by Sen. Julie Rosen (R-Fairmont), clarifies that benefits from the state soldiers' assistance fund are limited to state residents.

### CFL renaming approved

Before leaving for a long weekend, Senators took action on 11 measures during their Wed., Apr. 16, hearing.

Sen. Geoff Michel (R-Edina) sponsored S.F. 296, which renames the Department of Children, Families and Learning (CFL) as the Department of Education. Michel said testimony on the bill has indicated that department has drifted from its core mission.

Sen. Jane Ranum (DFL-Mpls.) opposed the measure, saying the CFL name was a result of bipartisan work in the early 1990s. The original renaming was a part of creating a strategic focus on how children learn best, she said. Ranum said the move, when viewed in combination with other education initiatives, is a



fundamental shift in what Minnesota believes. "I wonder if we are going down a road of mediocrity," she said. Sen. Lawrence Pogemiller (DFL-Mpls.) also spoke against the bill, saying it represents a step backwards in education thinking.

It is unfortunate that the examination of education in the early 1990s led to centralization of services, said Sen. Pat Pariseau (R-Farmington). The concept doesn't work, she said. CFL ought to see to the education of Minnesota children, Pariseau said, and the renaming will refocus the agency on the goal. Sen. Linda Berglin (DFL-Mpls.) said she didn't support removing children's services from the Dept. of Human Services and relocating them in CFL in the early 90s. Budgets and services for all agencies serving children need to be protected, she said, not just CFL.

Michel said opponents made an important point about expecting coordination between state agencies, especially in services provided to children. Whatever the name of the department, he said, Legislators should still demand coordination. "I do demand that," Michel said. S.F. 296 was granted final passage, 41-19.

S.F. 350, carried by Sen. Linda Scheid (DFL-Brooklyn Park), modifies and clarifies provisions under the Minnesota FAIR (fair access to insurance requirements) plan. The bill was granted final passage, 59-0. Sen. Wesley Skoglund (DFL-Mpls.) authored S.F. 515, which was passed, 58-0. The bill continues the financial crimes task force and permits the task force to accept funding from non-state sources, such as the federal government. S.F. 484, sponsored by Sen. Betsy Wergin (R-Princeton), relating to county park and land dedication fees, was granted final passage, 53-0.

Sen. Michele Bachmann (R-Stillwater) carried a bill exempting minors between the ages of 11 and 13 employed as assistant referees in youth soccer events from minimum age requirements under the child labor law. S.F. 1064 was granted final passage, 58-0. Bachmann also carried S.F. 1098, which modifies provisions relating to occupational safety and health. The bill was passed, 58-0. Sen. Charles Wiger (DFL-North St. Paul) carried S.F. 420. The bill, which modifies travel club contract regulations provisions, passed on a 58-0 vote. S.F. 1071, carried by Sen. David Senjem (R-Rochester) creates a new definition for disposing of human remains that uses

alkaline hydrolysis. The bill was granted final passage, 54-5.

Three bills relating to veterans were approved. S.F. 1080, authored by Sen. Rod Skoe (DFL-Clearbrook), updates and corrects provisions related to veterans homes. The bill was granted final passage, 58-0. Sen. Dan Sparks (DFL-Austin) sponsored a bill that permits the Dept. of Veterans Affairs to access taxpayer identification information to locate and notify veterans of health hazards resulting from service in the armed forces and of potential benefit entitlements. S.F. 1015 passed, 59-0. S.F. 1282, carried by Sen. Steve Murphy (DFL-Red Wing) authorizes the placement of a statue in the Capitol area court of honor to honor the Hmong veterans of the war in Laos allied with American forces during the Vietnam War. The bill was granted final passage, 60-0.

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## Streaming coverage available

Live coverage of Senate floor sessions and select committee hearings is available on the Senate website. Archived footage of floor sessions and hearings, as well as episodes of Capitol Report, are also available, courtesy of Senate Media Services. Citizens may also access video of press conferences, special events—including Joint Conventions and the Horizons Conference—and civics education pieces online. Go to <http://www.senate.mn/media> to access the footage.

## Schedule available on-line

The committee schedule for next week is available on-line: <http://www.senate.mn/schedule/2003/0421.htm>



During a Tues., Apr. 15, rally, participants gathered on the front steps of the Capitol to voice their opposition to proposed budget cuts.

Photo by David J. Oakes

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# Senate Briefly

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*Sen. Dean Johnson (DFL-Willmar) is pinned by his wife, Avonelle, and Duaine Amundson during a ceremony in the Senate Chamber, Wed., Apr. 23, in which Johnson was promoted from colonel to brigadier general. Gov. Tim Pawlenty, far left, and Maj. Gen. Eugene Andreotti, background, also participated. Photo by David J. Oakes*



April 25, 2003



# Senate Highlights

## Bonding bill fails

A bill providing for almost \$400 million in bonding was defeated, Thurs., Apr. 24, after lengthy debate on the proposal.

Sen. Keith Langseth (DFL-Glyndon), chief author, said S.F. 2 reauthorizes the more than \$350 million in capital investment projects vetoed last year by then-Gov. Jesse Ventura. The measure also includes, he said, projects not authorized by the Legislature last year, including acquisition of land for the Minneapolis Community and Technical College, money to match federal funds for the Paul and Sheila Wellstone Center for Community Building and flood-related items for Northern Minnesota. Times of recession, of economic downturns, are the right times to bond and build, Langseth said. The state will get the most for its money now and will help put workers on jobs, he said.

The measure includes \$48.3 million for the University of Minnesota, \$69.7 million for the Minnesota State Colleges and Universities (MnSCU), \$25.7 million for the Dept. of Children, Families and Learning, \$35.3 million for natural resources projects, \$3.6 million for the Office of Environmental Assistance and \$8.25 million for the Board of Water and Soil Resources (BOWSR). The proposal also provides \$292,000 for agriculture projects, \$8.2 million to the Minnesota Zoo, almost \$5 million to the Dept. of Administration, \$8.25 million to the Amateur Sports Commission and \$32 million for arts projects. Transportation

projects are budgeted for \$57.5 million, military projects receive \$500,000, the Metropolitan Council is appropriated \$10.5 million and the Minnesota Historical Society receives \$725,000. The bill provides \$775,000 for the Dept. of Health, \$6.7 million for the Dept. of Human Services, \$1.5 million for the Dept. of Corrections, \$68.7 million for trade and economic development and \$1.5 million for the Iron Range Resources and Rehabilitation Board.

Several members, including Sen. Linda Higgins (DFL-Mpls.), spoke in support of the bill and expressed their disappointment at the vetoes of items last year. "I, for one, was screaming, raging mad when those projects were vetoed," she said. We should all be for jobs, Higgins said, and this bill is about jobs.

However, some Senators raised concerns about the size of the package and the state's ability to afford all of the items in the bill. Sen. Warren Limmer (R-Maple Grove) said the bill needs to be tweaked and reduced in size. For some of the projects, said Sen. Claire Robling (R-Jordan), the state will not have the funds to manage the on-going operating costs. She noted that the bill includes money for new trails, while natural resources officials are talking about closing some existing trails to keep others operating.

Limmer also said that the proposal is not an effective stimulus on the economy. Most bonding projects take about 18 months from authorization to actual work on the project, he said. The bill is not about jobs, Limmer said, but about expanding the role of government. The proposal does not address the real economic questions, such as the state business climate and competitive tax rates, he said. Minnesota cannot spend its way out of an economic downturn, he said, and cannot use special spending bills or special tax programs to solve the underlying issue.

However, Langseth said many of the projects are ready to go and only need the state money to start work. Sen. Dean Johnson (DFL-Willmar) said the proposal should not be framed as state spending, but as investment in the state's infrastructure. "The best time to build and reconstruct our infrastructure is right now," he said, because of historically low interest rates. The private sector will benefit from the bill, he said, because contractors and their employees will be getting the

construction contracts. While the proposal will not solve the economy's problems, it is one small effort the state can make, Johnson said.

Sen. Steve Kelley (DFL-Hopkins) said that employers have said they value Minnesota's quality of life, the quality of the state's workforce and the quality education provided to Minnesotans. The bill moves the state forward in those areas, he said, by providing funding for higher education, including an appropriation for a translational research facility at the University of Minnesota.

The state should bond for certain infrastructure items, said Sen. Michael Jungbauer (R-East Bethel). However, he said, the bill includes as many unnecessary projects as vital, important projects. Sen. Sean Nienow (R-Cambridge) said there is no better time for the state to be bonding for projects. But, he said, the state does not need to be spending \$4.25 million to renovate the governor's residence right now.

Members considered two amendments to the bill. Sen. Mady Reiter (R-Shoreview) offered an amendment requiring the commissioner of transportation to enter into an agreement with the Burlington Northern Santa Fe Railroad regarding the total amount of money to be paid to the railroad for the use of its tracks, equipment and other property. The amendment prevents \$10 million appropriated for the Northstar Commuter Rail project from being available until the agreement has been reached. Sen. Dave Kleis (R-St. Cloud) spoke against the amendment, saying it will delay the project. He said there is no way to know how much the Northstar project will cost until state money is available to leverage federal funds that are in danger of being lost to other states. The amendment was defeated on a 9-53 roll call vote.

Kleis offered an amendment to the bill reducing the size of the package to \$147.7 million. The amendment includes \$69.7 million for MnSCU, \$4 million for natural resources projects, \$8.25 million for BOWSR items, \$500,000 for military projects, \$46 million for transportation and \$19.25 million for trade and economic development. Kleis said the amendment was an attempt to move something forward in a year when the other body and governor have indicated an unwillingness to bond. However, Sen. Richard Cohen (DFL-St. Paul) said the

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**Senators Warren Limmer (R-Maple Grove) and Michelle Fischbach (R-Paynesville) view an amendment to a bill on a laptop computer during a recent floor session.**

Photo by David J. Oakes

governor has indicated his support for the translational research facility at the University, but the project is not included in the amendment. He said the amendment does not meet the expectations of the governor and is insufficient. The amendment was defeated, 23-43.

The bill is overly large for an off-year, said Sen. Dick Day (R-Owatonna), and is huge for what is being called an emergency bill. "Anybody knowledgeable will tell you that it will be at least a year from now before these projects will be on the drawing board," he said. Day said that about \$600 million in state bond funds authorized in previous years will be spent on construction this year. The bill has more pork, he said, than any he has seen in his career as a Senator. The bill should be smaller and more focused, Day said. However, Langseth said the bill was

balanced between Greater Minnesota and the Metro Area when it was approved by both bodies last year. The bill represents the completion of a bipartisan effort to invest in Minnesota, he said.

The bill was defeated, 35-31. Pursuant to Article XI, section 5 of the Constitution, bonding bills must gain the support of at least three-fifths of members of each body, or 41 Senators, to be granted final passage.

Members recessed to prepare for a lengthy debate on a bill providing for a uniform handgun permit process. Prior to the recess, Sen. Steve Murphy (DFL-Red Wing) outlined the provisions of S.F. 369. The bill requires training before a permit is issued, sets forth an appeal process for the denial of a handgun permit and provides for data collection on how many applications are received and how many

are denied. Murphy said the bill is easy to understand and is a very common sense approach to the handgun permit process.

Upon returning from the recess, Sen. Jane Ranum (DFL-Mpls.) began the discussion and said, "I support the approach taken in the bill. If the Senate passes the radical bill passed by the House, it will be moving in the wrong direction. I am strongly opposed to the original conceal carry legislation." Ranum then offered an amendment containing the language passed by the other body. "I want the people of Minnesota to know what is in this bill," Ranum said, "I want to make sure Minnesotans know what is at stake." Murphy opposed the amendment, "I think the bill I have is a reasonable way to provide permits to people who have a legitimate reason to have one." Sen. Pat Pariseau (R-Farmington) moved to lay the



# Senate Highlights

bill on the table. The motion, which was nondebatabile, was adopted on a 37-28 roll call vote.

## Johnson promoted to Brig. Gen.

Senators gathered in the Senate Chamber Wed., Apr. 23, to recognize the achievements of one of their own in his outside life. Sen. Dean Johnson (DFL-Willmar) was formally promoted to the rank of brigadier general. Johnson serves as the Army National Guard Special Assistant to the Army Chief of Chaplains. Gov. Tim Pawlenty, Senate Majority Leader John Hottinger (DFL-St. Peter) and Adjutant General Eugene Andreotti offered brief remarks on Johnson's service and congratulating him. Hottinger noted an inscription above the Senate door reading "the noblest motive is the public good." Johnson, he said, passes the true test of that statement for Legislators, when one acts for the public good outside the Senate Chamber.

Johnson thanked those who have supported him in the many duties of his life—as a Legislator, as a National Guard chaplain, as pastor of Calvary Lutheran Church in Willmar and as a husband and father. He said his father taught him to get the job done, without asking what the obstacles and challenges were. His late mother, Johnson said, always sought peace, prayed daily and deeply respected those in uniform. Avonelle, his wife, "is the most courageous person I've ever met in my entire life," he said. She has taught him, Johnson said, that every child has the potential to learn and that one should be loyal to friends and family in all circumstances. "I see the challenges and responsibilities that we who are chaplains in the military have," he said, to respect the free exercise of religion by service members, to bring comfort to service members and their families and to represent American citizens to the best of their ability.

Silver eagle pins, designating Johnson as a colonel, were removed from his shoulders by Andreotti and Pawlenty and replaced with single-star pins by his wife and a friend, Duaine Amundson. Andreotti also presented Johnson with a fringed flag, red with one star in the center, for display in his office.

## Higher ed funding bill passed

Senators devoted the entire Wed., Apr. 23, floor session to discussion of the omnibus higher education appropriations bill. S.F. 1511, carried by Sen. Sandra Pappas (DFL-St. Paul), appropriates \$2.7 billion to fund post-secondary education institutions and grants for students. Specifically, the measure appropriates \$1.2 billion to the University of Minnesota, \$1.192 billion to the Minnesota State Colleges and Universities, \$2.78 million to the Mayo Medical Foundation and \$310 million to the Higher Education Services Office.

Pappas said the measure cuts 8 percent from the MnSCU system and the University of Minnesota, rather than the 15 percent proposed by the governor. She emphasized that the cuts were to the institutions' base budgets and not cuts to spending increases. Pappas also said one of the primary goals in developing the bill was to preserve a core commitment to student choice. "We maintain the University's ability to continue its role as an economic engine for the state," Pappas said. She also said, "Hopefully, the bill will hold down tuition increases at MnSCU to under 10 percent and at the University to under 15 percent." The bill provides funding for state grants at the 2003 base level, Pappas said.

Members adopted two amendments, offered by Pappas, clarifying language in the measure. Sen. Dave Kleis (R-St. Cloud) offered an amendment to cap tuition increases at 9 percent. Kleis said, "The governor wanted to make sure there is a cap on tuition increases so that all the increased costs are not passed on to students." He added, "My concern is that even though the bill provides more money to the institutions, there will be double digit tuition increases. My fear is that the institutions will not see this as an opportunity to reform and do things more efficiently, but will just pass the burden along to students."

Pappas countered, "I know it is really tempting, but we have a long-term policy of having decentralized decisions at the local campus level. There are some institutions that really believe in quality and have expensive programs."

Sen. Thomas Neuville (R-Northfield) offered an amendment to the amendment and said, "I think the amendment is

reasonable, but there is piece that is left out. I think we have to expect the institutions to control their expenses. The amendment to the amendment requires MnSCU, and requests the University, to freeze salaries in the aggregate." He added that the amendment was not an effort to be critical of employees at MnSCU or the University, just an economic reality.

Pappas opposed the amendment and said, "We are in a difficult financial situation, but we need to trust college presidents to manage individual campuses. This kind of broad brush does not work." Sen. Steve Kelley (DFL-Hopkins) also opposed the amendment. "It doesn't save money and might actually set a floor for salaries," Kelley said.

The amendment to the amendment failed on a 28-36 roll call vote. The Kleis amendment was defeated on a 29-35 roll call vote.

Sen. Cal Larson (R-Fergus Falls) offered an amendment specifying that if a student enrolled in a post-secondary institution is convicted of damage to property or violence to persons in connection with a riot, the student loses eligibility for state grants and must pay the highest applicable tuition rate. The amendment was adopted on a 57-6 roll call vote.

In closing comments on the bill, Sen. Claire Robling (R-Jordan) said that during the course of putting the bill together in division, there was a lot of effort to try and ease the hardship of the cuts. However, Robling said she was disappointed that the bill fails to increase the appropriation for state grants. "Student choice is diminished, especially for those who would choose private schools," Robling said.

Pappas responded, "This is only the first of several very difficult budget bills. The Senate proposal is a balanced approach. Having good quality institutions also serves the students."

The bill was given final passage on a 34-31 roll call vote.

## Editors' note

Friday committee hearings are not included in this week's issue. Look for updates on the committees in next week's Senate Briefly or on the web site under daily updates.

# Committee update

## E-12 Education Budget Division

### Two bills approved

A bill requiring owners and operators of multistation or private branch exchange (PBX) multiline telephone systems to provide call back numbers and emergency response locations was approved by members of the E-12 Education Budget Division, Tues., Apr. 22. The panel, chaired by Sen. LeRoy Stumpf (DFL-Thief River Falls), also considered two other measures.

S.F. 653, sponsored by Sen. Dallas Sams (DFL-Staples), was before the division because it authorizes school districts to use revenue from the safe schools levy to cover the costs of updating their phone systems. Under the bill,

owners of multiline systems must comply by 2007. Fiscal Analyst Eric Nauman said that for districts to meet the deadline, they may need to levy in FY 2005 to pay for the upgrade. However, he said, if districts are already at the cap, then no additional revenue is available. Of the state's 343 school districts, 311 are at the limit for the safe schools levy, said Bob Meeks of the Minnesota School Boards Association. Members adopted two amendments, offered by Sen. Steve Kelley (DFL-Hopkins), to clarify the effective date of 2007 and to clarify that the existing safe schools levy authority includes upgrading phone systems for public safety purposes. S.F. 653 was advanced to the Finance Committee.

Sen. Satveer Chaudhary (DFL-Fridley) authored S.F. 1346, which was also approved and advanced to the

Finance Committee. The measure creates an alternative to the detachment and annexation process for residential property parcels that are split among school districts. After some discussion of possible consequences of the measure, members adopted an amendment—also offered by Kelley—limiting the bill's scope to property located in the city of Fridley and split between ISD #13, Columbia Heights, and ISD #14, Fridley. Chaudhary sponsored the bill to address the concerns of property owners in his district that are split between the two school districts.

Members also considered S.F. 1409, carried by Stumpf. The bill appropriates \$50,000 each year in FY 04-05 for a grant to ISD #690, Warroad, to operate the Angle Inlet School. The measure was recommended for possible inclusion in the division's omnibus appropriations bill.



*Sen. Dallas Sams (DFL-Staples), center, talks with Senators Thomas Bakk (DFL-Cook), left, and David Senjem (R-Rochester) during a recent floor session.*

Photo by David J. Oakes



# Committee update

## Omnibus bill articles reviewed

Members of the E-12 Education Budget Division began their consideration of the omnibus education appropriations bill, Wed., Apr. 23. Panel members, chaired by Sen. LeRoy Stumpf (DFL-Thief River Falls), took no action on the measure.

The proposal consists of 12 articles, relating to various areas of education funding and policy. The bill includes provisions for general education, educational excellence, special programs, education reform, nutrition programs, libraries, family and early childhood education, prevention, self-sufficiency and lifelong learning, state agency operations and grants and administrative and technical provisions.

## Omnibus bill approved

Members of the E-12 Education Budget Division, chaired by Sen. LeRoy Stumpf (DFL-Thief River Falls), met Thurs., Apr. 24, to complete work on the division's omnibus bill. The panel approved a \$12.5 billion funding package for E-12 education. Under the measure, \$9.991 billion is appropriated for general education programs and \$1.775 billion is appropriated for categorical aid programs.

The measure is \$90 million more than the governor proposed and does not cut as deeply into programs for literacy and other academic programs beyond the classroom, Stumpf said. The bill also includes appropriations for on-line learning and for family and early childhood education that are more than the governor's recommendations.

The proposal also contains the repeal of the Profile of Learning and provides for a new set of standards. An attempt to remove the provision containing the new standards failed to be adopted. The measure was advanced to the full Finance Committee.

## Environment, Agriculture and Economic Development Budget Division

### ATV bill debate continues

A bill restricting ATV use was the focal point for the Tues., Apr. 22, meeting of the Environment, Agriculture and Economic Development Budget Division.

S.F. 850, authored by Sen. John Marty (DFL-Roseville), provides for about

1,500 miles in new trails in addition to existing trails and increases the fee \$10 per year for ATVs. "I think the bill is a reasonable compromise," Marty said.

Laurie Martinson, Dept. of Natural Resources, said the department had concerns about the implementation because of the timing on licenses. She said the licenses are for a three year period, but that a phased in implementation period of one third of all ATVs each year diminished the department's concern somewhat.

The panel, chaired by Sen. Dallas Sams (DFL-Staples), considered an amendment, offered by Sen. Thomas Bakk (DFL-Cook), making substantial changes in the fiscal portions of the bill. Bakk said that he has been critical of the governor for using fee increases and that the bill raises \$3.5 million in new fees. Bakk said "In a time when local governments are laying off employees, the bill adds new FTEs for the department. How can we square that with cuts to fire departments and nursing homes?" Marty responded that he was also concerned about cuts to local units of government, but that counties have costs associated with repairing damage costs by ATVs. The amendment failed, but no action was taken on the bill.

### JOBZ bill approved

The governor's initiative for tax-free economic development zones cleared a hurdle Wed., Apr. 23, as members of the Environment, Agriculture and Economic Development Budget Division approved the measure and advanced it to the Finance Committee.

S.F. 496, sponsored by Sen. Thomas Bakk (DFL-Cook), provides tax incentives for property located and income generated in a job opportunity building zone (JOBZ). The bill permits the commissioner of trade and economic development to designate ten JOBZ zones, as well as five additional agricultural processing facility JOBZ zones and five additional mineral processing facility JOBZ zones. Zones may be no more than 5,000 acres in size, with noncontiguous land. Under the bill, zones may not be located in the Metropolitan Area, nor can JOBZ zones include areas within border city development zones. JOBZ zones are limited to 12 years in duration, though the measure permits zones to be authorized for shorter time periods.

The measure provides that businesses that relocate from outside a zone to within the zone do not qualify for zone benefits unless the businesses increase full-time employment by at least 20 percent within the first year of operation, or make capital investments in the zone property of at least 10 percent of the previous year's gross revenues. Retail businesses, under the measure, do not qualify for zone benefits. The tax incentives provided in the measure are for zone businesses and investors in zone businesses. The benefits include exemptions from the individual income tax, corporate franchise tax, sales and use tax, motor vehicle tax, property tax and wind-energy production tax. The bill also provides for a tax credit for wages paid over \$30,000 for each net new employee. If a company ceases operations in the zone, it is obliged to repay its tax obligations during the two years prior to the ceasing of operations, under the bill. S.F. 496 also includes reporting requirements for the commissioner of revenue to determine the amount of revenue foregone from zone designation.

Louis Jambois, Dept. of Trade and Economic Development, said the plan was inspired by similar initiatives in other states. However, he said, the department examined the plans in the other states and developed improvements, including the reporting requirements and the two-year repayment obligation. Giamboi also said the requirements placed on businesses that relocate into a zone to receive JOBZ benefits are "pretty high bars" that will discourage the practice of poaching.

Sen. Julie Rosen (R-Fairmont) said she has listened to those who believe the proposal creates winners and losers across Minnesota. Greater Minnesota, Rosen said, has been losing for a long time. The Metro Area will grow regardless of the JOBZ initiative, she said. The program creates a competitive atmosphere and requires communities to talk and plan together for business development, Rosen said. Too many communities, Bakk said, in Greater Minnesota count retirees as half or more of their population. The bill encourages business development and provides incentives for younger residents to stay or move to Greater Minnesota, he said. "I don't know if this approach is going to work at rebuilding Greater Minnesota's economy," Bakk said, "but it is certainly worth a try." The bill is not a magic bullet, he said, but is one more tool in the economic development toolbox.

However, Sen. Michele Bachmann (R-Stillwater) said the devastation being seen in parts of Minnesota's agricultural community can be traced to the national government's intervention, as far back as the 1930s. The prescription of more government intervention, she said, will not bring about Greater Minnesota's revitalization.

In other action, the panel, chaired by Sen. Dallas Sams (DFL-Staples), considered S.F. 419. Discussion centered on a tentative agreement reached between the Pollution Control Agency, League of Minnesota Cities, Coalition of Greater Minnesota Cities and Minnesota Farm Bureau Federation. Steve Nyhus, representing the Coalition of Greater Minnesota Cities, said the agreement corrects defects in existing rules related to identifying impaired waters under the federal Clean Water Act. However, Janette Brimmer of the Minnesota Center for Environmental Advocacy, said that while current rules are not perfect, they have gone through the full, contested rulemaking process and all parties should accept the rules. She said the agreement also goes beyond the identification of impaired waters and imposes limits on permitting. The bill, carried by Sams, was laid aside for further consideration.

Division members also approved S.F. 97 and advanced the bill to the Finance Committee. Authored by Sen. Gary Kubly (DFL-Granite Falls), the measure restores funding for the West Central Growth Alliance that was unallotted by the governor earlier this year. Two measures were laid over for possible inclusion in the omnibus appropriations bill. S.F. 1509, sponsored by Sen. Scott Dibble (DFL-Mpls.) restores funding to the Bridges rental housing assistance program. S.F. 1489, carried by Sen. Linda Higgins (DFL-Mpls.), appropriates money to the board of water and soil resources for local water planning grants.

### **Omnibus bill advanced**

The Environment, Agriculture and Economic Development Budget Division met Thurs., Apr. 24, to complete work on the division's omnibus appropriations proposal. Sen. Dallas Sams (DFL-Staples) explained the \$1.14 billion in general and statutory funding for environment, natural resources and agriculture programs and the \$294 million economic development funding package to members. Sams

said the division's proposal is \$32 million over the governor's proposal in the area of environment and natural resources and \$44 million over the governor's proposal in the economic development area. The measure restores cuts made by the governor to workforce development programs and several environmental programs. The proposal also maintains the Dept. of Trade and Economic Development and the Dept. of Economic Security as separate agencies.

The proposal contains funding for numerous bills heard by the division over the course of the session. In addition, several amendments were offered during the hearing.

Sen. Steve Dille (R-Dassel) offered an amendment to alter the funding for the displaced homemaker program. Under the proposal, the program is funding through an increase of \$30 on marriage license fees. Dille proposed a \$10 increase on regular marriage license fees, no change to the reduced marriage license fee for couples who have had premarital education, a \$20 increase to the civil filing fee for dissolutions and the balance from the workforce development fund. Sen. Richard Cohen (DFL-St. Paul) argued against the amendment and said, "The concern I have is that two other budget divisions have been looking at increasing the civil filing fee and the judicial branch has objected strongly. Dille agreed to withdraw the amendment.

Members did adopt an amendment, offered by Sen. Pat Pariseau (R-Farmington), incorporating language providing for a stamp for dove hunting. Language providing for a season on mourning doves is contained in another bill that doesn't have a stamp, and the related fee, included.

Sen. Dennis Frederickson (R-New Ulm) offered an amendment to clarify the regulation of wastewater treatment systems and plumbing in state park and recreation area buildings. The amendment was adopted. Sen. Julie Rose (R-Fairmont) successfully offered an amendment providing that Natural Resource Officers have citation authority only and are not law enforcement officers.

Dille also offered, but withdrew, an amendment requiring recipients of ethanol subsidies to provide additional disclosure information to the Dept. of Agriculture. A third amendment, offered by Dille, requests the commissioner to

work on a national level to increase dairy prices and to allow foreign individuals who are already engaged in dairy farming to continue farming. The amendment was adopted.

Sen. Steve Murphy (DFL-Red Wing) offered an amendment authorizing deputy registrars to increase the registration fee for boats, ATVs and off-road motorcycles from \$2 to \$4.50. The amendment was adopted. Sen. Ellen Anderson (DFL-St. Paul) successfully offered an amendment requiring the commissioners of the Dept. of Trade and Economic Development and the Dept. of Commerce to collect and analyze job loss data and the relationship between job losses and international trade agreements.

Members also discussed a policy provision in the economic development proposal concerning the fee schedule for medical services provided under workers compensation. The provision specifies that the fees must be the same for identical services regardless of the discipline of the health care provider performing the service.

The proposal was approved and advanced to the full Finance Committee.

## **Finance**

### **Higher ed budget approved**

A budget bill appropriating over \$2.7 billion in FY 04-05 for higher education was approved by members of the Finance Committee, Tues., Apr. 22. The measure is sponsored by Sen. Sandra Pappas (DFL-St. Paul), chair of the Higher Education Budget Division.

The bill, which has not been introduced, appropriates \$310 million to the Higher Education Services Office, \$1.192 billion to the Minnesota State Colleges and Universities, \$1.199 billion to the University of Minnesota and \$2.782 million to the Mayo Medical Foundation. Pappas said she deeply regrets bringing forward a bill that includes base cuts to the state's higher education institutions and does not expand the state's financial aid program. She said the bill does not provide for the expected growth in demand for the state grant program and returns MnSCU funding to its FY 01-02 level and U of M funding to its FY 00-01 level. The measure was approved.

Committee members, chaired by Sen. Richard Cohen (DFL-St. Paul), also took action on two resolutions, both carried by



# Committee update

Cohen. The Senate budget resolution sets the maximum limits on general fund revenues and appropriations and designates the size of a cash flow account and a budget reserve. The resolution provides for, in FY 04-05, a revenue limit of over \$29.692 billion and a spending limit of \$29.333 billion, with no funds for a cash flow account and \$530 million as a budget reserve. The budget resolution was approved and advanced to the Tax Committee.

The other resolution sets the targets for the appropriations bills. The limit for E-12 education is \$12.045 billion, for higher education is \$2.703 billion and for health, human services and corrections is \$8.288 billion. The limit for the environment, agriculture and economic development budget bill is \$705 million and for the transportation bill, \$143 million. The resolution also caps the state government bill at \$1.124 billion, the capital investment bill at \$717 million and spending in the omnibus tax bill at \$1.472 billion. The resolution was approved on a 9-6 roll

call vote. Cohen explained that, procedurally, the resolution does not leave the committee.

## Health, Human Services and Corrections Budget Division

### Dental bill okayed

The Health, Human Services and Corrections Budget Division devoted the Tues., Apr. 22, meeting to considering bills for inclusion in the omnibus appropriations bill. In addition, the division, chaired by Sen. Linda Berglin (DFL-Mpls.), advanced three measures to the full Finance Committee.

S.F. 906, authored by Sen. Wesley Skoglund (DFL-Mpls.), provides for the collection of co-pays for sex offender treatment. Dr. Steve Huot, director of sex offender/chemical dependency services, said the co-pays, which would be on a sliding fee scale, are part of the natural consequences of the offender's behavior. In addition, Huot said the co-pays could

also help motivate offenders to take the program seriously. The measure was approved and advanced to the full committee.

S.F. 972, authored by Sen. Thomas Neuville (R-Northfield), generated some debate. The measure aligns Minnesota law concerning child support with federal law. The measure incorporates a federal mandate requiring all applicants for drivers' licenses and hunting and fishing licenses to provide their Social Security numbers at the time of application. Neuville said that the state must comply with the mandate or risk losing about \$350 million in TANF funds. Sen. Paul Koering (R-Fort Ripley) said he was concerned about the data privacy issues involved in requiring people to supply their Social Security numbers. Neuville said the bill does specify that an applicant's Social Security number cannot be displayed, encrypted or encoded on the driver's license. The measure was advanced to the full committee on a divided voice vote.



*Division Administrator Lou Tofte, left, consults with intern Gaylord Anoka during a Health, Human Services and Corrections Budget Division meeting.*

*Photo by David J. Oakes*

The panel also sent a bill relating to dental practice to the full committee. S.F. 357, authored by Sen. Becky Lourey (DFL-Kerrick), modifies dental practice provisions and authorizes dental hygienists or dental assistants to perform some restorative procedures. "The bill is an attempt to meet the demands of those who need dental services," Lourey said. She offered an amendment, which was adopted, removing provisions in the bill that involved appropriations. The measure establishes a class of license for faculty of a dental school that entitles the dentist to only practice within the school and only for purposes of instruction or research. In addition, the bill exempts retired dentists who are volunteers in a public health, community or tribal clinic from most continuing education requirements. Finally, the measure allows the Board of Dentistry to waive the clinical examination if an applicant has successfully completed Parts I and II of the National Boards.

Two measures were heard and approved for inclusion in the omnibus bill. S.F. 1411, authored by Berglin, allows Medical Assistance coverage for some over-the-counter medications. In addition, a proposal detailing reimbursement rates for special transportation services was approved for the omnibus bill.

The division also heard from representatives of the Dept. of Health and the Dept. of Human Services on the issue of duplicate licensing.

### **Omnibus bill proposals heard**

Members of the Health, Human Services and Corrections Budget Division devoted the Wed., Apr. 23, hearing to considering proposals for inclusion in the division's omnibus appropriations bill.

The panel, chaired by Sen. Linda Berglin (DFL-Mpls.), approved three items, in the form of amendments, for inclusion in the bill. One proposal concerns prepaid Medical Assistance for seniors to help avoid premature placement in nursing homes. A second proposal provides for a surcharge on ICFMR facilities similar to the surcharge on nursing homes. The third measure relates to persons with mental health problems that are in the corrections systems.

Members also approved several bills for inclusion in the omnibus measure. S.F. 534, authored by Sen. John Hottinger (DFL-St. Peter), provides an appropriation from the TANF block grant fund to

provide services to families who are participating in the supportive housing and managed care pilot program. S.F. 1382, authored by Sen. Sheila Kiscaden (IP-Rochester), establishes a surcharge on attorney license fees to be used for the public defender system. S.F. 1021, sponsored by Sen. Brian LeClair (R-Woodbury), authorizes a corrections facility to serve two, rather than three meals, per day on week-ends and holidays.

S.F. 1044, carried by Berglin, increases the surcharge imposed on criminal and traffic offenders to provide funding for the public defender system. In addition, the bill authorizes alternative placements for certain mentally ill offenders. Members laid the bill over for further discussion.

The division also advanced one bill to the full Finance Committee. S.F. 834, sponsored by Sen. Don Betzold (DFL-Fridley), sets liability limits for nonprofit corporations providing day training and habilitation services for adults with mental retardation and daytime development achievement center services for children with mental retardation and related conditions. The bill specifies that the liability limits are the same as the limits set for municipalities.

## **State Government Budget Division**

### **Omnibus bill approved**

Members of the State Government Budget Division met Tues., Apr. 22, to approve the panel's omnibus budget bill. The measure includes appropriations for various state agencies and criminal justice operations. The proposal, carried by Sen. Jane Ranum (DFL-Mpls.), division chair, was advanced to the Finance Committee.

The measure cuts the general fund budget for the Legislature by 10.2 percent, for the Governor's Office by 24 percent, for the Office of the State Auditor by 15 percent, for the Office of the Attorney General by 15.4 percent and for the Office of the Secretary of State by 13.5 percent. The budget of the Campaign Finance and Public Disclosure Board is trimmed by 2.2 percent and the budgets for the State Board of Investment and the Office of Administrative Hearings are not cut. The Office of Strategic and Long Range Planning has its budget cut by 26.3 percent and the Dept. of Administration budget is cut by 3.5 percent. The budgets for the Dept. of Finance and the Capitol

Area Architectural and Planning Board are trimmed by 15 percent. The budget for the Dept. of Employee Relations is cut by 14.1 percent and the Dept. of Revenue budget is cut by 1.1 percent. In military-related areas, the Dept. of Military Affairs budget is cut by 1.5 percent and the Dept. of Veterans Affairs budget is cut by 5.9 percent, while the budgets for various veterans organizations are preserved whole. General fund spending for the Gambling Control Board is increased by 41.2 percent, while the Minnesota Racing Commission budget is cut 87.5 percent as the agency transitions to being fee supported. Total net general fund spending on state agency operations is decreased by 21.7 percent in the bill.

The bill cuts net criminal justice general fund spending by 7.7 percent. Appropriations to the Supreme Court and Court of Appeals are cut by 2 percent each, with a cut to the District Courts of 0.7 percent. General fund spending for operations within the Dept. of Public Safety—including the Bureau of Criminal Apprehension, the State Fire Marshal, the Office of Crime Victim Services and the Office of Alcohol and Gambling Enforcement—increases by 7.8 percent. The measure also restores funding for the Office of Crime Victim Ombudsman as a separate agency, with an \$840,000 budget for FY 04-05.

The proposal reduces the budgets for the Board of Accountancy and the Board of Architecture, Engineering, Land Surveying, Landscape Architecture, Geoscience and Interior Design by 20 percent each. The bill increases the appropriation for the Board of Barber Examiners by 8.2 percent. Spending for the Public Utilities Commission is cut by 10 percent and the general fund budget for the Dept. of Commerce is cut by 6.9 percent. The budgets for the minority community councils are cut by about 5 percent each. Net total general fund spending in this area, classified as economic development, is decreased by 19.3 percent. The net total impact of the bill on general fund spending is a 14.7 percent decrease, for a general fund total of \$1.124 billion in net spending.

## **Transportation Policy and Budget Division**

### **Omnibus bill discussed**

The highlight of the Tues., Apr. 22, meeting of the Transportation Policy and



# Committee update

Budget Division was the presentation of the panel's omnibus transportation funding bill.

Division Chair Dean Johnson (DFL-Willmar) said the proposal contains a 5 cent per gallon gasoline tax and changes the formula for license tabs. The resulting revenue, Johnson said, is used to fund both highways and transit for Greater Minnesota and the Metropolitan Area. "I compliment the governor for putting a plan on the table. Our concern, though, was that in the out years, construction funds will fall below MnDOT recommendations. The funding proposal before us is a more balanced approach," Johnson said.

The \$2.1 billion package provides \$1.3 billion for trunk highways, \$395 million for local and county highways and \$445 million for transit, Johnson said. In addition, the measure allows the commissioner to spend up to \$250 million on trunk highway improvements approved by the federal government and designated as advance construction funds.

The measure increases the gasoline tax from 20 to 25 cents per gallon in order to "pay as you go" in funding new projects, Johnson said. In addition, the license tab change will generate about \$90 million in the first year and \$105 million in the second year of the biennium. Under the license tab change, the depreciation schedule is that the vehicle registration tax is 100 percent of base value the first year, 80 percent the second year, 70 percent the third year, 60 percent in the fourth year, 50 percent in the fifth year, 40 percent in the sixth year, 35 percent in the seventh year, 30 percent in the eighth year, 20 percent in the ninth year and 10 percent in the tenth year.

The proposal also appropriates \$61.533 million in FY 04 and \$63.733 million in FY 05 from the general fund for metropolitan transit. In addition, the measure provides \$13.4 million for the biennium for the operations of the Hiawatha LRT line and provides a budget base of \$18.7 million for the next biennium.

The bill also makes a number of cuts in department administration. In addition, the measure prohibits spending for mobile telephones or pagers for department employees, prohibits spending on passenger cars for employees and prohibits the use of state funds on travel for attending conventions or seminars not sponsored by the department.

Johnson said amendments and testimony on the measure would be heard at a subsequent hearing prior to taking a vote on the proposal.

In other action, the division approved a bill setting forth requirements for additional identity and residency information needed to obtain a driver's license. S.F. 1103, sponsored by Sen. Mee Moua (DFL-St. Paul), also specifies the personal information that may be shown on a driver's license or identification card. Moua said the bill also provides for the expiration of the license or card on the expiration date of the person's federal admission period. The bill does not provide for the "status check" that was adopted by rule, Moua said.

Sen. Dave Kleis (R-St. Cloud) moved to amend the bill with the contents of S.F. 87. The measure implements a number of other requirements and does contain the "status check" date on the license or identity card. Kleis said the amendment allows the Dept. of Public Safety to have more discretion in the kinds of information needed to establish identity. He also said the bill, by having stiffer requirements to establish identity, will prevent identity theft.

Sen. Ann Rest (DFL-New Hope) questioned the use of two dates that would be used under the amendment. She said it did not make sense to have a date four years after issuance for the driver's license to expire and then a separate status check date indicating the visa expiration date. Rest said there were elements of the Kleis amendment that she thought were valuable, but that she could not support the entire amendment.

The amendment failed on a 6-9 roll call vote. Sen. Sharon Marko (DFL-Cottage Grove) offered an amendment to include a provision of the Kleis amendment requiring full face images to be used in the photos on the driver's license or identification card. The amendment was adopted.

The bill was approved on an 8-5 roll call vote and advanced to the Senate floor.

## Work on omnibus bill continues

Members of the Transportation Policy and Budget Division continued their work on the omnibus transportation appropriations package, Thurs., Apr. 24, by considering 18 amendments. The focus of the amendments ranged from drivers

license provisions to penalties for cigarettes thrown out of vehicles to the formula for distributing county state-aid highway (CSAH) funds.

Members began their work by adopting three amendments offered by Sen. Dean Johnson (DFL-Willmar), division chair. The amendments provide for a study of including rumble strips on the centerline of all two-lane highways, require the Metropolitan Airports Commission to include the representative of taxicab owners, companies or associations on a taxicab advisory committee and make technical changes to the proposal.

Johnson also offered an amendment making changes to the CSAH formula. Current law apportions CSAH money by dividing 10 percent equally among all 87 counties, 10 percent is apportioned based on counties' vehicle registration, 30 percent is allocated based on county lane-miles and the remaining 50 percent is apportioned based on county needs. The amendment apportions that amount of CSAH funds attributable to the current gas tax by following the existing formula. However, the amendment provides that CSAH dollars that can be attributed to gas tax revenues from the additional five cents added to the gas tax in the bill by a new formula: 10 percent equally, 10 percent based on lane-miles, 30 percent based on population and 50 percent based on needs. Johnson said the amendment represents a proposal carried by Sen. Keith Langseth (DFL-Glyndon) last year.

Langseth said the proposal is a midpoint between the present formula and formula advanced, at one time, by the Metropolitan Inter-County Association (MICA). He noted that counties that are experiencing the fastest growth see their CSAH dollars increase faster because of the population factor. Langseth said proponents of massive overhauls of the CSAH formula ignore the fact that the bulk of transit money goes to the Metro Area, while the bulk of CSAH funding does go to Greater Minnesota. If population is to be the determining factor, he said, then Greater Minnesota should get more transit money, even though the major transit needs are in the Metro Area.

However, Sen. Julianne Ortman (R-Chanhassen) said she was concerned because the proposal is limited to the new money. All of CSAH funding should be distributed according to the same formula, she said. Her own proposal divides the



**Dozens of senior citizens gathered in the Capitol Rotunda, Wed., Apr. 23, to advocate for continued funding for long term care facilities.**  
 Photo by David J. Oakes

funds equally between needs and population, she said. Congestion is a serious problem in the Metro Area, Ortman noted. However, Langseth said changing the entire CSAH formula will create huge losers in Greater Minnesota and will mean that many counties get no money for road construction. He also reminded members that CSAH funding is not the only method for funding roads. Langseth noted that over 60 percent of municipal state-aid street (MSAS) funding goes to the Metro Area. No MSAS dollars go to communities with fewer than 5,000 residents, he said. If one examines all transportation dollars—state and federal, from all programs—then the spread is almost equal between Greater Minnesota and the Metro Area, he said.

The current formula, when applied to the existing money, said Sen. Sharon

Marko (DFL-Cottage Grove), serves Metro Area residents too, especially those who vacation in Greater Minnesota. The current formula for the existing money helps maintain the roads that are already on the ground. A 50-50 needs-population formula is fair for the new money, Marko said. Sen. Steve Murphy (DFL-Red Wing) said that if Greater Minnesota cannot address its transportation needs, then the Metro Area will see an even greater population growth and congestion will only be worse.

Johnson withdrew the amendment, but encouraged members to continue considering the CSAH issue.

Panel members also discussed several amendments adding specifications to appropriations already in the bill without increasing the total appropriations. Marko offered an amendment requiring that

\$200,000 of the over \$40 million appropriated for aeronautics must be used for hangar construction at the South St. Paul (Fleming Field) airport. The amendment was adopted. Sen. Charles Wiger (DFL-North St. Paul) offered two amendments adding projects to a list of accelerated projects contained in the measure. The amendments add the reconstruction projects at the intersection of TH-36 and McKnight Road and the intersection of I-94 and Century Avenue and McKnight Road to the list. The amendments were adopted. Sen. Claire Robling (R-Jordan) said projects should not be given priority in law. It is our job to get resources and the department's job to decide on which projects get those resources, she said. Politicians should not be prioritizing projects, Robling said. She offered an amendment deleting the entire prioritized



# Committee update

project list. The amendment was defeated on a divided voice vote.

Ortman offered an amendment changing a provision in the bill increasing the driver's license reinstatement fee by \$50 and reapportioning the revenue from the fee. Under the bill, 17 percent of the revenue goes to the trunk highway fund, 7 percent to the Bureau of Criminal Apprehension, 56 percent to the general fund and 20 percent to the traumatic brain injury fund. The amendment provides that the percentages for the trunk highway fund and general fund remain the same, while the BCA receive 8 percent, the traumatic brain injury fund 14 percent and the special revenue fund receive 5 percent. The amendment also creates a vehicle forfeiture account within the special revenue fund to hold the revenue. Ortman said the five percent is to help the State Patrol hire non-uniformed staff to deal with auctioning forfeited vehicles. Vehicle forfeiture, she said, is an effective tool for state troopers, but troopers should not be using their time to auction cars instead of being on the roads. The amendment was adopted.

Members also adopted an amendment, offered by Ortman, permitting the Dept. of Public Safety to issue corrective orders to deputy registrars, rather than suspending them. Murphy also offered an amendment relating to deputy registrars. The amendment, which was adopted, raises the filing fee charged by deputy registrars for driver's license renewals to \$4.50, from \$3.50. Another Murphy amendment, also adopted by the panel, creates a primary offense for seat belt violations and increases the fine for seat belt violations to \$50, from \$25.

Sen. Dave Kleis (R-St. Cloud) offered an amendment adding cigarettes to the list of dangerous objects that are illegal to throw or dump onto a highway. The amendment also imposes a surcharge, equal to the amount of the fine, onto fines of persons who throw cigarettes from motor vehicles. The amendment was adopted. Sen. Ann Rest (DFL-New Hope) offered an amendment, adopted by the division, prohibiting the Metropolitan Council from reducing the public services offered at the Hubbard Marketplace transit station in Robbinsdale as long as the transit station remains in operation. A second Rest amendment includes provisions from two measures relating to driver's licenses, such as proof of identity

and residency requirements, full-face image requirements and the expiration of a license being the same as the expiration of a visa. The amendment was adopted. Langseth also offered an amendment, which was adopted, deleting a transit ways fund created in the bill. Sen. Mee Moua (DFL-St. Paul) offered an amendment, adopted by the panel, providing \$2.5 million to match federal funds for the Central Corridor. The funds are transferred from the employee insurance trust fund reserve account.

Two additional amendments were considered but were not approved. One, offered by Robling, specifies that the I-35W/TH-62 interchange project is deemed to be entirely within the interstate highway system for the purposes of the municipal consent law. Robling said the amendment keeps the project from being stalled again, when the state cannot afford to go back to the drawing board. However, Dibble spoke against the amendment, saying Minneapolis has officially indicated its support for the current plan and does not intend to stall the project. The amendment, he said, breaks the trust between the city and the department. The amendment was defeated on a divided voice vote. The other amendment, offered by Murphy, appropriates \$3 million from the general fund for port development assistance. However, upon being advised by counsel that the amendment puts the bill above its funding target, Murphy withdrew the proposal.

## Taxes

### Bills heard

The Tax Committee, chaired by Sen. Lawrence Pogemiller (DFL-Mpls.), returned from a four day break to consider several bills for inclusion in the omnibus bill.

The panel began with hearing a number of bills relating to local sales taxes. S.F. 774, sponsored by Sen. Mark Ourada (R-Buffalo), authorizes the city of Clearwater to impose an additional sales and use tax to fund parks, trails, parkland, open space and land and buildings for a regional and recreation center. S.F. 1222, authored by Sen. Richard Cohen (DFL-St. Paul), modifies the conditions for use of the St. Paul sales tax for the operating expenses of cultural organizations. S.F. 1469, carried by Pogemiller, provides a

sales tax exemption for materials used in construction for the Guthrie Theater. S.F. 1481, sponsored by Sen. Sharon Marko (DFL-Cottage Grove), authorizes the city of Newport to impose a lodging tax to fund economic development and redevelopment of the city.

Pogemiller also sponsored three additional bills. S.F. 1400 regulates income tax preparers and provides standards of conduct. S.F. 1401 is the annual public finance bill and provides for capital improvement bonds for cities, counties and other municipalities.

S.F. 1505 is a bill extending the time for qualifying for sales and property tax exemptions for the Crown hydro electrical generation facility.

Two bills dealing with generating electricity from poultry litter were also discussed. S.F. 1483, authored by Sen. Dean Johnson (DFL-Willmar), modifies the dates for construction of a poultry litter biomass electrical generation facility for personal property tax exemption purposes. The bill was amended into another proposal, S.F. 1510, also sponsored by Johnson, which extends a sales tax exemption for construction materials for the biomass electrical generation facility.

S.F. 1478, authored by Sen. Thomas Bakk (DFL-Cook), authorizes the housing and redevelopment authority for Lake County to extend the duration of a redevelopment tax increment financing district. A second measure, sponsored by Sen. Sheila Kiscaden (IP-Rochester), modifies tax increment financing provisions for small cities.

### Measures considered for tax bill

Members of the Tax Committee met Wed., Apr. 23, to continue considering legislation for the omnibus tax bill. Chaired by Sen. Lawrence Pogemiller (DFL-Mpls.), Senators considered bills relating to tax exemptions for electricity generation facilities and tax free zones, as well as other measures.

Eight measures were approved for inclusion in the omnibus tax bill. S.F. 1441, sponsored by Sen. Tom Saxhaug (DFL-Grand Rapids), provides for a sales tax exemption for biomass electric generation facilities. Sen. Jim Vickerman (DFL-Tracy) carried S.F. 1259, clarifying the corporate status of the Lewis and Clark Rural Water System as it relates to the issuance of obligations for federal

income tax law purposes. S.F. 715, authored by Sen. David Knutson (R-Burnsville), provides a personal property tax exemption for an electric generation facility in Rosemount. Another bill providing a personal property tax exemption for an electric generation facility was sponsored by Sen. John Hottinger (DFL-St. Peter). S.F. 1205 provides an exemption for a facility in Mankato. Sen. Dallas Sams (DFL-Staples) carried a bill, S.F. 1381, providing for a property tax valuation exclusion for sewage system improvements. S.F. 1345, authored by Sen. Don Betzold (DFL-Fridley), validates bonds issued by Anoka County for public safety radio improvements. Sen. Steve Kelley (DFL-Hopkins) carried a bill, S.F. 1104, expanding, to all counties, the authority to issue capital improvement bonds to finance the cost of designing, constructing and acquiring statewide public safety radio communication system infrastructure and equipment. Pogemiller sponsored S.F. 1513, which provides for State Fair revenue bonds.

Sen. Thomas Bakk (DFL-Cook) carried a bill that was not approved for inclusion. S.F. 1478 permits Lake County to extend the duration of a tax increment financing district for 16 years.

The committee took no action on two bills providing for tax free zones. Bakk sponsored S.F. 496, which is the governor's Job Opportunity Building Zones bill. Kelley carried a bill, S.F. 1067, providing for a biotechnology tax free zone.

## Omnibus bill discussed

Members of the Tax Committee devoted the Thurs., Apr. 24, hearing to a discussion of the noncontroversial omnibus tax proposal. The panel, chaired by Sen. Lawrence Pogemiller (DFL-Mpls.), considered several amendments and advanced the bill to the full Senate. The measure contains a variety of sales tax exemption, tax increment financing and other miscellaneous tax provisions that do not affect the budget as a whole.

## Floor action

### Campaign Finance Board appointees confirmed

Senators returned from their spring recess to confirm two gubernatorial appointees, Tues., Apr. 22.

The appointments of Terri Ashmore and Bob Milbert to the Campaign Finance and Public Disclosure Board were confirmed. Ashmore replaces Susan Stevens Chambers as a public member of the board. Milbert, a former member of the other body, replaces former Sen. Allan Spear. Both terms expire in 2007.

Senators also granted final passage to five bills on the Consent Calendar. S.F. 958, carried by Sen. Steve Murphy (DFL-Red Wing), classifies military certificates of discharge as private data. Sen. Thomas Neuville (R-Northfield) sponsored H.F. 850, providing for a land conveyance in Sibley County. H.F. 1112, also authored by Murphy, authorizes the Department of Veterans Affairs to access Department of Human Services databases to verify eligibility for the state soldiers assistance program. Sen. Charles Wiger (DFL-North St. Paul) carried a bill, S.F. 163, requiring sellers of real property in Washington County to disclose if the property is located in a special well construction area designated by the commissioner of health. S.F. 1225, sponsored by Sen. Keith Langseth (DFL-Glyndon), restricts the involvement of the state archaeologist with archaeological or historic sites to known or scientifically predicted sites.

## Tour the Capitol on CD-ROM

Senate Media Services has announced the release of a CD-ROM tour of the Capitol, called "A Building for All..."

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## Schedule available on-line

The committee schedule for next week is available on-line: <http://www.senate.mn/schedule/2003/0428.htm>



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# Senate Briefly

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*Ten-year-old Brianna Olsen of Vadnais Heights joyfully dances to live music as a participant in a National Day of Prayer gathering in front of the Capitol, Thurs., May 1.  
Photo by David J. Oakes*



May 2, 2003

# Senate Highlights

## OHV restrictions approved

After hours of hearings in two panels, a bill placing restrictions on the riding of off-highway vehicles and providing for the development of at least 1,500 miles of additional OHV trails in state forests was approved, Thurs., May 1. Members of the Environment, Agriculture and Economic Development Budget Division, chaired by Sen. Dallas Sams (DFL-Staples), advanced S.F. 850 to the Finance Committee on a 9-1 roll call vote.

Sen. John Marty (DFL-Roseville), chief author, explained some of the compromises between interested parties. The bill, he said, no longer includes a hotline for citizens to call to report damage created by off-highway vehicles (OHVs) or to get information on trail conditions. The measure also requires the Dept. of Natural Resources to evaluate all state forests and provisionally designate at least 1,500 miles of OHV trails by Oct. 31, 2005. A previous version of the bill required the department to evaluate at least half of state forests by that date. Sen. Carrie Ruud (R-Breezy Point), co-author, said the compromise represents a better balance between competing interests. Polls, she said, show that an overwhelming majority of Minnesotans want OHVs to operate on designated trails. Ruud also said the compromise addresses the concerns of sportspeople who use OHVs for game purposes. Hunters, gatherers and others with specific needs can obtain special OHV permits, she said.

The bill compromises the DNR and its mission to protect public lands and

waters, said Jeff Brown, executive director of Minnesotans for Responsible Recreation. He said S.F. 850 improperly suspends the only right citizens have to review and challenge proposed trails. The provisionally designated trails, Brown said, will never be closed once they are open. He said the department has a poor record on siting trails. However, Marty said the measure does provide for the environmental review of the provisional trail-miles. The trails will remain open while the review is conducted, he said, as opposed to current policy which does not permit a trail to open until after the review has been completed.

Members adopted two amendments relating to grant-in-aid trail groups. One, offered by Sen. Steve Dille (R-Dassel), reinstates language permitting grants to be used for the construction of trails. Sen. Thomas Bakk (DFL-Cook) spoke in support of the amendment, saying grant-in-aid volunteers are dedicated and inexpensive labor for laying new trails. The other amendment, offered by Sen. Pat Pariseau (R-Farmington), changes a requirement that the commissioner of natural resources withhold grants from groups that have been notified that they have violated the law or the terms of their grant agreements to permissive authority to withhold the grants.

Deputy Commissioner Mark Holsten said the DNR has identified four policy changes that are needed to accomplish the mission of providing for managed OHV use on managed trails: prohibiting the use of OHVs on state land other than state forests or on state trails; reviewing forest classification on a forest-by-forest basis, with an end result of having most forests as limited use, or closed-unless-posted-open; establishing a uniform application of OHV rules within state forest boundaries, regardless of whether forest land is owned by the state or county; and the promulgation of new environmental review rules by the Environmental Quality Board and the exclusion of projects with little likelihood of negative effects from environmental review. Holsten said S.F. 850 addresses the first and third concerns and is slightly different from the department's recommendations on the second issue. He said the department would prefer to act on a forest-by-forest basis without a deadline or a mileage target. In terms of environmental review, Holsten said, the bill does not

provide for new rules, but only temporarily exempts new trail-miles from the existing environmental review process.

Bakk offered an amendment providing an alternative plan. The amendment creates three-member inspection panels—composed of one DNR employee, one OHV stakeholder and one member of the public—to investigate claims for the repair or restoration of public property. The amendment also does not provide for all state forests to eventually be classified as limited use. Bakk said the amendment requires the DNR to hold public hearings before closing OHV use in forests north of U.S. Hwy. 2, which runs southeast from East Grand Forks, through Bemidji and Grand Rapids and terminates in Duluth. Ray Bohn, representing the All Terrain Vehicle Association, spoke in support of the amendment. He said the proposal brings discipline to the DNR's activity and provides a better option than an all-limited designation forest system. The amendment, he said, also gives the department more flexibility in designating trails and moves the state more rapidly towards an increase in OHV trails than an October 2005 target. Bakk said that by not specifying a specific mileage target, the department can proceed with lower costs and fully develop trail systems in forests.

However, Ruud said the amendment does not include enough funding to really move the state forward. Larry Wanabo, a resident of Crow Wing County, said the environmental review portions of the amendment were out of line. The public is concerned about the lack of environmental review now, he said, and the review process should not be weakened. Marty said the bill is an aggressive compromise that addresses enforcement, training and the maintenance of the state's long-term environmental interests. "I urge you to stick with a reasonable compromise," he said. The bill reins in OHV damage and mitigates it, accomplishes the DNR's goals and accommodates those who use OHVs for specific purposes, Marty said.

The amendment was defeated, 5-7, and a motion to reconsider the amendment, made by Dille, was defeated on a 4-8 roll call vote.

## Tax proposal discussed

A key element of the Senate majority's budget resolution package was heard at the Thurs., May 1, meeting of the

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David J. Oakes



Tax Committee. S.F. 1504, carried by Majority Leader John Hottinger (DFL-St. Peter), creates a new tax bracket for individuals with taxable income of more than \$113,120, increases the cigarette tax by \$1 per pack, increases the tobacco products tax and makes changes in corporate franchise tax provisions.

Committee Chair Lawrence Pogemiller (DFL-Mpls.) said at the beginning of the hearing, "It is very clear that this is where we have a philosophical parting of the ways." He said the governor's plan increases fees and property taxes, but that the work done by Senate finance divisions has made it clear that there is a need for revenue increases to blunt the deep cuts in state services.

Sen. Julianne Ortman (R-Chanhassen) countered, "I don't think it is the governor's intention to raise property taxes and I don't think it is fair to assume there will be property tax increases. He has indicated in his budget that property taxes do not need to be increased." Sen. William Belanger (R-Bloomington) added, "It is a local decision to raise taxes."

Pogemiller responded, "It is the majority caucus' position that we should not force local governments to solve the state budget problem which is what will happen if the governor's cuts to local government aids are enacted."

Hottinger said, "The governor admits there will be property tax increases, but the Senate DFL proposal reflects accountability and sets forth alternatives." He added, "The bill gives Minnesotans an opportunity for everyone to share in the solution—even the more affluent." Hottinger said the majority budget proposal reflects care for others and maintains the state's effort for the common good that has served to make Minnesota great. "The key is balance," Hottinger said.

The bill raises \$1.395 billion in revenue for the biennium. Under the proposal a new tax rate of 9.4 percent is created for a fourth individual income tax bracket. The higher rate applies to married taxpayers filing joint returns with a taxable income over \$200,000 and for single taxpayers with a taxable income over \$113,120. The measure also establishes a throw back rule for the corporate franchise tax, reduces the deduction for dividends received by corporations and alters the requirements for qualifying as a



***Reflected in the high gloss finish of a rear fender of a restored 1940 Ford Deluxe Coupe, visitors to the Capitol make their way up the front steps. The car was one of several on display, Tues., Apr. 29, as part of the Minnesota Street Rod Association's Day at the Capitol.***

Photo by David J. Oakes

foreign operating corporation. The measure also increases the tax on cigarettes by \$1 per pack and increases the excise tax on tobacco products other than cigarettes from 35 percent to 60 percent of the wholesale price.

Pogemiller said the committee would not take formal action on the bill, but would begin hearing testimony on the measure.

The first person to speak on the bill, Tom Lehman of the Minnesota Hospital Association, said the association strongly supports the increase on the cigarette tax. He said an increase in the cigarette tax is beneficial in both the short and long term because increased prices discourage youth smoking in the short term and fewer people smoking lowers future health care cost. In addition, Lehman said the increased revenue allows the state to mitigate some of the cuts in the governor's budget. "Cutting 68,000 people from health care doesn't stop people from needing health care," Lehman said. Safety net hospitals are facing reductions that will be eased by the cigarette tax, he said.

Duane Benson, executive director, Minnesota Business Partnership, spoke in opposition to the bill. "Now is probably not a good time to raise taxes," Benson

said, "Unemployment is rising, consumer confidence is lagging and sluggish corporate profits point to a struggling economy." He said if corporate taxes are raised, there will be less corporate activity, less in wages, less in job growth and less investment. "Corporate taxes are very regressive taxes; the costs will be borne by somebody—the wage earner, the shareholder or the consumer," Benson said.

Bill Blazar, Minnesota Chamber of Commerce, also spoke in opposition. "It is important to keep in mind that the state's economy remains fragile. We are fearful that any tax increase will prolong the time needed for recovery," Blazar said. He said the Minnesota Chamber is opposed to any increase in corporate or income taxes.

### **Editors' note**

Friday floor action is not included in this week's issue. Look for updates on the floor action in next week's *Senate Briefly* or on the web site under daily updates.

### **Schedule available on-line**

The Senate schedule for next week is available online:

<http://www.senate.mn/schedule/2003/0505.htm>

# Committee update

## Finance

### State government budget bill ok'd

A measure appropriating almost \$570 million in FY 04-05 to fund the operations of state government and criminal justice was approved by members of the Finance Committee, Fri., Apr. 25.

Sen. Jane Ranum (DFL-Mpls.), chair of the State Government Budget Division, said the proposal includes many of the governor's recommendations for agency budgets. The measure also includes policy provisions contained in numerous bills referred to the division, she said. Among the measures included in the proposal are S.F. 1106, enacting the recommendations of the CORE report, S.F. 904, prohibiting the leasing of a vehicle for the exclusive use of a state official, S.F. 344, making changes to the state's professional/technical contract regulations, and a requirement for the Bureau of Criminal Apprehension to

establish and maintain a web site containing public criminal history data, S.F. 840. Ranum said the proposal does not cut as deeply into appropriations for the judiciary and public safety as the governor's proposal. The courts have a special constitutional responsibility, she said, that the state must remain committed to funding. She characterized deep cuts to civil legal services as penny-wise and pound-foolish, and said it is irresponsible to suggest the state back away from its responsibilities as part of the court takeover.

Committee members approved several amendments offered by Ranum, including an amendment making technical changes to the proposal so that it conforms to other budget documents. Two Ranum amendments deleted provisions in the measure that must be examined by other committees, including a proposed constitutional amendment to permit bonding for information technol-

ogy. Constitutional amendment proposals are under the jurisdiction of the Committee on Rules and Administration.

Sen. David Knutson (R-Burnsville) offered an amendment making changes to state regulations of large risk alternative rating option plans and increases a fee relating to the filing of forms with the Dept. of Commerce. Knutson said the interested parties, including the department and the insurance industry, have worked out the language. Beverly Turner, representing the St. Paul Companies, said the amendment essentially cleans up provisions enacted into law last year. Patrick Nelson, deputy commerce commissioner, said the fee increase in the amendment permits the department to retain employees for insurance regulation. However, committee staff said the appropriations in the amendment put the bill out of fiscal balance. Knutson withdrew the amendment. Members also considered an amendment appropriating



Senators Michelle Bachmann (R-Stillwater), left, and Richard Cohen (DFL-St. Paul) consult in the Senate Chamber during the Mon., Apr. 28, floor session.

Photo by David J. Oakes



money to the commissioner of administration for collecting 911 surcharges. The amendment, offered by Knutson, was defeated.

Sen. Dallas Sams (DFL-Staples) offered an amendment preventing the Dept. of Public Safety from relocating emergency response team (ERT) equipment from Duluth. Barbara Cox, DPS, said cities with ERT teams have already been informed that the department does not plan on relocating the equipment. Members adopted an amendment to the amendment, offered by Knutson, expanding the prohibition to all four ERT cities—Duluth, Moorhead, Rochester and St. Paul. The panel then adopted the amendment.

Knutson also offered an amendment changing the definition of a lobbyist to exclude individuals who urge others to communicate with public officials. He said the amendment essentially excludes employees of organizations who communicate with organization members, but do not themselves lobby officials. A representative of Education Minnesota spoke in support of the amendment, saying the new definition reduces the number of persons required to register as lobbyists on its behalf from 78 to 8. However, Ranum said the amendment is a policy issue, not a finance issue, and should be considered in the Rules and Administration Elections Subcommittee. She noted that the governor did not include the policy change in his budget recommendations, but rather included a fee schedule to make the Campaign Finance and Public Disclosure Board self-supporting. Knutson replied that he was comfortable combining the fee schedule with the policy change. The amendment was defeated.

Members approved a motion recommending that Committee Chair Richard Cohen (DFL-St. Paul) introduce the budget proposal as a committee bill.

### **Omnibus environment, ag and economic development bill gains**

The second portion of the hearing Fri., Apr. 25, was devoted to discussion of the omnibus environment, agriculture and economic development funding proposal. Sen. Dallas Sams (DFL-Staples), chief sponsor of the package, said the measure restores many of the cuts made by the governor's proposal that would have crippled environmental, agricultural and

economic development programs in the state. Members heard a detailed explanation of the proposal that appropriates \$451.5 million from the general fund to the environment, natural resources and agriculture areas and \$294 million from the general fund for economic development agencies and programs. The measure restores several environmental programs and workforce development programs, Sams said.

Members adopted several technical amendments. In addition, Sams offered an amendment incorporating a Dept. of Economic of Trade and Economic Development housekeeping bill. The amendment was adopted. Sams also offered an amendment to appropriate more money for housing. The measure increases the appropriation by about \$4 million each year of the biennium. Cohen said the amendment was an attempt to provide additional support for transitional housing. The shifting of accounts between divisions caused some confusion and the removal of TANF funds created a hole in transitional housing funding, Cohen said. The amendment was adopted.

Sen. Steve Dille (R-Dassel) offered an amendment to alter the funding for the displaced homemaker fund. Dille said the increase in the marriage license fee used to fund the program makes Minnesota's marriage license fee one of the highest in the nation. Under the amendment, the program is funded with a \$10 increase in the marriage license fee and the balance from the workforce development fund. Members adopted the amendment.

The committee approved the motion to recommend passage for the measure and introduction as a committee bill.

### **Two omnibus bills advance**

Four measures gained the approval of members of the Finance Committee, Tues., Apr. 29. Two of the proposals were budget packages, for transportation and health, human services and corrections.

Sen. Linda Berglin (DFL-Mpls.) presented the work of the Health, Human Services and Corrections Budget Division. She said the proposal does not eliminate the General Assistance Medical Care program and does not force people off the MinnesotaCare program, as the governor's proposal did. Also different from the governor's plan, she said, is that the proposal does not impose \$55 million in co-pays on low-income Minnesotans and

does not lower continuing care reimbursement rates for nursing homes. Berglin said the proposal continues funding for programs important to many Minnesotans, including services for pregnant women and Meals on Wheels. The proposal also provides grants to counties to help them house the state's short-term offenders, she said. The package directly appropriates almost \$10 billion in FY 04-05, with over \$8.5 billion of that amount coming from the general fund. Total spending in this budget area for FY 04-05 is about \$20 billion, coming from various sources, including the federal government. The proposal was approved for introduction by Sen. Richard Cohen (DFL-St. Paul), as a committee bill.

The omnibus transportation package was presented by Sen. Dean Johnson (DFL-Willmar). The plan provides over \$4.25 billion for transportation and transit in FY 04-05. The measure includes \$2.77 billion from the trunk highway fund, \$176 million from the general fund, \$983 million for county state aid highways (CSAH) and \$259 million for municipal state aid streets. The proposal also includes policy changes included in several bills heard by the transportation budget division, chaired by Johnson. He said the package provides over \$2.1 billion for transportation and transit over the next five years. With the growth in the state's population, and the increase in driving, Johnson said, the state needs more money put into its transportation infrastructure. The package includes a five-cent gas tax increase, he said, providing about \$160 million per year. A change in license tab fees, Johnson said, nets an additional \$95 million in FY 04 and \$105 million in FY 05. He said the proposal does not include the service cuts—such as reduced striping and plowing and the closing of rest areas—proposed by the governor. The plan also includes a modification of the CSAH formula. The new CSAH system applies the current formula to funds from the current gas tax, but a new formula—apportioning money 10 percent equally, 10 percent based on lane-miles, 30 percent based on population and 50 percent based on needs—applies to revenue from the gas tax increase.

Members adopted an amendment, offered by Sen. Keith Langseth (DFL-

# Committee update

Glyndon), making changes to driver's license provisions in the proposal. The proposal requires driver's license applicants to prove their identity and residency, establishes requirements for documenting residency, requires full face photos to appear on the license, requires the licenses of short-term visitors to expire on the expiration date of their visa and requires the reissuance of status-check licenses, without the status-check notation, if requested by the license holder. The amendment limits the commissioner of public safety's rulemaking authority and does not codify rules promulgated by the commissioner last year, in addition to incorporating provisions similar to those in the proposal. Sen. Mark Ourada (R-Buffalo) spoke against the amendment, saying the language in the measure was a compromise reached by Legislators on both sides of the issue, the department and interested parties. The amendment, he said, is not a compromise between anyone, but represents a new proposal that is significantly different from the previous language. The amendment was approved, 11-6. Committee members approved the transportation package, recommended it be introduced as a committee bill and be referred to the Committee on Taxes on a 11-5 vote.

Two other bills also gained committee approval. S.F. 972, sponsored by Sen. Thomas Neuville (R-Northfield), requires all applicants for driver's licenses and game and fish licenses to provide their Social Security numbers. Without the requirement, Minnesota stands to lose about \$350 million in annual federal funding for temporary aid to needy families and child support, said Mark Fiddler of the Dept. of Human Services. S.F. 552, authored by Sen. Wesley Skoglund (DFL-Mpls.), is the annual claims bill. Discussion of the measure centered primarily on a claim to be paid for the restoration of drainage tiles on a Nicollet County farm. Laurie Martinson said the Dept. of Natural Resources opposes the payment of the claim and believes it will have a chilling effect on the department's ability to protect wetlands. However, Sen. Steve Murphy (DFL-Red Wing) said the Joint Subcommittee on Claims reviewed the facts and decided the DNR overstepped its bounds in the case. Committee members advanced both measures to the full Senate.

## Health and Family Security

### Appointments approved

The Health and Family Security Committee, chaired by Sen. Becky Lourey (DFL-Kerrick), met Thurs., May 1, to take action on two gubernatorial appointments.

The appointments of Dianne Mandernach as the commissioner of health and of Kevin Goodno as the commissioner of human services were both approved.

Mandernach said she found the appointment as commissioner both humbling and gratifying. She said she hopes the administration and the Legislature will work together to improve the health of all Minnesotans. She said the department's goals are to protect, maintain and improve the health of Minnesota's citizens. Mandernach said she has identified five priority areas to focus the department's actions: eliminating racial and ethnic health disparities; preparedness; mental health issues; nursing home regulatory issues; and rural health care issues.

Goodno said the Dept. of Human Services primary goal is to provide a safety net for the most vulnerable citizens. "I know we all have the same goal—doing the best for citizens," Goodno said. He said the relationship between the department and counties is critical to insure delivery of the best services possible to clients. Goodno also stressed the importance of cooperation with other agencies and the Legislature.

Both appointments were advanced to the full Senate for confirmation.

## Health, Human Services and Corrections Budget Division

### Proposals considered for omnibus health and human services bill

Members of the Health, Human Services and Corrections Budget Division held a marathon hearing Fri., Apr. 25, to finish reviewing bills for inclusion in the division's omnibus bill. The panel, chaired by Sen. Linda Berglin (DFL-Mpls.), began by discussing several proposals for inclusion in the omnibus measure. The first proposal, the ticket to work amendment, requires the commissioner of

human services to seek federal funding to participate in grant activities authorized under the federal Ticket to Work and Work Incentives Improvement Act of 1999. Under the proposal, the funds are to be used to establish a demonstration project to improve the availability of health care services and benefits to workers with potentially severe physical or mental impairments that are likely to lead to disability without access to Medicaid services and a comprehensive initiative to remove employment barriers that includes linkages with non-Medicaid programs. The second proposal provides for a provider premium surcharge. The third proposal permits the commissioner of human services to participate in a multistate preferred drug list and supplemental rebate program to reduce costs and improve the Medical Assistance program. The fourth proposal is for a prior authorization list for diagnosis and treatment similar to the Oregon plan for health coverage. Under the proposal, the commissioner of human services and the commissioner of health are to develop a list of services that are not eligible for reimbursement. The final proposal makes changes in employer sponsored insurance. The proposals were approved for inclusion in the omnibus bill.

In other action, members also considered several bills for inclusion in the omnibus bill or for advancement to the full Finance Committee. S.F. 1044, carried by Berglin, modifies the finances and services of the public defense system and provides for alternative placements for certain mentally ill offenders. S.F. 335, also sponsored by Berglin, extends food assistance for certain noncitizens, modifies MFIP exemptions and extensions and modifies MFIP sanctions. S.F. 985, carried by Sen. Becky Lourey (DFL-Kerrick), modifies provisions for alcohol and drug counselor licensure and creates the Board of Alcohol and Drug Counselors. S.F. 1042, sponsored by Sen. Brian LeClair (R-Woodbury), is the Dept. of Human Services technical bill. S.F. 1119, carried by Sen. Steve Murphy (DFL-Red Wing), allows a licensing change in Goodhue County to an existing ICF/MR. S.F. 1006, authored by Sen. Sandra Pappas (DFL-St. Paul), increases Medical Assistance reimbursement rates for certain outpatient rehabilitation services. All of the measures were approved for inclusion in the omnibus bill.





*Members of the New Ulm battery stand at the ready on the front lawn of the Capitol prior to firing their cannons during a celebration of Freedom Day, Thurs., May 1.*  
Photo by David J. Oakes

Two measures were advanced to the full Finance Committee. S.F. 771, authored by Sen. Satveer Chaudhary (DFL-Fridley), provides for studies of ways to reduce long-term care costs to the state. S.F. 1019, authored by Sen. Steve Kelley (DFL-Hopkins), creates an adverse health care events reporting system. The measure requires health care facilities to report specific events and submit findings from root cause analysis and corrective action plans.

Members also heard, but took no action, on several additional bills. S.F. 832, sponsored by Foley, provides for an appropriation for the new chance program. The program provides services to young parents in Hennepin County who have dropped out of school and are receiving public assistance. S.F. 1322, sponsored by Lourey, requires a provider that intends to make expenditure in excess of \$1 million for the acquisition of a unit of medical equipment or in excess of \$1 million for the purposes of providing health care services must file a report with the commissioner. The omnibus family

law bill, S.F. 758, was also heard. The measure, sponsored by Sen. Thomas Neuville (R-Northfield), makes changes to the child support laws, includes the income of both parents when determining child support, and makes numerous other changes. In addition, the measure contains bills that exempt harassment restraining order actions from mandatory alternative dispute resolution, provides for alternative forms of marriage solemnization, modifies provisions dealing with the distribution of pension plan assets or benefits, provides for the modification of support obligations of persons called into active military service and modifies provisions under the child maltreatment reporting law.

### **Omnibus bill advanced**

The Health, Human Services and Corrections Budget Division held an evening hearing Mon., Apr. 28, to put the finishing touches on the omnibus funding package. Members heard several bills and added the measures to the omnibus proposal as amendments.

S.F. 1322, authored by Sen. Becky Lourey (DFL-Kerrick), provides for reporting and review of medical provider expenditures of more than \$1 million. S.F. 609, sponsored by Sen. David Knutson (R-Burnsville), provides for a planned closure rate adjustment for a specific nursing facility. S.F. 1303, carried by Lourey, for grants to purchase and place cemetery grave markers or memorial monuments that include the available names of individuals at cemeteries located at regional treatment centers. S.F. 759, sponsored by Sen. Dallas Sams (DFL-Staples), authorizes an appropriation for mental health counseling for farm families. S.F. 544, sponsored by Division Chair Linda Berglin (DFL-Mpls.), requires the Minnesota Board on Aging to establish and administer a prescription drug assistance program to help individuals in accessing programs offered by pharmaceutical manufacturers that provide free or discounted prescription drugs or provide coverage for prescription drugs.

# Committee update

Members also adopted additional amendments before approving the proposal and advancing the measure to the full Finance Committee.

## Drug rebate program approved

A bill establishing a drug rebate program was approved by members of the Health, Human Services and Corrections Budget Division at the Wed., Apr. 30, meeting.

Chief sponsor, Sen. John Hottinger (DFL-St. Peter), said the Fair Drug Pricing Act gives the uninsured the same negotiating power as HMOs and others have in getting fair drug prices. S.F. 535 provides that drug manufacturers must provide a rebate equal to the rebate provided under the Medical Assistance program for any prescription drug that is purchased by an enrolled individual at a participating pharmacy. Further, the bill specifies that a participating pharmacy

must sell a covered prescription drug at the pharmacy's usual retail price, minus an amount that is equal to the rebate. Hottinger said opponents have said the state should wait for the federal government to take action, but that the federal government has yet to act.

Robert Vanasek, representing the Pharmaceutical Research and Manufacturers Association, spoke in opposition to the measure. "We question why, in a time of shortfall, the state should embark on a new program," Vanasek said. He also said the association questions whether or not the bill is constitutional. Hottinger responded that a similar law in Maine has been upheld at the appellate court level, but will be heard by the U.S. Supreme Court.

Members discussed an amendment to require individuals to explore other drug discount programs before becoming eligible for the drug rebate program. Sen. Linda Berglin (DFL-Mpls.) offered an

amendment, which was adopted, as a place holder while further discussions on the topic take place. Members also adopted an amendment limiting eligibility to those with a gross income under 250 percent of the federal poverty level.

However, members later reconsidered the amendment and removed it from the bill. The bill was advanced to the full Finance Committee on a 7-2 roll call vote.

In other action, the division, chaired by Berglin, took action on several additional bills. S.F. 514, authored by Sen. Wesley Skoglund (DFL-Mpls.), prohibits the theft of mail and provides a venue for identity theft and theft of mail. Skoglund said identity theft is one of the fastest growing crimes and the bill provides penalties for offenders who steal bills or bank statements from mail boxes. The division adopted an amendment reducing the penalty from a felony to a gross misdemeanor. The measure was advanced to the full Finance Committee.



*Former Secretary of State Joan Growe, left, makes an appearance in front of the Rules and Administration Subcommittee on Elections, Wed., Apr. 30, to testify in favor of a bill proposed by Sen. Linda Scheid (DFL-Brooklyn Park), right, that moves state primary elections from September to June.*

Photo by David J. Oakes



S.F. 425, carried by Sen. Don Betzold (DFL-Fridley), establishes administrative hearings procedures for human services appeals. Betzold said the department has been required by the federal government to provide for an appeal process since the 1970s. However, he said the bill sets forth a uniform process across the state. He said he was unclear about the necessity for a fiscal note because the law has been in place for many years and the bill does not create a new mandate. Members approved the measure and advanced it to the full committee.

Members also approved S.F. 758, the omnibus family law bill. The measure, authored by Sen. Thomas Neuville (R-Northfield), reforms and recodifies the law relating to marriage dissolution, child custody, child support, and maintenance and property division. The bill also provides for determination of child support using the income of both parents. In addition, the bill provides for alternative forms of marriage solemnization and provides for modifications of support obligations of persons called to active military service. The bill was advanced to the full Finance Committee.

The division also approved and sent to the full committee three bills sponsored by Sen. Sheila Kiscaden (IP-Rochester). S.F. 1215 changes the deadline, to Aug. 1, 2006, for an agreement between the governor and the federal Nuclear Regulatory Commission for the assumption of regulatory authority over nuclear materials. S.F. 304 establishes the Board of Licensed Professional Counseling, requires professional counselors to be licensed and abolishes the Office of Unlicensed Mental Health Practitioners. S.F. 1066 regulates the issuance of social work licenses and the payment of fees.

One measure was laid on the table. S.F. 1351, authored by Berglin, recognizes the Sandy Lake Band of Mississippi Chippewa as a state-recognized Indian tribe. Members of the Sandy Lake Band spoke in support of the measure and said that the band had been erroneously assigned to the Mille Lacs lake reservation, but did not receive any benefits. Division members questioned the appropriate jurisdiction for the bill. Kiscaden moved that the bill be laid on the table. She said she hoped that Berglin would make a motion on the floor of the Senate to withdraw the bill from the Finance Committee and send the bill to a more appropriate panel.

## Judiciary

### Appointments approved

The Judiciary Committee, chaired by Sen. Don Betzold (DFL-Fridley), met briefly Wed., Apr. 30, to consider three gubernatorial appointments. Members approved the appointment of Velma Korbek as commissioner of the Dept. of Human Rights. In addition, the panel approved the appointments of Elizabeth Hepola and Robert M.A. Johnson to the Board of Judicial Standards.

## Rules and Administration

### Caucus date change advances

A bill advancing the dates of precinct caucuses and the primary election was advanced to the full Rules and Administration Committee by the Subcommittee on Elections at a Wed., Apr. 30, hearing. S.F. 1437, authored by Sen. Linda Scheid (DFL-Brooklyn Park), moves the date of precinct caucuses to the third Tuesday in February and moves the date of the state party nominating election and primary to the third Tuesday in June. Scheid said the bill has the support of both major political parties and the governor. "The bill improves citizenship and allows people to become more engaged in the elections process," Scheid said. The bill was approved and advanced to the full committee.

In other action, the subcommittee, chaired by Sen. Linda Higgins (DFL-Mpls.), also approved a bill altering campaign financing. S.F. 998, authored by Sen. John Hottinger (DFL-St. Peter), increases disclosure of campaign contributions to candidates, encourages candidates to accept only clean money for the political campaigns, limits campaign contributions and expenditures and increases public subsidies for state candidates who agree to limit the sources and amounts of contributions to their campaigns. Hottinger said the bill is designed to replace the current system for public financing with a new system which is designed to provide full funding of public campaigns.

Hottinger outlined the bill, known as the Fair and Clean Elections Act, by using a state Senate campaign as an example. The bill requires state Senate candidates to collect 360 contributions of \$5 to \$50 from individuals eligible to vote in

Minnesota in order to qualify for public funds. In addition, candidates may contribute up to \$500 to their own campaigns and may spend up to \$8,000 from privately raised funds on campaign expenditures before qualifying for public funds. After qualifying for a public subsidy, the candidate receives \$7,400 to be used in getting party endorsement. Under the measure, if there are independent expenditures for an opponent, the candidate receives one half of what was spent in additional public matching funds. The maximum amount that a state Senate candidate could receive to match independent expenditures would be \$37,000. In addition, the bill provides that if a candidate runs against an opponent who does not participate in public funding, the candidate may receive additional matching funds. The bill also specifies that a political party participating in the political contribution refund program may not make independent expenditures on behalf of a candidate.

Members also approved two additional bills. S.F. 940, authored by Sen. Warren Limmer (R-Maple Grove), prohibits the state or a political subdivision from using public funds to promote or defeat a ballot question. S.F. 10, authored by Sen. John Marty (DFL-Roseville), requires disclosure of economic interests of independent contractors and consultants and requires the full disclosure of the total costs of lobbying. The measure also includes an employee of a public higher education system who spends more than 50 hours in any month lobbying in the definition of lobbyist.

### HAVA conformity okayed

Members of the Rules and Administration Subcommittee on Elections, meeting Thurs., May 1, approved a bill conforming Minnesota's election laws with a new federal law. The panel, chaired by Sen. Linda Higgins (DFL-Mpls.), advanced the measure to the full Rules and Administration Committee.

S.F. 986, sponsored by Sen. Charles Wiger (DFL-North St. Paul), is the bill that conforms state law with Public Law 107-252, the Help America Vote Act of 2002 (HAVA), primarily by revising the statewide voter registration system. About \$48 million of federal money is available to the state for HAVA implementation, and the state must match the federal

# Committee update

funds with about \$2 million of state money. The combined \$50 million must be put in a separate account, under the federal law, which is created in the Senate omnibus state government appropriations bill.

Members adopted several amendments to the bill, some of which were technical in nature. However, discussion centered around four substantive amendments. One, offered by Higgins, provides that any election judge, while serving on election day, is a notary public for the purposes of the federal law. HAVA requires a complaint procedure that includes the filling out of a complaint form at the polling place. Higgins said the amendment will prevent voters who wish to file a complaint from having to search for a notary public. Higgins also offered an amendment expanding the definition of electronic voting system to include touch-screen voting. The amendment also requires any electronic voting system to provide voters with the opportunity to review and change their votes before the ballot is counted and to produce a permanent, official, paper record of the ballot for recount procedures. Higgins said the paper record is meant to address the possibility of power failures or surges that may wipe out electronic records of ballots cast. Scott Simmons, Office of the Secretary of State, said touch-screen voting systems are not the only form of direct recording electronic (DRE) systems. He suggested the amendment be revised to provide for any of the competing technologies in the field of DRE voting. Members adopted language incorporating his suggestion and adopted both amendments.

The panel also adopted an amendment, offered by Sen. Warren Limmer (R-Maple Grove), removing all references to Social Security numbers from the bill. HAVA requires voter registration applications to include the applicant's driver's license number, or if the applicant has no driver's license number, the last four digits of the applicant's Social Security number. Limmer said the state does not use Social Security numbers except for tax identification purposes. The federal government is going too far in its use of Social Security numbers, he said. Limmer said S.F. 986 does not make clear what data privacy status Social Security number used for voter registration will have. Simmons spoke against the amend-

ment, saying it represents a direct violation of the federal law.

Sen. Dave Kleis (R-St. Cloud) offered an amendment requiring school boards with more than two candidates for a seat, or more than twice as many candidates as are open at-large school board seats, to hold a primary. Kleis said that at the last general election, his school district had 12 candidates for 3 school board seats, and the top vote getter received about 13 percent of the vote. The provision is meant to require school districts in similar situations to hold a primary to narrow the field before the general election, he said. After some discussion, Kleis withdrew the amendment. He said he intends to have the amendment offered to another bill in the full Rules and Administration Committee, but wanted the subcommittee to consider the proposal.

## Taxes

### Bills considered

The Fri., Apr. 25, meeting of the Tax Committee was devoted to consideration of a variety of bills. The panel, chaired by Sen. Lawrence Pogemiller (DFL-Mpls.), advanced several measures to the floor and began consideration of the governor's tax bill.

S.F. 748, sponsored by Sen. William Belanger (R-Bloomington), contains the provisions lowering the amount of local government aid cities and local units of government receive from the state. The measure also establishes levy limits, makes the sales tax accelerated June liability provisions permanent and provides for cash flow and budget reserve amounts. The committee laid the bill over for further discussion.

The panel did advance several bills to the full Senate. S.F. 755, authored by Sen. Richard Cohen (DFL-St. Paul), prohibits state agencies from entering into contracts with corporations if the corporation is incorporated in a tax haven country and the U.S. is the principal market for the public trading of the corporation's stock. S.F. 579, sponsored by Sen. Dallas Sams (DFL-Staples), establishes the Central Lakes Region Sanitary Sewer District. S.F. 829, sponsored by Sen. Scott Dibble (DFL-Mpls.), makes a number of changes relating to the Metropolitan Council. The bill establishes a division committee for parks on the Met Council, provides for direct charging of industrial dischargers

for wastewater treatment user fees and repeals some obsolete provisions.

S.F. 392, carried by Sen. Steve Murphy (DFL-Red Wing), updates soil and water conservation district provisions. The measure was amended to retain tax related provisions in the committee and send the policy provisions on to the full Senate.

S.F. 823, sponsored by Sen. Leo Foley (DFL-Coon Rapids), providing that government units are not required to pay defendants' attorney fees for certain appeals, was laid over.

Finally, S.F. 1465, carried by Pogemiller, did not gain the committee's approval.

The bill eliminates the authority of the state auditor to enforce the tax increment financing laws.

## Local aid discussed

The Tax Committee, chaired by Sen. Lawrence Pogemiller (DFL-Mpls.), met Tues., Apr. 29, to continue discussion on the governor's tax proposal. The bill, S.F. 748, sponsored by Sen. William Belanger (R-Bloomington), changes local government aids, provides for levy limits, makes the sales tax accelerated June liability provisions permanent, provides for cash flow and budget reserve accounts and authorizes the delay of payments to cities and counties.

Discussion in the hearing centered on the cuts to local government aids. Members discussed charts prepared by department staff and Senate staff outlining the percentage decrease for each Minnesota county. No action was taken on the measure.

## E-12 bill advanced

Members of the Tax Committee met Wed., Apr. 30, to consider the omnibus appropriations bill for E-12 education. Committee members, chaired by Sen. Lawrence Pogemiller (DFL-Mpls.), removed the appropriations provisions from the bill and advanced only the policy provisions of the measure.

S.F. 1528, carried by Sen. LeRoy Stumpf (DFL-Thief River Falls), represents the work of the E-12 Education Budget Division. Stumpf said the panel had a target of almost \$12.045 billion. The bill, he said, provides about \$91 million more than the governor's proposal, and does not require property tax



increases. Stumpf and Fiscal Analyst Eric Nauman reviewed the provisions of the bill, especially those relating to property tax levies.

Committee members considered several amendments. One, offered by Sen. David Tomassoni (DFL-Chisholm), removes reverse referendum requirements from the measure. An amendment, offered by Sen. Julianne Ortman (R-Chanhassen), requires school districts with a levy referendum on the November ballot to publish their audited financial statements by October 1. Current law requires all districts to publish the statements by November 30. Ortman said the amendment makes sure voters have accurate information about district finances before they vote on a levy referendum. However, Bob Meeks of the School Board Association said auditors already have a hard time meeting the November 30 deadline. Moving the deadline up 60 days, he said, may have tremendous, unintended consequences, including endangering the construction of school buildings. Both amendments were adopted.

Tomassoni also offered the amendment removing the appropriations from the bill. Sen. William Belanger (R-Bloomington) said the proposal will unnecessarily complicate final negotiations with the other body and the governor. However, Pogemiller said the plan is to link the source of funds for education to the appropriation of those funds. Members adopted the amendment, along with two amendments to the appropriations language. Sen. Rod Skoe (DFL-Clearbrook) offered an amendment reducing lease aid payments to charter schools. Sen. Steve Murphy (DFL-Red Wing) offered the other amendment, reducing the maintenance of effort requirement for libraries to 90 percent of the previous year's spending.

Members then advanced S.F. 1528, the policy provisions, to the full Senate and approved a motion to include the appropriations portions in the second omnibus tax bill.

In other action, members considered several other measures for inclusion in the second omnibus tax bill. S.F. 1394, sponsored by Tomassoni, updates mineral taxation provisions to modern practices, including an integrated mining and refining process. The bill was approved for inclusion in the omnibus bill.

Five measures were laid over for possible inclusion in the omnibus bill. Sen. Mee Moua (DFL-St. Paul) authored S.F. 1492, which provides an income tax credit for affordable housing contributions. Another bill relating to mining, S.F. 476, was carried by Sen. Thomas Bakk (DFL-Cook). The measure changes the computation for the mining occupation tax rate. S.F. 1499, authored by Sen. John Marty (DFL-Roseville), limits the deduction for mortgage interest to \$25,000 per year. Moua also sponsored S.F. 1520, which eliminates various wholesalers' discounts given to cigarette distributors for their role in the collection of tobacco taxes. Sen. Satveer Chaudhary (DFL-Fridley) carried S.F. 1221, which requires employers to make a good faith effort not to misrepresent employees as independent contractors.

Members also considered another Chaudhary bill, but did not approve it for inclusion in the omnibus bill. S.F. 1498 permits the city of New Brighton to impose a one percent tax on the sale of intoxicating beverages, either on-sale or off-sale, to fund community policing efforts. Committee members expressed concern that the proposal represents a significant change in tax policy and the funding of local public safety.

### **Transportation package okayed**

The Tax Committee met Fri., May 2, to take action on the omnibus transportation funding package. The committee, chaired by Sen. Lawrence Pogemiller (DFL-Mpls.), concentrated primarily on the tax provisions in the bill.

The measure, carried by Sen. Dean Johnson (DFL-Willmar), contains a 5 cent per gallon gasoline tax increase and alters the registration tax schedule. Johnson said the new license tab schedule essentially undoes the schedule put in place during the Ventura administration. Johnson said the bill raises a total of \$519 million for the biennium, with \$200 million from the new license tab schedule and \$319 from the gasoline tax increase. He said \$151 million is earmarked for transit and \$383 million for highways. Of the \$383 million, \$226 million is for trunk highways, \$124 million is for county state-aid roads and \$33 million is for municipal state aid roads. In the area of transit, of the \$151 million, \$75 million is slated for Metro Transit, \$14 million for Greater Minnesota transit and \$62 million for transitways.

Discussion on the bill, though, centered on a provision allowing municipalities to impose a transportation utility fee. Jack Horner, representing the Minnesota Multi-Housing Association, said the fee is, in fact, a tax based on trips generated. Under the bill, municipalities may impose the transportation utility fee against property, calculated on the relationship of the revenues the municipality proposes to generate and a trip generation rate for each type of land use. The bill specifies that revenue must be used for projects for reconstructions, facility upgrades and maintenance. Horner said the formulas used to calculate the fees are very complex and may result in a lack of fairness and the creation of a whole new bureaucracy. "It is a massive undertaking and contains potential for trouble," Horner said.

Anne Finn, League of Minnesota Cities, said the fee is optional and is another tool for financing road improvements.

Amber Backhaus, Minnesota Trucking Association, also spoke against the provision. She said the provision was also opposed by a variety of other organizations, including the Minnesota Retailers Association.

Sen. Julianne Ortman (R-Chanhassen) offered an amendment to remove the provision. The amendment was adopted on a voice vote.

Members also approved an amendment authorizing exceptions to logging truck weight limits. Sen. David Tomassoni (DFL-Chisholm) said the amendment was intended to be included in the omnibus package, but had been left out unintentionally.

The omnibus package was advanced to the full Senate.

## **Transportation Policy and Budget Division**

### **Left lane driving restrictions ok'd**

A provision requiring drivers to stay out of the left lane on laned highways was approved by members of the Transportation Policy and Budget Division, Fri., Apr. 25, as the panel considered amendments to its omnibus budget bill. The requirement is contained in an amendment offered by Sen. Mike McGinn (R-Eagan).

# Committee update



*From left to right, Senators Mike McGinn (R-Eagan), David Knutson (R-Burnsville) and Dick Day (R-Owatonna) strategize during the Mon., Apr. 28, Senate floor session.*

Photo by David J. Oakes

McGinn said the amendment is intended to maintain the free flow of traffic on the state's highways and backs up the authority of signs that already urge slower-moving drivers to keep right. The amendment specifically bans driving in the left lane except when it is necessary to yield to emergency vehicles, to reach a left highway exit, to pass slower-moving traffic or when it is possible to drive in the left lane without obstructing traffic. Senate Counsel advised division members that violation of the provision is a petty misdemeanor. Anne Beers, chief of the State Patrol, said the phenomenon of drivers obeying the speed limit while in the left lane, but simultaneously obstructing faster-moving traffic, is a dilemma for law enforcement. While drivers are obeying the law by staying within the speed limit, she said, they may also be obstructing traffic and increasing the frustration of other drivers.

McGinn also offered an amendment proposing a constitutional amendment to dedicate motor vehicle sales tax (MVST) revenues to transportation and transit

purposes. A ballot question on the constitutional amendment will appear on the 2004 general election ballot and the dedication of MVST funds begins in FY 08, under the amendment. Under current law, MVST revenue is apportioned so that 32 percent goes to the highway user tax distribution fund, 20.5 percent goes to the Metropolitan Area transit fund, 1.25 percent goes to the Greater Minnesota transit fund and 53.75 percent goes to the general fund. The amendment apportions the money so that 32 percent goes to the highway user tax distribution fund, 23 percent goes to the major highway projects account in the trunk highway transit funds. Carolyn Jones, Minnesota Chamber of Commerce, said one advantage of delaying the effect of the dedication is that general fund revenues should have turned around by FY 08. However, Sen. Steve Murphy (DFL-Red Wing) said the amendment is irresponsible, because it creates a hole in the general fund of at least \$0.5 billion in FY 08-09. The amendment was defeated on a 4-5 roll call vote.

Members also considered three other amendments. An amendment offered by Murphy, prohibiting the commissioner of transportation from awarding contracts by using a reverse auction process, was adopted. Two amendments were defeated by the panel. One, offered by Sen. Dave Kleis (R-St. Cloud), provides for the calculation of prevailing wage rates by using the average wage, not the highest wage paid to the most number of workers. The other amendment, offered by Sen. Mady Reiter (R-Shoreview), prohibits the commissioner from spending funds for construction or equipment of the Northstar commuter rail line until an agreement has been executed between the commissioner and the Burlington Northern Santa Fe railroad specifying the price to lease the rail line right-of-way. The proposal was defeated on a 2-9 roll call vote.

The division, chaired by Sen. Dean Johnson (DFL-Willmar), took no action on the budget proposal.



# Floor update

Monday, April 28

## 'Shall issue' approved

Senators devoted the bulk of their Mon., Apr. 28, floor session to debate on S.F. 842. Specifically, the discussion centered on accepting amendments to the bill made in the other body. The bill left the Senate as the Dept. of Natural Resources technical bill, but returned with amendments providing for a "shall-issue" standard for pistol permitting and a lifetime ban on the possession of firearms by violent felons.

Sen. Gen Olson (R-Minnetrista), chief author, moved that the Senate concur with the amendments and repass the bill. She said the bill includes a misdemeanor offense for the carrying of a pistol, by a permit holder, on school property and provides a gross misdemeanor offense for the carrying of a pistol without a permit. Permit holders must carry their permit cards and driver's license when carrying their firearms, she said, or they will be fined \$25. The measure requires applicants to complete training in the safe use of a pistol, to be 21 years old, to be a U.S. citizen or permanent resident alien and to complete an application attesting that they are not prohibited from possessing a firearm. Under the bill, sheriffs must provide written notification of the specific, factual basis on which a permit was denied. "The bill will make our pistol permitting system consistent throughout the state," Olson said. She said the measure ensures that only competent, law-abiding citizens possess firearms and that violent felons never will. However, she said, the bill also corrects the unfortunate injustice that arises when law enforcement officials have denied pistol permits to law-abiding citizens who need to carry concealed weapons for their own safety. Olson said she was amazed by opponents' concerns over the people who will go through the permitting process. The people who want to be violent, she said, will not bother to follow the law and get a permit.

To counter Olson's motion, Sen. John Hottinger (DFL-St. Peter) moved that the Senate not concur and, instead, appoint a conference committee. The motion, under Senate Rules, is higher and must be decided upon first. Because of the procedure employed by the other body, he said, the bill as presented is the Senate's

only choice. "The question is whether the number of guns that people carry is the right direction for Minnesota to go," Hottinger said. He said the amendments mean more people will be carrying guns around the state, in its public buildings, and imposing security costs on private businesses, local units of government and sheriffs. "There is no definitive indication that this will improve anybody's personal protection," he said. Sending the bill to a conference committee, Hottinger said, will permit the Senate to consider the bill and some of its details. Even supporters of the measure, he said, say they have concerns about provisions in the bill.

Similar laws have not contributed to increased crime in any of the states that have passed them, said Sen. Pat Pariseau (R-Farmington). Concealed carry laws have not resulted in road rage shoot-outs, she said. The amendments raise the age limit for permit holders and require applicants to be crime-free, she said. Pariseau said the language in the amendments has been discussed and negotiated with parties that have raised concerns, including business and law enforcement. Citizens should be able to decide for themselves, she said, if they need a firearm for their personal protection.

Law enforcement does not always understand the fears of Minnesotans, said Sen. Warren Limmer (R-Maple Grove). "To ignore that fear is to turn your back on reality," he said. Limmer said that when he was a corrections officer in the 1980s, he was followed home by associates of inmates and threatened. In that situation, he said, there was nothing law enforcement could do for him, on the outer limits of Hennepin County. The proposal for a shall-issue law has been refined over time, Limmer said, and represents one of the tightest pistol permitting laws in the nation.

However, Sen. Wesley Skoglund (DFL-Mpls.) said he has been threatened by proponents of the measure. Even his wife and children have been threatened because he does not support the legislation. Skoglund also said the bill has serious flaws in its details, which need to be worked out in a conference committee. He said non-residents can apply for a permit, but cannot be asked for detailed address information for a background check. The measure also lets those who have been convicted of driving while intoxicated get a pistol permit, he said.

Skoglund noted that the measure forbids sheriffs from fingerprinting applicants and allows permit holders to drink up to a blood-alcohol concentration of 0.04.

One of the provisions members discussed in detail was the requirement for private property owners who do not wish to allow guns on their property to post signs to that effect and to personally inform permit holders of that request. The amendments, said Sen. Steve Kelley (DFL-Hopkins), require churches, for example, to inform everyone entering of their desire not to have guns on their premises. However, Olson said the provisions require only permit holders to be told of the no-gun request. Pariseau said the provision is intended to address situations where a permit holder may have inadvertently missed the posted sign. Permit holders will know they need to be looking for signs, she said, but could still miss a posted sign.

Discussion also centered on whether the State Fair is permitted to ban permit holders from carrying guns onto the fairgrounds or into the grandstand. Sen. Ellen Anderson (DFL-St. Paul) said most major performers are reluctant to perform in venues with security risks. Requiring the State Fair to allow permit holders to carry, while also permitting the Target Center or Xcel Energy Center to ban guns, she said, will put the fair at a competitive disadvantage. Sen. Thomas Neuville (R-Northfield) said he was advised that the State Fair is a private organization, and as such, could ban firearms. However, he later revised his statement and said new advice from the State Fair director indicated the fair is a public organization. Neuville also noted that current law does not permit the State Fair to deny permit holders access to the fairgrounds, so no change is being made in law.

Sen. Julianne Ortman (R-Chanhassen) said the overall issue is one of balancing Second Amendment rights and public safety. However, she said, the body's discretion on the issue has been taken away by leadership. Being forced to vote on a bill that has been worked on only in the other body is the price to be paid, Ortman said, for stifling debate and procedurally twisting arms. She said that if the bill becomes law, Legislators who believe provisions need to be refined still have the opportunity to introduce legislation aimed at resolving those issues.

# Floor update

More guns will not make women safer, said Sen. Steve Murphy (DFL-Red Wing). He said statistics in other states show that between 83 and 302 women are killed with their own guns, in various circumstances, for every case of a woman killing with her gun in self defense. Murphy also noted that in Texas, which has a shall-issue law, permit holders are arrested for two crimes per day and about two serious crimes—including murder, sexual assault and kidnapping—per month. However, Neuville said the fears of law enforcement in other communities have not come to pass. In time, he said, law enforcement recognizes that it was wrong in opposing shall-issue laws.

The Hottinger motion, not to concur, was defeated, 31-36. The motion to concur was approved, 36-31. The bill was granted repassage, 37-30, and a motion to reconsider the bill was defeated, 28-39.

In other action, members processed the movement of bills between committees and bill introductions. Sen. Dick Day (R-Owatonna) offered a motion that sparked some debate. Day moved to remove a bill that he is carrying, H.F. 646, from the Tax Committee and bring it to the floor. The measure authorizes a state-run casino at Canterbury Park. Day said the bill has no tax implications and does not belong in the committee. However, Hottinger said the bill was acted upon in the other body's tax committee and does include a tax—a tax on gross receipts in lieu of sales taxes. The motion failed, 29-37.

## Tuesday, April 29

### Major bills advance

The Senate devoted the Tues., Apr. 29, floor session to debate on two of the major spending packages. The environment, agriculture and economic development omnibus bill and the state government omnibus bill were both granted final approval, but only after several hours of discussion.

The omnibus environment, agriculture and economic development measure, S.F. 1523, carried by Sen. Dallas Sams (DFL-Staples), appropriates about \$781 million from various funds for environmental and agricultural programs. The measure also includes \$361 million for economic development purposes. General fund appropriations total about \$745.7 million. Sams said the measure restores

cuts made under the governor's proposal to a variety of programs, but does reduce funding for operations in various agencies. The measure appropriates \$106 million to the Pollution Control Agency, \$47.7 million for the Office of Environmental Assistance, \$13.4 million for the Minnesota Zoo, \$444.9 million for the DNR, \$31 million for the Board of Water and Soil Resources, \$2 million to the Science Museum, \$90 million for the Dept. of Agriculture, \$5.6 million to the Board of Animal Health, \$164,000 for the Horticultural Society, \$60.8 million for the Dept. of Trade and Economic Development, \$11.58 million for Minnesota Technology, Inc., \$78.5 million for the Dept. of Economic Security, \$84.7 million for Housing Finance Agency programs, \$47.4 million for the Dept. of Labor and Industry, \$3.65 million for the Bureau of Mediation Services, \$3.23 million for the Workers Compensation Court of Appeals, \$53.5 million for the Historical Society, \$21.2 million for the Board of the Arts and \$1.59 million for the Humanities Commission. The measure also provides \$33 million for projects recommended by the Legislative Commission on Minnesota Resources. Sams said the funding for LCMR projects was reduced by about \$15 million because of the governor's recommendation to divert the two-cent per pack cigarette tax that would normally go to the Minnesota Future Resources Fund to the general fund.

Sams said the provisions relating to the Minnesota Zoo include language for a \$3 per child elementary school fee and an increase in the parking fee. The bill also provides funding for several DNR programs not recommended by the governor, including funding for ring dikes, acquisition of a permanent easement to connect two state trails and to continue the Red River Mediation process. The measure also provides for an 8.3 percent reduction for metropolitan parks, the same level of reduction as for state parks.

Sams said the bill continues the Minnesota Conservation Corps as a separate entity. In addition, although the governor recommended phasing out funding for the Science Museum, the Senate proposal maintains funding but reduces the appropriation by 20 percent. The bill also provides for ethanol payments at 16 cents per gallon, but does not provide a subsidy for the Gopher State Ethanol plant in St. Paul. Sams said the

bill continues appropriations for a variety of programs in the Dept. of Agriculture that were cut under the governor's proposal.

The measure also contains the funding provisions from the bill aimed at controlling chronic wasting disease in cervidae. The measure provides for an inspection fee of \$10 per cervid, requires upgrades to fencing and provides additional authority to prevent and control wildlife diseases. Under the measure, a portion of the deer license revenue is earmarked for wild cervidae health management. The bill also restricts the importation of cervidae carcasses.

A number of fees are increased in the measure, including fees for aquatic farm licenses, food handler fees, dairy inspection fees, wild rice harvesting license fees, deputy registrar fees, small game license fee, waterfowl and pheasant stamp fees, trout and salmon stamp fees and commercial fishing license fees. In addition, the measure establishes a wetland banking fee, increases the water appropriation permit fee, establishes an aeration permit fee, increases the aquatic plant management fee and places a \$25 surcharge on septic tanks.

The bill also provides for recycling certain waste electronic products and prohibits placing cathode ray tubes in solid waste facilities. A prohibition on dishwasher detergent containing more than 0.5 percent phosphorous is also in the bill. The measure also allows existing foreign owners of dairy farms, who hold an investment visa, to be exempt from restrictions on ownership. The measure also contains a recodification of plant and seed laws.

In the area of economic development, the measure includes new appropriations for grants to Twin Cities Rise, Inc., Lifetrack Resources, the Metropolitan Economic Development Association and Women Venture. The bill maintains funding for Minnesota Technology, Inc., Sams said, in contrast to the governor's recommendation to eliminate funding. The bill also continues funding for youth programs that the governor recommended cutting, Sams said. In addition, Sams said the bill does not accept the governor's cuts for the Vineland Center rehabilitation service grant, labor and education advancement grants and workplace safety consultation. The measure keeps the Dept. of Trade and Economic Develop-



ment and the Dept. of Economic Security as separate agencies. Sams said that there is no cost saving associated with the proposed merger and that each agency has a distinct mission.

Another provision in the bill requires that the medical fee schedule for payments under the workers compensation system must be the same for services regardless of the discipline of the provider performing the service. The measure also provides for metro gas stations to comply with a requirement for vapor recovery systems.

The balance of the afternoon portion of the floor session was devoted to considering amendments to the funding package. Sen. Linda Higgins (DFL-Mpls.) offered an amendment to prohibit the manufacture or sale of household dishwasher detergent containing more than 0.5 phosphorous and the manufacture or sale of commercial dishwasher detergent containing more than 8.7 percent phosphorous after Aug. 1, 2005. The amendment also contains a provision

requiring a study on lowering phosphorous in the wastewater stream. Higgins said, "I think this is a good compromise, we are the land of 10,000 lakes and we can enjoy them a lot more if they are clean and not green." The amendment was adopted.

Sen. Mady Reiter (R-Shoreview) offered an amendment banning phosphorous except for use on golf courses, in agriculture and landscaping projects. The amendment was defeated. Later, Sen. Michael Jungbauer (R-East Bethel) and Sen. Sean Nienow (R-Cambridge) offered amendments altering the provision relating to phosphorous. Neither amendment was adopted.

Sams offered an amendment relating to payment rates for physical medicine and rehabilitation procedure codes and establishing a Workers Compensation Study Group to study issues related to the medical cost drivers of the workers compensation program. The amendment was adopted.

Sen. Betsy Wergin (R-Princeton) offered an amendment allowing counties

greater flexibility in using solid waste recovery fees. Members adopted the amendment. Members also adopted an amendment, offered by Sen. LeRoy Stumpf (DFL-Thief River Falls), allowing firearms safety instructors who have taught for 30 years to obtain deer and small game licenses without a fee. Sen. Sharon Marko (DFL-Cottage Grove) successfully offered an amendment authorizing a \$5 fee for boiler inspections. She said there are more than 8,000 boilers in the state and that there is a backlog in inspections. The fee is designed to reduce the backlog, she said. Several members offered amendments that were not adopted. The bill was granted final passage on a 37-26 roll call vote.

### State government package okayed

Senators devoted the evening portion of the floor session to consideration of the omnibus state government appropriations bill. The measure, S.F. 1524, carried by Sen. Jane Ranum (DFL-Mpls.), contains funding for all three branches of govern-



*Senators Ellen Anderson (DFL-St. Paul), left, and Sandra Pappas (DFL-St. Paul) converse on the floor of the Senate, Mon., Apr. 28.*

Photo by David J. Oakes

# Floor update

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ment—the executive, judicial and legislative. Ranum said the measure cuts funding for the Legislature about 10 percent and about 15 percent for the constitutional officers. She said the funding package does not implement all of the governor's cuts for public safety or the judicial branch. The total general fund spending in the bill is \$1.12 billion, just slightly more than the governor's recommendation. The measure retains the Crime Victims Ombudsman and maintains the Black Minnesotans Council, the Chicano Latino Affairs Council, the Asian-Pacific Americans Council and the Minnesota Indian Affairs Council.

The measure also contains funding for state agency operations and provides for implementation of the CORE reorganization of state agencies. Under the reorganization, eight governor's secretaries are appointed and agencies are assigned to each secretary. Ranum said the proposal also sets an annual lobbyist fee of \$113 for each client to cover the Campaign Finance and Public Disclosure Board's costs of regulating lobbying. Ranum said the measure provides for the board to become self-supporting. The measure also contains provisions allowing the commissioner of administration to issue opinions relating to the requirements of the Open Meeting Law, prohibiting the state from leasing or acquiring motor vehicles for the exclusive use of state officials other than the governor, encouraging employees to report violations of laws governing contracting and making changes in provisions governing professional or technical service contracts. The measure also authorizes the Racing Commission to impose fees, authorizes the Amateur Sports Commission to impose fees and increases fees charged agencies by the commissioner of revenue for debt collections. The bill also increases the maximum 911 fee from 33 to 52 cents per month for use by local governmental units and other answering points. The measure also transfers authority over 911 services from the commissioner of administration to the commissioner of public safety.

In the area of criminal justice the measure appropriates \$592 million for the biennium. The bill increases civil filing fees and other court fees, Ranum said. The measure also requires the Bureau of Criminal Apprehension to establish a web site containing public criminal history data. The measure also provides for a \$7

handling fee, in addition to the background check fee, for FBI background fingerprint checks. The bill also establishes a permit system for indoor fireworks displays and establishes a pilot project for enhanced community policing.

After reviewing the contents of the measure, members began offering amendments. Sen. Dave Kleis (R-St. Cloud) offered an amendment prohibiting Legislators from receiving per diem in the event of a special session. Kleis said the amendment is an added incentive for members to complete their work. However, Sen. Ann Rest (DFL-New Hope) said that members did not have to accept per diem. "I suggest we let people act according to their conscience," Rest said. The amendment was defeated.

Reiter offered an amendment prohibiting government entities from spending more than \$25,000 per year on personnel costs related to lobbying the Legislature. Higgins opposed the amendment and said that local government officials were elected to do their jobs and needed to have staff to keep track of legislative activities rather than take the time to come to the Capitol themselves. The amendment failed.

Sams offered an amendment specifying that if state funding is reduced to a county for a program which the state has mandated, the county may adjust the program to operate within the limits of the state funds. Sams argued that the amendment gives counties needed flexibility, particularly in a time of reduced local government aids. Members adopted the amendment. However, later in the evening, Sen. Jim Vickerman (DFL-Tracy) moved that the amendment be reconsidered. The motion to reconsider prevailed and Sams withdrew the amendment. Kleis re-offered the amendment, but members rejected the provision.

Sen. David Knutson (R-Burnsville) offered an amendment altering the definition of lobbyist by removing the phrase "or urge others to communicate" from the definition. Knutson said the current definition is too broad and that some organizations registered more individuals than needed to be on the safe side. The amendment was defeated. Knutson also offered an amendment reducing the fee increases and the appropriations in to the Crime Victims Ombudsman and several other boards and councils. He said the fees in the bill raise

more money than necessary for public safety. Ranum countered that the fees are used for other areas of public safety such as CrimNet. The amendment was also defeated.

Sen. Thomas Neuville (R-Northfield) offered an amendment providing for a state employee salary freeze. Neuville said the freeze is an attempt to save jobs and still provide the level of services needed. Sen. Satveer Chaudhary (DFL-Fridley) argued against the amendment. "I oppose the amendment for three reasons," Chaudhary said, "It sounds politically good, but it is unfair, unworkable, and I don't think we can afford it." He said the amendment places the burden of the shortfall on state employees and further harms the economy. The amendment failed.

Kleis offered an amendment that decreases the compensation for legislators by 4 percent and for constitutional officers by 5 percent. Neuville offered an amendment to the amendment reducing compensation by 1 percent rather than 4 and 5 percent. "I really mean it when I say we should lead by example and by model. It's symbolic and sends the message 'we're willing to take our bite in tough fiscal times,'" Neuville said. The amendment to the amendment was adopted. The Kleis amendment was also adopted.

Several additional amendments were offered and defeated. The exception was an amendment, offered by Sen. Mee Moua (DFL-St. Paul), clarifying language in the reorganization portion of the bill to specify that the commissioner maintain the current advisory councils for battered women, sexual assault and general crime victims within the newly created Office of Justice Programs.

The bill was granted final passage on a 34-29 roll call vote.

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## Streaming coverage available

Live coverage of Senate floor sessions and select committee hearings is available on the Senate website. Archived footage of floor sessions and hearings, as well as episodes of Capitol Report, are also available, courtesy of Senate Media Services. Citizens may also access video of press conferences, special events—including Joint Conventions and the Horizons Conference—and civics education pieces online. Go to <http://www.senate.mn/media> to access the footage.



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# Senate Briefly

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*With a little more than a week left in the regular legislative session, Senators find themselves spending ever-increasing amounts of time engaged in floor debate.*

*Photo by David J. Oakes*



May 9, 2003

# Senate Highlights

## 2 a.m. bar closing okayed

The Tues., May 6, floor session was dominated by debate on the omnibus liquor bill. H.F. 719, carried by Sen. Sandra Pappas (DFL-St. Paul), contains numerous provisions ranging from allowing brew pubs to be licensed for limited off-sale to authorizing on-sale licenses for several theater organizations. The measure also contains authorization for individual cities to issue additional liquor licenses.

Most of the discussion on the bill centered on an amendment, offered by Sen. Linda Higgins (DFL-Mpls.), providing that city councils could authorize bars to remain open until 2 a.m. "Minnesota is one of only four states that has a closing before 2 a.m. and representatives of the hospitality industry say that the current time is costing the state convention business," Higgins said. She said some city councils will have bars closing at 1 a.m., but the amendment gives cities the option. She also said a later bar closing time will prevent the "run for the border" that occurs in communities bordering on states with later closing times. "Later bar closing will alleviate the border problem and spread out the flow of people leaving bars. A later closing will also increase sales tax revenues," Higgins said. Sen. Mark Ourada (R-Buffalo) supported the amendment and said, "This is a common sense approach and is what is done all across the country.

Sen. Wesley Skoglund (DFL-Mpls.) spoke against the amendment. "The only reason to have later closing is to sell more liquor. The amendment will make Minnesota more dangerous because there

will be more people on the road who have had too much to drink." Sen. Jim Vickerman (DFL-Tracy) echoed Skoglund's concerns. "People will drink right up until 2 o'clock and it will be more dangerous on the roads. If there is any danger any place, it is in rural Minnesota with two-lane highways," Vickerman said. Sen. Steve Dille (R-Dassel) also spoke against the amendment. "A 2 a.m. closing leads to increased accidents and increased death," Dille said.

Sen. Dave Kleis (R-St. Cloud) supported the amendment and said the provision is permissive and allows people a little more freedom. Sen. Steve Murphy (DFL-Red Wing) said the provision benefits border communities and makes it safer by keeping Minnesotans from driving to other states.

Sen. Ellen Anderson (DFL-St. Paul) offered an amendment to the amendment limiting the later closing in St. Paul. Anderson said she supported the bill, but was concerned about the effect of later closing hours on neighborhood bars. The amendment, she said, specifies that for St. Paul the extension of bar hours to 2 a.m. is limited to the downtown area. She said individual bars could apply to the city council for the later closing time. Ourada argued against the amendment and said that problems with noise or rowdiness should already be covered under other ordinances. The amendment failed.

Sen. David Knutson (R-Burnsville) offered an amendment to the amendment providing a sunset to the Higgins amendment. He said the amendment provides a 2 year test period to determine how the 2 a.m. closing affected safety and business issues. Ourada said, "In essence there is a sunset; it's called local control." The amendment failed.

Sen. Dean Johnson (DFL-Willmar) said the debate on the amendment is about economics versus social costs and questioned, "Is this the public policy we want in the state of Minnesota?" Higgins responded, "The amendment is an acknowledgment that our state is changing; we are no longer an agrarian society."

The amendment was adopted on a 42-24 roll call vote.

Members adopted several additional amendments. Sen. Michelle Fischbach (R-Paynesville) offered an amendment allowing the city of St. Joseph to issue an additional liquor license. Higgins offered an amendment providing that cities issue on-sale licenses for theaters, rather than the state. Ourada offered an amendment relating to samples in retail establishments. Murphy offered a provision

providing that an on-sale licensee whose licensed premises include a golf course or who is a common carrier may dispense liquor from 50 milliliter bottles. Knutson offered an amendment authorizing the sale of non-intoxicating malt liquor on golf courses.

The final amendment changes off-sale hours by setting a 10 p.m. closing time statewide. Ourada, sponsor of the amendment, said currently, off-sale liquor stores in cities of the first class, or within 15 miles of a city of the first class, must close at 8 p.m. Monday through Thursday. The amendment provides that all off-sales liquor stores may stay open until 10 p.m. The amendment was adopted on a 45-18 roll call vote.

The bill was granted final passage on a vote of 51-13.

Members also granted concurrence and repassage to S.F. 1098. The bill, authored by Sen. Michele Bachmann (R-Stillwater), modifies provisions relating to occupational safety and health.

## June primary bill approved

A bill advancing Minnesota's election schedule so that the state primary is held in June gained the approval of members of the Rules and Administration Committee during their Mon., May 5, meeting. The measure, S.F. 1437, was advanced to the full Senate.

The bill, sponsored by Sen. Linda Scheid (DFL-Brooklyn Park), renames the primary as the state party nominating election and moves the election from the second Monday in September to the first Tuesday after the third Monday in June. The measure also requires a candidate—for Congressional, state constitutional or legislative office—wishing to appear on a party's ballot to be endorsed at the party convention, receive at least 30 percent of the vote at the party convention or file a petition of support signed by at least 10 percent of voters, regardless of party, who voted for the office at the last nominating election. Candidates endorsed at the party convention have the option of having the word endorsed after their names on the ballot, under the bill. S.F. 1437 also shortens the time for removing one's name from the ballot from two days to one day after the close of filings.

"We do need to re-energize our parties," Scheid said. Precinct caucuses will need to meet in February, she said, as the election calendar is moved up. The precinct caucus is a magnificent exercise in the community political conversation,

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David J. Oakes



she said. Scheid said one benefit of the proposal is to reduce intra-party squabbling. After the June primary, she said, the public should have to deal with fewer summer ad campaigns as candidates and parties prepare to unify for the general election. Scheid said Legislators will not need to worry about being at a fundraising disadvantage, because all candidates for legislative office are banned from raising funds during the legislative session.

However, several Senators expressed reservations about the proposal.

Sen. John Marty (DFL-Roseville) said the bill makes it hard for local units of government, especially school boards, to seek potential candidates. He said that in many cases, candidates for local office do not emerge until summer. If the local nonpartisan primary is to be held at the same time as the party nominating election, he said, candidates will have to file in April. If a jurisdiction wants its local primary to be later, it will have to bear all the costs of holding the election, Marty said. He also said that the majority

of legislative retirements come during the last weeks of session or after session, which is often a factor in determining who will run for office. Sen. Linda Berglin (DFL-Mpls.) said that in some districts, the primary essentially is the general election. A sitting Legislator will not have enough time to door knock or otherwise campaign with a June primary, she said.

Because the precinct caucuses and nominating election campaign season will be at the height of the legislative session, said Sen. Pat Pariseau (R-Farmington), there is a high possibility of public opinion overly driving legislation. Sen. William Belanger (R-Bloomington) said Legislators will be in St. Paul taking hard votes, working to accomplish good policy, but a challenger will be free to criticize and residents will not have the benefit of seeing how policy actually shakes out in the end.

Marty offered an amendment to the bill keeping the September primary. There is no convincing argument to almost triple the general election cam-

paign season, he said. Rather, Marty said, the public seems to be clamoring for action in the opposite direction. Pariseau spoke in support of the amendment, saying that the public considers the election season to be too long already. A campaign season of ten months is too much, she said. However, Sen. Ann Rest (DFL-New Hope) said that the bill lengthens the time the public has to examine candidates who really need to differentiate themselves. She said the public will be served by having more time for candidates from different parties to set forth their agendas. The party endorsement process will be strengthened, said Sen. Sandra Pappas (DFL-St. Paul). The amendment was defeated on a divided voice vote.

### Editors' note

This week's edition of *Senate Briefly* does not include coverage of Friday floor and committee action. Please check next week's issue or check online.



**Capitol Historic Site Guide Michael Salzberg takes on the role of Dr. John Murphy, an 1857 Constitutional Convention delegate, as part of a presentation to fourth graders from Alice Smith Elementary school in Hopkins. The special costumed interpretation, taking place in the west corridor of the Capitol, was part of a week-long celebration of statehood.**

Photo by David J. Oakes

# Committee update

## Finance

### **.08 bill heads to floor**

A bill lowering the per se blood alcohol limit to .08 generated considerable debate at the Tues., May 6, Finance Committee meeting. The bill, S.F. 58, authored by Sen. Leo Foley (DFL-Coon Rapids), lowers the blood alcohol limit from .10 to .08 for impairment offenses. Foley said it is estimated that the bill requires \$1.9 million in expenditures for additional court costs stemming from the increase in offenders under the bill. However, Foley said, the state also stands to gain federal highway revenue. In addition, Foley said, federal sanctions will begin if the alcohol limit is not lowered. Already, Minnesota has given up federal incentives totaling \$14.2 million.

Sen. Linda Berglin (DFL-Mpls.) said that she questioned whether the costs in the bill are accurate, particularly those related to probation officers. She said that often, the same individuals who would be

in the system for violating the .08 limit would already be in the system for another type of violation.

Sen. Pat Pariseau (R-Farmington) said she was concerned about the effects of the bill on local government. Keith Carlson, representing the Metropolitan Inter-County Association, said the counties don't have the additional resources needed to handle the increase in offenders.

Members adopted an amendment aligning the expenditures and revenue in the bill. A motion to send the bill to the floor with a recommendation to pass failed on a divided voice vote. Members then approved a motion to send the bill to the floor without recommendation.

In other action, the panel, chaired by Sen. Richard Cohen (DFL-St. Paul), took action on a variety of other bills and advanced the measures to the floor.

S.F. 304, authored by Sen. Sheila Kiscaden (IP-Rochester), establishes the Board of Licensed Professional Counseling

and requires professional counselors to be licensed. H.F. 326, sponsored by Sen. Becky Lourey (DFL-Kerrick), modifies dental practice provisions. S.F. 216, authored by Sen. Yvonne Prettner Solon (DFL-Duluth), provides for psychologist emeritus registration.

S.F. 935, carried by Sen. Tom Saxhaug (DFL-Grand Rapids), provides for state land acquisition, adds to and deletes from various state parks, establishes Greenleaf Lake State Park, modifies provisions of the outdoor recreation system and modifies an earlier appropriation for goose management. The bill also provides for the sale of public lands in several counties.

S.F. 666, sponsored by Sen. Jim Vickerman (DFL-Tracy), provides for linked bingo games. H.F. 195, carried by Sen. Linda Scheid (DFL-Brooklyn Park), establishes the Help America Vote Act account for federal funds granted under the act.



*Former Finance Commissioner Jay Kiedrowski, left, offers advice to Senators during a joint State Government Budget Division and Finance Committee hearing on dealing with the state budget deficit. Val Vikmanis, another former finance commissioner, also spoke.*

Photo by David J. Oakes



Several bills sponsored by Sen. Wesley Skoglund (DFL-Mpls.) were advanced. H.F. 385 provides a gross misdemeanor penalty for fifth degree arson when the conduct results in bodily harm to a person and updates the fine amount for a misdemeanor penalty to \$3,000. S.F. 514 prohibits the theft of mail, sets penalties and provides a venue for identity theft and theft of mail. S. F. 906 authorizes the collection of sex offender treatment co-pays from offenders.

S.F. 1060, sponsored by Berglin, extends the deadline for commencing construction for previously approved moratorium projects. The measure was recommended for placement on the Consent Calendar.

S.F. 283, carried by Sen. Dallas Sams (DFL-Staples), permits certain ambulance services to make claims against tax refunds and modifies license plate provisions for volunteer ambulance attendants. S.F. 653, also authored by Sams, modifies emergency 911 telephone system provisions to require multiline telephone systems to provide caller location and provides for special levies for county and city governments. S.F. 1019, authored by Sen. Steve Kelley (DFL-Hopkins), establishes a reporting system for adverse health care events.

S.F. 758, authored by Sen. Thomas Neuville (R-Northfield), reforms and recodifies the law relating to marriage dissolution, child custody and child support. The measure also changes the schedule of support obligations to take into account the incomes of both parents. The bill also provides for alternate forms of marriage solemnization and provides for the modification of support obligations of persons called into active military service.

### Past shortfalls reviewed

The full Finance Committee and the State Government Budget Division met in a joint hearing Wed., May 7, to hear former commissioners of finance and members of the Council of Economic Advisors review past budget shortfalls and possible remedies for the current shortfall. The meeting was chaired by Sen. Jane Ranum (DFL-Mpls.) and Sen. Richard Cohen (DFL-St. Paul).

Members heard from Val Vikmanis, finance commissioner in the Quie administration and Jay Kiedrowski, finance commissioner in the Perpich administration. In addition, Art Rolnick,

vice president, Federal Reserve Bank, and Paul Anton, of Anton Lubov and Associates, presented their perspectives as members of the Council of Economic Advisors.

### JOBZ bill advanced

The Finance Committee, chaired by Sen. Richard Cohen (DFL-St. Paul), met Thurs., May 8, to continue hearing bills referred to the committee.

S.F. 496, authored by Sen. Thomas Bakk (DFL-Cook), authorizes the establishment of job opportunity building zones (JOBZ) and provides tax exemptions for individuals and business entities in the zones. Bakk said the measure is designed to spur job growth in Greater Minnesota. The measure was re-referred to the Tax Committee.

Members also approved a bill making seat belt violations a primary offense in all seating positions. The measure, S.F. 943, authored by Sen. Steve Murphy (DFL-Red Wing), also increases the fine for seat belt violations. A bill restricting the use of off-highway vehicles on state land and providing for additional state trails was also approved. S.F. 850, authored by Sen. John Marty (DFL-Roseville), also increases registration fees and provides for enforcement.

The committee also heard a variety of other bills. S.F. 1414, sponsored by Sen. Don Betzold (DFL-Fridley), regulates stays of execution on money judgments and limits bond amounts during appeals. Betzold said the appeal bond is capped at \$25 million, rather than double the amount of the award as specified in current law. Sen. Wesley Skoglund (DFL-Mpls.) offered an amendment setting the cap for the bond at \$100 million. The amendment failed. Sen. LeRoy Stumpf (DFL-Thief River Falls) offered an amendment to set the cap at \$50 million, but the amendment also failed. Sen. Dallas Sams (DFL-Staples) reoffered the amendment to set the cap for the bond at \$100 million. The amendment was then adopted. S.F. 425, also carried by Betzold, establishes hearing and appeal procedures for certain human services matters. Betzold said the measure doesn't establish any new mandates, but provides clarification for procedures already required by law. A third bill sponsored by Betzold, S.F. 834, was also heard. The measure limits liability of nonprofit corporations providing day training and habilitation

services for adults with mental retardation, daytime developmental achievement center services for children, providing group homes for children or providing skilled nursing home care. Betzold said the limit, under the bill, is the same as the municipal liability limit.

S.F. 597, sponsored by Sen. Satveer Chaudhary (DFL-Fridley), makes it a crime of child endangerment to manufacture controlled substances in the presence of a child. Current law specifies that it is child endangerment only if the parent or guardian is manufacturing the controlled substances in the presence of a child, Chaudhary said. S.F. 771, sponsored by Chaudhary, improves insurance coverage of long-term care and provides for regulatory flexibility. Chaudhary also sponsored a bill, S.F. 1346, creating an alternative to the detachment and annexation process for residential property parcels that are split among school districts. The bill was approved and re-referred to the Tax Committee for further action.

S.F. 613, sponsored by Sen. Linda Scheid (DFL-Brooklyn Park), modifies enrollee cost sharing provisions for health maintenance organizations. H.F. 794, sponsored by Sen. Leo Foley (DFL-Coon Rapids), prohibits interfering with emergency communications and prescribes penalties. Sen. Linda Berglin (DFL-Mpls.) offered an amendment reducing the penalty from a felony to a gross misdemeanor. The amendment failed. S.F. 960, also carried by Foley, allows aggregation of prostitution offense prosecutions. S.F. 969, carried by Sen. Ann Rest, creates the crime of skimming card fraud and prescribes penalties.

S.F. 679, authored by Sen. Rod Skoe (DFL-Clearwater), makes numerous changes in the Minnesota Cooperative Associations Act.

S.F. 1066, authored by Sen. Sheila Kiscaden (IP-Rochester), regulates the issuance of social work licenses and the payment of fees. H.F. 1140, also sponsored by Kiscaden, changes the deadline, to Aug. 1, 2006, for an agreement between the governor and the federal Nuclear Regulatory Commission for the assumption of regulatory authority over nuclear

# Committee update



*Senators Linda Berglin (DFL-Mpls.) and Thomas Neuville (R-Northfield) converse during a Senate floor session.*

*Photo by David J. Oakes*

materials. The contents of S.F. 1066 were amended into H.F. 1140.

## Health and Family Security

### Mosquito control bill heard

The Health and Family Security Committee, chaired by Sen. Becky Lourey (DFL-Kerrick), met Wed., May 7, to consider a bill making changes in provisions relating to the Metropolitan Mosquito Control Commission.

S.F. 712, authored by Sen. Claire Robling (R-Jordan), defines the district as the entire seven county Metropolitan Area and provides that the commission may enter private property, despite the owner's objections, to determine the need for control or to control for disease bearing mosquitoes. Robling said the measure is aimed at combating West Nile virus.

Members heard testimony on the measure, but no formal action was taken.

### Mosquito bill advanced

Members of the Health and Family Security Committee continued to work on the bill aimed at controlling West Nile virus. S.F. 712, authored by Sen. Claire Robling (R-Jordan), expands the Metropolitan Mosquito Control Commission to include all of Carver County, provides for pesticide application for mosquito control and clarifies the exception to prohibiting entry upon private property.

The committee, chaired by Sen. Becky Lourey (DFL-Kerrick), heard testimony on the measure from individuals who did not have an opportunity to speak at a previous hearing and then considered amendments.

The major amendment clarifies notice provisions for spraying. Under the

amendment, notification of residents in the area to be treated must be provided at least 24 hours in advance, unless there is an immediate need because of a disease outbreak. In addition, the amendment was amended to provide that the mosquito control commission may only enter private property to monitor disease bearing mosquitoes, ticks or black gnats or to control mosquito species capable of carrying a human disease in the area of an outbreak.

Members also heard testimony that diseases other than West Nile virus, such as LaCrosse encephalitis, must be controlled. The amendments, Lourey said, are an attempt to balance the rights of property owners and individuals opposed to spraying with the concerns of public health. The amendments were adopted.

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



## Rules and Administration

### Other elections bills approved

In addition to the June primary bill, the Rules and Administration Committee, chaired by Sen. John Hottinger (DFL-St. Peter), approved several other elections bills. S.F. 384, authored by Sen. Jim Vickerman (DFL-Tracy), requires ballot questions submitted by cities or towns to meet all election-related deadlines. H.F. 503, also carried by Vickerman, provides that the legal advisor of a town official is not required to approve instructions regarding the layout of election ballots. S.F. 10, sponsored by Marty, makes various changes to the definition of lobbyist and to lobbyist reporting requirements. Sen. Linda Higgins (DFL-Mpls.) sponsored three measures. S.F. 658 requires school districts to biannually distribute voter registration forms to students eligible to vote at the next election. S.F. 931 contains elections housekeeping provisions recommended by the Campaign Finance and Public Disclosure Board. S.F. 1035 contains elections housekeeping provisions recommended, and agreed to, by the Secretary of State and county election officers.

Members also considered the appropriate referral for three bills. The bill referrals had been objected to on the Senate floor and been considered by the Subcommittee on Bill Referral. Only one bill received substantial discussion. S.F. 426, sponsored by Sen. Julianne Ortman (R-Chanhassen), provides an exemption to the hospital construction moratorium for a rehabilitation facility in Carver County. Rest, chair of the subcommittee, said the panel unanimously agreed the bill should go to the floor. However, Berglin said the bill has a fiscal impact on the region's nursing homes and may increase the state's Medical Assistance costs. However, Sen. Sheila Kiscaden (IP-Rochester) said she doesn't agree with Berglin. No one from the nursing homes in the area has testified against the bill or raised those concerns. Ortman said the nursing homes were originally concerned about the proposal, but have since all chosen to support the project. Pariseau moved to send the bill to the floor, accepting the subcommittee's recommendation. Sen. Richard Cohen (DFL-St. Paul) offered an amendment to the motion, referring the bill to the Finance

Committee. The amendment was defeated, 9-11, and the bill was advanced to the floor on a voice vote. S.F. 462, relating to local ordinances governing shooting ranges, sponsored by Vickerman, was referred to the Judiciary Committee and S.F. 838, relating to the collection and recycling of electronic products, carried by Higgins, was sent to the full Senate. Both referrals were consistent with the recommendation of the subcommittee.

### Two energy bills sent to floor

Two bills dealing with state energy policy and permitting additional dry cask storage of nuclear waste near Red Wing were advanced by members of the Rules and Administration Committee during their Thurs., May 8, meeting. Both bills were sent forward without recommendation.

Sen. John Hottinger (DFL-St. Peter), committee chair, said it was appropriate for the panel to advance bills dealing with an issue of such magnitude without recommendation. This committee is not a policy committee, he said, but the Senate should have its will known on the issue by dealing with the proposals on the floor. Members adopted amendments revising both bills to reflect the authors' wishes and recent adjustments in their proposals. Both measures ratify an agreement between Xcel and the Mdewakanton Dakota Tribal Council at Prairie Island concerning additional waste storage.

S.F. 733, sponsored by Sen. Ellen Anderson (DFL-St. Paul), authorizes 12 additional casks at Xcel Energy's Prairie Island nuclear power plant and includes provisions relating to renewable energy, hydrogen fuel cells and conservation. Anderson said the proposal incorporates statements made by the governor on the issue of waste storage and long-term energy policy. The bill permits both the Prairie Island and Monticello nuclear facilities to continue to the end of their current license periods, she said, but requires the Legislature to give final approval for any further waste storage as a part of license renewal. The proposal moves the state forward on clean energy sources, firms up Xcel's renewable energy objectives and does not require the utility to spend any extra money over current law, she said. Anderson said the additional requirements and efforts are funded through a reduction in the biomass

electric energy mandate. "This moves us forward in a balanced way to keep the plants operating," she said.

Sen. Steve Murphy (DFL-Red Wing) authored the other plan, S.F. 794. "This bill actually does the trick when it comes to long-term forecasting and long-term planning for energy in the state," he said. He said the state does use a variety of energy generation systems, but nuclear power is the cash cow that funds them all. Murphy said his proposal meets all of the governor's requirements. The measure includes funding for hydrogen energy research, reconstitutes the electric energy task force, requires the panel to examine hydrogen generation and provides for the use of renewal development funds to be used for both renewable and sustainable sources of energy. The proposal subjects future requests for additional nuclear waste storage to a review by the Public Utilities Commission. If the commission approves a certificate of need, the issue is placed before the Legislature, under the bill. The Legislature must act by June 1 following the next legislative session after the certificate is approved. If the Legislature does not modify or reject the certificate, then the certificate goes into effect.

## Taxes

### Testimony on proposals heard

Members of the Tax Committee met Tues., May 6, to consider several proposals raising revenue to help close the \$4.2 billion budget gap in FY 04-05. Committee members, chaired by Sen. Lawrence Pogemiller (DFL-Mpls.), heard testimony on topics ranging from tobacco taxes and income taxes to gambling.

Jeremy Hanson, Minnesota Smoke-Free Coalition, said that raising taxes on cigarettes is a proven factor in decreasing demand for tobacco, especially among teens. R.J. Reynolds has said that a 10 percent increase in cigarette prices creates an 11 percent decrease in teen demand, Hanson said. He said the proposed \$1 increase—contained in S.F. 1504, sponsored by Sen. John Hottinger (DFL-St. Peter)—will reduce teen smoking by 18 percent and create long-term health care savings of \$1 billion. Low-income populations, he said, are four times more likely to quit smoking because of a price increase than other smokers. Hanson also said that most cigarettes are sold by the pack and that no more than 5 percent of

# Committee update

smokers will take advantage of tax avoidance schemes—such as buying tobacco on Indian reservations or military installations, crossing state borders or buying on the Internet.

Representing the Cigar Association of America, Cort Holten said that raising the tax on other tobacco products, including cigars, will have a negative impact on both retailers and state revenues. He said there are two ways for state revenues to decline from an increase in the cigar tax. Because the tax is indexed to price, as the final price of the cigar rises, consumers will switch to cheaper products, leading to a lower tax revenues, he said. Holten said the other option consumers have is to purchase cigars on the Internet, avoiding the tax completely. He said cigar retailers are already experiencing the effects of the Internet, as consumers use cigar shops to buy individual cigars and choose a brand they prefer and then buy the brand by the box online. Holten said New Jersey doubled its cigar tax in 1998 and reversed course a year later, after revenues declined.

Dick Gebhart, Dept. of Revenue, provided the committee with information about the history of the state's cigarette and tobacco taxes. He also explained the principle of elasticity, which economists use to estimate the effects of a price increase on demand. Gebhart said the department calculates that the \$1 cigarette tax increase is equivalent to a 29 percent increase in the average retail price and will decrease demand by 16 percent, or about 56 million packs of cigarettes. To reach a point where the \$1 tax increase will have negative effects on state revenues, he said, almost 40 percent of smokers would have to quit smoking or buy cigarettes elsewhere.

Members also heard testimony on the individual income and corporate franchise tax provisions of S.F. 1504. Harold Hamilton, president of Micro Control Company in Fridley, said that manufacturing companies are hurting in Minnesota and the sector is shedding jobs. The current tax rates already make it hard to entice companies to move here or expand here, he said. Mike Hickey, representing the National Federation of Independent Businesses, said the tax increase proposals have a chilling effect on entrepreneurs, the same people who we want to expand their businesses, hire others and lead the

state out of the economic doldrums. The proposed 9.4 percent rate for the highest income earners will be the second highest in the nation, behind Montana, he said. Hickey said that a vast majority of small businesses are registered as subchapter S corporations, which means that taxes are paid via the individual income tax. Small business owners are unduly attacked by the rate increase, he said. However, Sen. David Tomassoni (DFL-Chisholm) said the state isn't losing businesses, but only losing jobs. He said the governor's budget means more job loss, by state employees, in a time when there are few jobs to be had.

Wayne Cox of Citizens for Tax Justice and Deb Koechene of the Welfare Rights Committee both spoke in support of the tax increase proposals. Cox said businesses are more effective if the workforce is more productive, which happens when workers have access to effective education and efficient and reliable transportation. He said businesses also benefit from the research done at public universities. The ability to deduct state taxes from the federal income tax, Cox said, has a leveling effect on tax rates. He said the short-term strategy of balancing the budget with cuts puts the state at risk of incurring massive costs in the future, especially in health care. Koechene said that S.F. 1504 is a good starting point, but it does not go far enough. She said those with the most should pay their fair share. She urged the panel to undo the permanent income tax reductions of the late 1990s, to eliminate what she called "corporate loopholes" and to raise taxes on the wealthy.

Several gaming proposals were also before the committee. Sen. Dick Day (R-Owatonna) carried H.F. 646, which authorizes casino gaming at Canterbury Park in Shakopee. The proposal, known as the "racino," creates 1,400 new jobs, Day said, and helps the horse industry. He said the plan does not expand gambling in the state, but takes advantage of the growth that is already projected to occur in gaming in Minnesota and provides the state with new revenues from that growth. The racino will not directly compete with 16 of the 17 tribal casinos, Day said, and is not expected to have a negative impact on Mystic Lake, which is located in Prior Lake, about 4 miles away. Canterbury CEO Randy Sampson said the proposal has strong public support, keeps racing competitive and viable in Minnesota, and

provides significant benefits: state revenues, new jobs and economic development in Scott County.

A Dept. of Revenue analysis of the proposal indicates that it nets the general fund about \$100 million in FY 04-05 and \$99.5 million in FY 06-07. The legislation dedicates 55.5 percent of adjusted gross revenues to the state in FY 04-05, 31.5 percent in FY 06-07 and 40 percent from FY 08 forward. "The market is very much like 'Field of Dreams,'" said Lottery Director George Anderson, "if you build it, they will come." The estimates of consumer demand and revenue are in the very reasonable range, he said. The only wildcard is the proximity of Mystic Lake, Anderson said, as no other racino has a casino of comparable size that close.

Another gaming proposal was sponsored by Sen. Linda Scheid (DFL-Brooklyn Park). The plan provides for a harness racing track with a casino, to be located at least 20 miles from any existing racetrack, she said. Scheid the probable location is in the northern Metro Area, about 40 miles away from Canterbury. She said the proposal is not an alternative to the Canterbury racino, but is meant to provide another option for development. Sen. Sandra Pappas (DFL-St. Paul) sponsored a proposal that includes a Metro Area casino to benefit the state and the Red Lake and White Earth tribes. She said the compacts that provide for Indian gaming were meant to benefit all of the state's native people. However, the Red Lake and White Earth tribes have not benefited, because of a geographic accident, she said. The final gaming proposal was offered by Sen. David Tomassoni (DFL-Chisholm). The plan provides for video gaming machines to be placed in licensed beverage establishments, up to 10 per establishment. Tomassoni said the proposal will net the state \$350 million per year. The proposal has a minimal impact on tribal casinos, he said, because the machines are spread throughout the state and people do not go to restaurants or bars to gamble, but to socialize.

Representatives of the tribal casinos spoke against the proposals. Melanie Benjamin, Mille Lacs Band of Ojibwe, said that a state-operated casino in the Metro Area will harm Greater Minnesota communities. She said the greatest direct threat to the Mille Lacs band's two casinos is a casino in the northern





**Sen. Cal Larson (R-Fergus Falls) greets kindergarten students from St. Paul's Saturn School in the Governor's Reception Room following a visit with Larson and his wife, Loretta, and Sen. Jim Vickerman (DFL-Tracy) and his wife, Wava. Both Senators' wives volunteer their time to read to the students on a weekly basis.**

Photo by David J. Oakes

suburbs. The racino will mean a 20 percent decline in revenues and 600 jobs lost from the two casinos, she said, while a northern Metro Area casino will cause a loss of about 50 percent of revenues and about 1,500 jobs. Gordon Adams of the Bois Forte Band of Ojibwe said the state has been threatening to compete with Indian gaming since the compacts were signed. The constant threats have not built good will or cooperation, he said. Adams said that the racino will create a marketing war in the Metro Area. As Mystic Lake loses market share, he said, it will reach outside the Metro Area to attract gamblers. The casinos in Greater Minnesota cannot afford to be drawn into a marketing war of that scale, he said.

Helen Blue, Upper Sioux Community, raised several regulatory questions

about the racino. She said policymakers should also look at Nevada. While Las Vegas is thriving and new casinos are being built there, Reno is dying, she said. Blue also said that a provision in H.F. 646 is heinous and the most anti-Indian piece of legislation she has ever seen. Section 18 of the bill provides that if all of the tribes operating casinos agree to contribute to compulsive gambling treatment programs, to donate six percent of their gross revenues to the state and not to add new gaming machines to their casinos, then the racino is not authorized to be built. Blue said the concept was comparable to asking every municipal liquor store to contribute to chemical dependency treatment programs. John McCarthy of the Minnesota Indian Gaming Association said the real issue

behind the racino is Canterbury Park Holding's stock price. He said the stock has risen significantly since the state authorized the racetrack to operate a card club and since the racino proposal was introduced. The tribes have never sought to revisit the issues addressed in the compacts or expand gaming, McCarthy said, but the state has entertained several proposals over the years.

Committee members continued hearing testimony on the gaming proposals at their Wed., May 7, hearing. The panel also discussed local government aid and heard testimony on various proposals altering the distribution formula.

### **Governor's bill defeated**

Members of the Tax Committee, chaired by Sen. Lawrence Pogemiller

# Committee update

(DFL-Mpls.), met Thurs., May 8, to continue their work on assembling a second omnibus bill. The panel took testimony on proposed formulas and funding for local government aid. Members also defeated a motion to approve the governor's tax initiative, S.F. 748, sponsored by Sen. William Belanger (R-Bloomington).

## Floor update

### Friday, May 2

#### Major appropriations bills passed

A marathon floor session Fri., May 2, featured consideration of three of the major packages for the session. Senators began with discussion of the omnibus E-12 education policy bill. S.F. 1528 began as the omnibus E-12 appropriations bill; however the funding portions of the bill were removed in the Tax Committee. The funding portions are to be amended onto the omnibus tax bill. Chief author Sen. LeRoy Stumpf (DFL-Thief River Falls) outlined the provisions of the bill. He said the measure contains bills from several members and repeals the Profile of Learning. "The bill lays out the approach we take to the policy side of education for the next two years."

Sen. Steve Kelley (DFL-Hopkins) said the bill reduces a number of mandates on school districts, provides an alternative dispute resolution process for special education and sets forth the requirements for parental involvement, in addition to repealing the Profile of Learning.

The bill contains provisions removing the requirement that three additional days of student instruction be added to a district's minimum school calendar, recognizing and providing for students with emotional or behavioral disorders, providing for short call substitute teaching licenses, requiring verification of teacher licenses and requiring credentials for education paraprofessionals. The bill also allows school sponsorship and advertising revenue, improves student access to services supporting academic success, specifies the information to be submitted to the state before a charter school can expand to additional sites or add additional grades, provides for the establishment of a district parent involvement review committee, sets forth provisions for special programs and provides for dispute

resolution. The measure also sets forth policy for education reform, facilities and technology and sets forth family and early childhood education provisions. Several articles in the bill deal with the repeal of the Profile of Learning and the establishment of standards.

Kelley offered an amendment removing a provision that requires districts that are conducting a referendum to submit audited financial data to the commissioner by Oct. 1, rather than Nov. 30. Kelley said auditors have said they could not meet the deadline. The amendment was adopted 33-31.

Sen. Steve Murphy (DFL-Red Wing) offered an amendment that requires all public and charter school students to recite the pledge of allegiance to the flag of the United States of America one or more times each week. Murphy said the language in the amendment is the same as that agreed to last year. The amendment also allows a district or charter school to waive the requirement, allows a teacher or student to decline to say the pledge, provides for civics education and requires instruction in the proper etiquette toward, correct display of and respect for the flag. The amendment was adopted.

Sen. Thomas Neuville (R-Northfield) offered an amendment specifying that a charter school's building lease aid is the greater of the charter school's building lease aid per pupil unit served from fiscal year 2003 or \$1,200. Kelley urged Neuville to hold the amendment until the body considers the funding portions in the tax bill. However, Neuville said the provision is also a policy matter. Stumpf said the temporary moratorium on charter schools was deleted from the bill and the building lease aid was set at 80 percent or \$1,200. The amendment failed.

Sen. Michele Bachmann (R-Stillwater) offered an amendment repealing the Profile of Learning and providing for replacement by statewide rigorous core academic standards in English, mathematics, science, and history and geography. Bachmann said the bill actually reinstates the Profile of Learning. "Our Profile, from the beginning, has been all about national standards and that's what has been bothering parents and citizens, but that is what is in the Kelley bill." She said, "The bill continues national standards and performance assessment—it is the same old thing."

Kelley said, "One of the debates is over what our standards should be. There is no mention of civics or economics in the amendment; the amendment says we can jettison civics and economics because they are not important." Bachmann countered, "My amendment puts into place Minnesota-based standards. This is the essence of the culture war being played out in our classrooms."

Sen. Gen Olson (R-Minnetrista) spoke in support of the amendment. "There is a philosophical difference in education. Do you start from a basis of knowledge or from a basis of techniques of knowledge? At the heart of it, we should be setting standards that identify the core of knowledge that students should have." Olson added that many states have gone through this struggle but have gone back to standards of core knowledge. The amendment failed on a 31-35 roll call vote.

Sen. Bob Kierlin (R-Winona) offered an amendment establishing a six year pilot program of combining a children's treatment center with a charter school. The amendment authorizes the Northwood Children's Services to apply to the commissioner to form a care and treatment pilot charter school. Sen. Yvonne Solon (DFL-Duluth) spoke in opposition. She said members should reject the amendment because of local control issues. "This is about elected officials making decisions that are best for their communities. They don't see the sense in making a successful program into an experimental education program," she said. The amendment failed 30-34.

Sen. Betsy Wergin (R-Princeton) offered an amendment altering the funding for limited English proficiency programs. Stumpf said the proposal decreases funding for limited English proficiency by \$11 million. The amendment failed 31-34. Sen. David Hann (R-Eden Prairie) offered an amendment to repeal the Jan. 15 deadline for completion of teacher contract negotiations. The amendment was withdrawn briefly because of a drafting error. When the proposal was re-offered, it was rejected.

Sen. Mike McGinn (R-Eagan) offered an amendment requiring that prior to approval of contracts with superintendents, districts must provide a report with the proposed contract that projects any and all costs to the schools district as a result of the provisions of the contract.



McGinn said the amendment provides that the letter and spirit of the law be recognized. The amendment was adopted. Hann offered an amendment that allows districts to hire any person the district deems competent, instead of having to hire persons with a superintendent's license. The amendment was rejected.

Sen. Warren Limmer (R-Maple Grove) offered an amendment specifying that a school district or its employees must not use public resources or students to produce or distribute materials or messages advocating the passage or defeat of a ballot question, the passage or defeat

of legislation or the election of any candidate. The amendment failed.

Sen. Sheila Kiscaden (IP-Rochester) offered an amendment providing that the establishment of a state credential for educational paraprofessionals does not preclude a paraprofessional from being able to assist a licensed teacher in providing student instruction if the person meets criteria established by the school board. Kiscaden said the amendment allows the move toward credentialing, but allows a little flexibility for districts. Kelley opposed the amendment and said, "This kind of flexibility is no longer

possible under the federal No Child Left Behind Act." The amendment failed. Sen. Julie Rosen (R-Fairmont) offered an amendment removing restrictions on staff development revenue. Kelley opposed the provision and said that the amendment excludes teachers from the process. The amendment failed.

Limmer offered an amendment specifying that a school district must not authorize or permit the promotion of homosexuality or bisexuality or allow the teaching of homosexuality or bisexuality as an acceptable lifestyle. The amendment failed on a 19-41 roll call vote.



**Senators Jane Ranum (DFL- Mpls.) and Scott Dibble (DFL- Mpls.) look up information in the Official Directory of the Legislature, also known as the "Red Book," during a Senate floor session, Mon., May 5.**

Photo by David J. Oakes

# Floor update

The bill was granted final passage on a 36-28 roll call vote. The bill was the amended onto H.F. 1404. H.F. 1404 was granted final passage on a 36-26 roll call vote.

## Transportation package passed

Members moved on to consider the omnibus transportation package. S.F. 1534, carried by Sen. Dean Johnson (DFL-Willmar), contains funding for highways and transit and transportation policy provisions. Johnson said the bill increases the gas tax by 5 cents per gallon and rolls back the license tab reductions enacted several years ago. Money from the gasoline tax is earmarked for state highways and county state aid, municipal and township roads, Johnson said. He also said that the restructuring of the county state-aid highway formula was quite controversial in the division. The bill provides that 10 percent is allocated among all 87 counties, 10 percent is calculated on the basis of lane miles, 30 percent is based on population and 50 percent is based on need. The bill also accelerates construction monies of half a billion dollars from the federal government. The disagreement comes about how to finance the debt service, Johnson said, the governor proposes laying off 296 employees in the department. The problem with laying off employees is that it will cut into maintenance of our roads, Johnson said. He said the governor's proposal saves \$40 million for debt service, but the bill saves \$30 million by cutting back on vehicles and cell phones for state officials, cutting back on out-of-state conferences and other efficiencies.

Johnson said that if passed, the bill provides \$151 million more for transit in Minnesota and \$385 million for highways. "The reason we ought to pass this bill is that it is balanced. It is balanced between the Metro and Greater Minnesota and it is balanced between transit and highways. We have taken a bold step and put new money on the table," Johnson said. He added that the cost of the gasoline tax is about \$40 per year for the average driver.

Johnson said the bill also contains a number of policy provisions. One provision makes a seat belt violation a primary offense and increases the fine for the violation. The measure also authorizes high-occupancy toll (HOT) lanes that allow fees to be charged for single-

occupant vehicles to use the high-occupancy vehicle lanes. In addition, the bill permits the commissioner to enter into lease agreements for the operation of highway rest area facilities. A number of fees are raised in the bill, and the measure modifies school zone speed limits. The bill provides for a study of the use of centerline rumble strips, provides for a study of the feasibility of implementing bus rapid transit in the I 35W corridor, and requires the Metro Council to construct a Brooklyn Center transit center. The measure also contains provisions strengthening the proof of identity needed for a driver's license or identification card. However, the bill does not contain the "status check" provisions contained in other measures.

After reviewing the bill, members began consideration of a series of amendments. Sen. Mark Ourada (R-Buffer) offered an amendment deleting the language in the bill prohibiting base budget reductions for certain items. "If the department can find better ways to do those tasks, then I don't think we should limit their ability to do so," Ourada said. Johnson argued against the amendment and said, "We want the department to find efficiencies, but there are safety issues. We want the same level of service for snow removal and lane striping that we have now." The amendment failed.

Sen. Mady Reiter (R-Shoreview) offered an amendment prohibiting the spending of funds for construction or equipment of the Northstar Commuter Rail Line until the state and the Burlington Northern Santa Fe Railway have an agreement that specifies the price to repair, operate and maintain the line. The amendment failed on a 9-51 roll call vote.

Sen. Claire Robling (R-Jordan) offered an amendment deleting the list of projects slated for accelerated completion. Robling said, "We have a process in place that has served us well, no one should have priority according to political might." Johnson countered, "The projects were all given hearings in committee and that is the reason they are on this list. The projects are good for our transportation system." The amendment failed 22-41. Ourada offered two amendments adding projects to the list, however both amendments failed.

Sen. Mike McGinn (R-Eagan) offered an amendment to increase the speed limit

on I-35E to 55 miles per hour. "The existing speed limit of 45 miles per hour creates serious problems, both in safety and in making law abiding citizens into criminals. It is an artificial speed limit, set to resolve a dispute."

Sen. Richard Cohen (DFL-St. Paul) argued against the amendment. "I-35 E in St. Paul has been of benefit to many people, but that road would not exist if not for the agreement to mitigate noise and pollution. More importantly, the highway is based upon a federal court consent decree and a state legislature cannot pass legislation that abrogates a federal consent decree," Cohen said. Sen. Sandra Pappas (DFL-St. Paul) also spoke against the amendment. "It is a very delicate compromise—very long and hard fought. Although it may be difficult for our colleagues from the south to slow down, I'd suggest that you slow down and enjoy the parkway," Pappas said.

The amendment failed 27-36.

Sen. Dick Day (R-Owatonna) offered an amendment that substitutes the governor's proposal for funding transportation and transit. "I'm offering an alternative to Sen. Johnson's high tax, high funding package," Day said. "We have a governor who is not going to have a tax increase," Day said. "Let's do the billion dollars worth of bonding." Johnson countered, "The governor's bill does nothing for local roads or county roads and there is nothing for transit. We need to consider balance. Balance in our highways and balance in transit." Johnson continued, "It is time to be honest about what is happening with the budget. The governor's budget will raise fees over \$450 million over the next two years. We need resources and we need investment. It is the one thing the state can do to help our economic recovery." The amendment failed 27-36.

Ourada offered an amendment similar to the Day amendment but providing \$10 million for the Northstar Commuter Rail Line and \$15 million for local bridges. The amendment failed 21-41.

Sen. Dave Kleis (R-St. Cloud) offered an amendment containing the language of H.F. 1, the driver's license bill. Kleis said the language in the bill restricts the commissioner's authority and does not provide adequate protection against identity theft. The amendment failed 29-32.

Day offered another amendment to require communities along the Hiawatha



Light Rail line to pay more for the project. Sen. Scott Dibble (DFL-Mpls.) spoke against the amendment and said, "We fund all transportation projects across the state, regardless of breadth of impact. Light rail transit connects some of the highest trip generators in the state—downtown Minneapolis, the University of Minnesota, the Mall of America and the airport." The amendment failed 27-34.

Sen. Jane Ranum (DFL-Mpls.) offered an amendment restoring some funds to the traumatic brain injury fund. The amendment prevailed 33-25.

Kleis offered another amendment relating to driver's licenses. The amendment contained language that had been in a previous version of the bill. The amendment failed 28-34. Kleis offered a series of four amendments, dealing with portions of the driver's license provisions contained in the previous amendment that failed to gain adoption.

Reiter offered an amendment providing for "United We Stand" license plates and requiring a fee of \$10 for the plate and a \$30 annual fee. Sen. Sharon Marko (DFL-Cottage Grove) spoke against the amendment. "There isn't a year that goes by that there isn't a pretty license plate bill, but what is charged doesn't cover the costs. The department has asked that we not do this." The amendment failed.

Ranum offered an amendment to make the HOT provisions applicable to I-394, but not to I-35W. In addition, the amendment deletes provision exempting the establishment of the HOT lanes from the municipal consent law and rulemaking. Members divided the amendment and voted on each part separately. Both portions failed.

The bill was granted final passage on a vote of 35-28. Members then substituted the language of S.F. 1534 for the language in H.F. 627 and passed H.F. 627 on a 35-29 roll call vote.

## **Health, human services and corrections bill approved**

The final omnibus spending bill considered, Fri., May 2, was the omnibus health, human services and corrections appropriations bill, S.F. 1532. Sen. Linda Berglin (DFL-Mpls.) said the measure is really about caring for the state's sick, elderly and disabled.

She asked Senators which of them would be willing to give up their state-funded health care benefits for themselves and their families. Each of us, Berglin said, is more financially capable of paying for our own benefits than any of the people affected by the provisions of S.F. 1532. Berglin then offered an amendment that reflected the governor's budget proposal. The proposal, she said, eliminates medical coverage for over 60,000 people and eliminates services provided to the state's poorest residents. Berglin said the governor's plan makes drastic cuts to nursing homes, hospitals, Meals on Wheels, tobacco use prevention and programs for the disabled. She said the amendment reflects about \$571 million less funding in this budget area, and that the additional spending in the bill is paid for by a \$1 increase in the tax on cigarettes, which is contained in another bill.

Sen. Dick Day (R-Owatonna) spoke in support of the amendment. We live in a quality state that has always tried to take care of its people, he said, and we still will if the governor's budget is adopted. "For years and years, we went to the wall to be better than other states," Day said, but we have a budget problem now. The people want us to scale it back a little and not raise their taxes, he said. "I know what it is like to have disabled people and homeless people in your community," Day said. You can't just tax everybody higher, though, he said.

Members also discussed recent polls showing that citizens do not want spending cut in some budget areas, but also do not want certain taxes increased. Sen. Richard Cohen (DFL-St. Paul) said that one poll shows 67 percent of the people support an increase in the cigarette tax. However, Sen. Thomas Neuville (R-Northfield) said that is easy for the people in the economic middle to say they support taxing the rich and increasing taxes on cigarettes, when they don't pay those taxes. He also said it is inherently dangerous to base permanent spending on an unstable tax, like tobacco. It would be a different policy discussion if the tobacco tax revenue were being used to fund youth tobacco use prevention efforts, Neuville said. The tobacco tax increase is unsure revenue, because smokers can go to other jurisdictions, such as Indian reservations, to buy cigarettes without paying the higher tax. The amendment was defeated, 25-37.

Senators then turned to consideration of several other amendments. Sen. Ellen Anderson (DFL-St. Paul) offered an amendment providing for crib safety standards and crib inspections in child care facilities. She said there were 4 infant deaths, and about 240 infant injuries, attributable to unsafe cribs in child care facilities last year. The amendment requires child care operators to visually inspect their cribs monthly, using a checklist provided by the Dept. of Human Services, and to keep the checklist for review during routine license inspections. Anderson said the provisions are supported by both the department and child care operators. However, Sen. David Hann (R-Eden Prairie) said the amendment goes too far in regulation and is costly to consumers. "This gives new meaning to the term 'nanny state,'" he said. The amendment was adopted on a 46-17 roll call vote.

Sen. Becky Lourey (DFL-Kerrick) offered an amendment requiring youths who require out-of-home placement through a corrections order to be placed in Minnesota programs or facilities unless a program in a border state is closer to the youth's home or there is no vacancy in an appropriate in-state program or facility. Sen. David Tomassoni (DFL-Chisholm) offered an amendment exempting a transfer of nursing home beds between two facilities in St. Louis County from the nursing home construction moratorium. Sen. Dean Johnson (DFL-Willmar) offered an amendment requiring the commissioner of human services to report quarterly on the restructuring of the state's regional treatment centers, especially with regard to buildings vacated or offered for sale or lease, the development of community services that result in a reduced utilization of campus-based adult mental health programs and the client census for the adult mental health programs at each of the regional treatment centers. Neuville offered an amendment clarifying that applicants for game and fish licenses must be allowed to type in their Social Security numbers, rather than give them to the license agent. A provision already in the bill requires applicants to include their Social Security number on the application. Neuville said the provision in the amendment is meant to let citizens keep their Social Security numbers private from bait shop employees.

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**Former Attorney General Skip Humphrey addresses a crowd in the Capitol rotunda, Thurs., May 8, in recognition of the five-year anniversary of Minnesota's tobacco lawsuit settlement and to encourage lawmakers not to raid the settlement fund to help balance the state's current budget deficit.**

Photo by David J. Oakes

All four amendments were adopted on voice votes.

Neuville also offered an amendment providing for lifetime conditional release for repeat sex offenders. He said a fiscal note indicates the plan will have no costs or savings until at least 2016 and will save money after that point. People who commit a second act of sexual violence, he said, deserve to be on lifetime conditional release. The amendment was defeated, 28-34. Another amendment, also offered by Neuville, permits the commissioner of corrections to issue a request for proposals to build a new facility to house short-term offenders. The amendment also forbids the commissioner from accepting any proposal without authorization in law. "We have nothing to lose by asking for proposals," Neuville said. However, Berglin said the state cannot afford to add prison beds at this time. Neuville countered that the decision to add beds will come later, but the amendment begins the process of planning to accommodate the inmates we

know are coming. The amendment failed on a 29-32 roll call vote.

Another Neuville amendment provided for lifetime probation for offenders who commit three violent crimes. He said the proposal is "three strikes light," and has no fiscal cost for about eight years. After eight years, Neuville said, there are some increased probation costs but savings in other costs, in the long-term. This plan, he said, makes our state significantly safer. However, Berglin said the bill reduces spending on probation services by five percent. We don't have the probation officers to deal with increased supervision, she said. The amendment was also defeated, 31-34.

Sen. Dave Kleis (R-St. Cloud) offered an amendment requiring the commissioner of corrections to submit, by Jan. 15, 2004, a plan to increase the state's correctional capacity. The amendment was defeated, 30-35. Sen. Gen Olson (R-Minnetrista) offered an amendment restoring funding to a faith-based

prerelease program and reducing funding to the Board of Public Defense in a equal amount. She said the program is new in Minnesota, but has a good track record of reducing recidivism in other states. Neuville spoke in support of the amendment, saying that his experience as a public defender has shown him that if criminals are going to change their lives, the change has to come from within. The program will save the state money in the long-term, he said. However, Berglin spoke against the amendment, saying that public defenders have tremendous needs and that established programs, with histories of reducing recidivism, are taking budget cuts. The amendment was defeated, 29-34.

An amendment extending the use of a prioritization list to state employee health care coverage was offered by Sen. Sean Nienow (R-Cambridge). He said the bill includes over 1,400 diagnostic codes for which the state will not pay for treatment, and a significant number of the criteria for placing diagnoses and treat-



ments on the list are financial. If this is a good plan, he said, then it is good enough for us. "If it is not good enough for you, how is it good enough for the needy in the state of Minnesota," Nienow asked.

Berglin said she was willing to live with the prioritization list in her own health plan, but was opposed to the amendment. The state employee health plan is not in the bill, she said, and the issue is one of collective bargaining. Berglin said she hopes the administration and the employee unions will examine using the list, however. The amendment failed, 29-36.

Sen. Brian LeClair (R-Woodbury) offered two amendments. The first deletes a provision requiring counties to pay about four percent of Medical Assistance costs for the last six months of the biennium and providing that the state will reimburse the counties in FY 06-07. LeClair said the counties should not be asked to loan the state money for six months. However, Berglin said that the governor's proposal cuts over \$200 million in MA funding to counties, while the bill makes only \$91 million in cuts, for six months. The amendment was defeated, 29-35. The other amendment eliminates rate equalization laws for nursing home patients. LeClair said Minnesota is one of only two states with a requirement that rates for privately paid patients be the same as patients receiving public support. "It is right that those who have more means should have to pay, could be asked to pay just a little bit more," he said. Berglin said not having rate equalization has created Medicaid-ghetto nursing homes in other states. The amendment also failed, 26-36.

An amendment relating to county mandates was offered by Sen. David Senjem (R-Rochester). The amendment permits counties to adjust their service levels for state-mandated services if the state is not providing enough funding to cover the costs of the services. Berglin said that there are many things that counties do that are not mandated by the state. Mandates are in place, she said, for the most vulnerable in our state, and if the amendment is adopted, they will go to the head of the line for cuts. My own county just mailed a four-color newsletter to residents, Berglin said. If cuts to those services haven't been made yet, she said, they need to be. The amendment was defeated on a 31-33 roll call vote.

Nienow offered an amendment permitting parents to have access to the medical records of their unemancipated minor children. Berglin said the current law is supported by medical professionals and applies only to very limited cases, such as mental health treatment. However, Hann said it is not an uncommon circumstance for parents to be trying to be good, involved parents, but a child is shutting the parents out. Parents are often shocked that they can't find out information about their child's health when they are trying to help and they are paying for the health care. Neuville said the U.S. Supreme Court has ruled that parents have a right to their children's medical records. This law never should have been on the books in the first place, he said. The amendment was defeated, 27-38.

Senators also considered three amendments relating to abortion. Sen. Michele Bachmann (R-Stillwater) offered an amendment prohibiting RU-486, or any other drug used to induce an abortion, from being on the MA formulary. When we are looking at closing hospitals and nursing homes, we should not be using tax money to pay for RU-486. Berglin said the state may lose money from the federal drug rebate program, if the drug is not included. The amendment was defeated, 29-36. LeClair offered an amendment defining the term therapeutic abortion as one that is medically necessary. Medical Assistance, he said, is required to cover therapeutic abortions, but the term has never been defined in law. The effect of the amendment, LeClair said, is to no longer cover elective abortions. The amendment failed on a 30-33 roll call vote.

The final amendment was offered by Lourey. The amendment requires doctors performing abortions to review all FDA-approved methods of contraception, including natural family planning, with a woman during the required informed consent session. Sen. Steve Dille (R-Dassel) said that of the 15,000 women on whom abortions were performed in Minnesota in 2001, about 4,000 were using birth control and about 6,000 were having their second or later abortion. An important part of reducing abortions is preventing unwanted pregnancies, he said. Dille said the Food and Drug Administration classifies its approved methods into five categories: oral contraceptives, intrauterine devices, injections,

implants and natural planning. The amendment was adopted on a voice vote.

S.F. 1532 was granted final passage, 38-27. The bill was then tabled and H.F. 437, the companion budget bill, was taken from the table. The language of S.F. 1532 was amended onto H.F. 437 and H.F. 437 was granted final passage, 36-28.

### First tax bill passes

Senators met Mon., May 5, to consider several pieces of legislation, including the first omnibus tax bill, S.F. 1505. Sen. Lawrence Pogemiller (DFL-Mpls.), chief author, said the bill contains no issues of partisan controversy and does not raise any new revenue.

The bill includes provisions relating to sales taxes, property taxes, the truth-in-taxation process, local development and public finance. The measure also updates reference to the federal Internal Revenue Code and makes other tax law modifications suggested by the Dept. of Revenue. S.F. 1505 also permits the state agricultural society, which operates the State Fair, to sell revenue bonds and provides exemptions from the personal property tax for proposed electric generation facilities.

Members adopted several amendments to the bill, making minor and technical changes or removing provisions that need further work, without significant discussion. However, several other amendments did receive substantial floor debate. One, offered by Sen. Mady Reiter (R-Shoreview), deletes economic development provisions for four Metro Area counties—Anoka, Hennepin, Ramsey and Washington. Reiter said the counties and cities have not had sufficient time to resolve their disputes over the power granted, in the bill, to the counties. The provision permits the counties to grant an existing county housing and redevelopment authority the powers of an economic development authority. The new entity is designated a county community development authority, under the provision. Reiter said the cities fear that counties will be picking winners and losers in economic development projects. Sen. Don Betzold (DFL-Fridley) spoke against the amendment, saying all of the other 83 counties have the same authority. He said that while his own city opposes the plan, he is taking a larger view. In Anoka County, Betzold said, the northern

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portion is undeveloped and the southern portion is fully developed. For new development to occur in the north, he said, the county will have to step in, while in the south, the cities and county can partner in redevelopment efforts. The amendment was adopted, 33-32.

Sen. Sharon Marko (DFL-Cottage Grove) offered an amendment deleting a provision providing for a personal property tax exemption for electric generation equipment at a proposed plant in Rosemount. She said the plant is not in her district, but her constituents are concerned about the proposal because the environmental impacts are likely to be more predominant in her district. Marko said the proposed plant has been on a fast track and needs to be slowed down for citizen input. However, Sen. David Knutson (R-Burnsville) said the policy of exempting new plants from the tax has been consistent for years. Very few other states, if any, impose the tax, he said, and Minnesota has waived the tax for at least 17 plants to provide Minnesotans with cheap energy. Opponents of the project will have ample opportunity to speak up when the Pollution Control Agency, Environmental Quality Board and Public Utilities Commission each hold hearings on the plant, Knutson said. Sen. Gen Olson (R-Minnetrista) spoke against the amendment also and quoted former Sen. Duane Benson, "What is good for the goose is good for [all] the geese." Tax policy should be consistent, Olson said. The amendment was defeated on a 10-52 roll call vote.

Two amendments removing uncompensated care billing provisions were also considered. The first, offered by Sen. John Marty (DFL-Roseville), concerns a provision reducing the fiscal disparities apportionment of a county whose residents received uncompensated care from a hospital owned or operated by another county by an amount equal to the cost of the uncompensated care. The bill requires at least 10 percent of the county's uncompensated care to have been provided by the hospital in the other county. The provision also compensates the hospital with the funds removed from the county's fiscal disparities distribution. The fiscal disparities system is not meant to address the issue of uncompensated care, Marty said. He said that uncompensated care does need to be addressed, but that fiscal disparities is not the solution.

However, Pogemiller said that the hospitals bearing a major burden of the state's uncompensated care cannot continue to take the loss. Sen. William Belanger (R-Bloomington) said the alternative for the hospitals—which are primarily HCMC, Fairview-University and Regions—is to turn away residents of other counties. Uncompensated care is a statewide problem and needs a statewide solution, said Sen. Sandra Pappas (DFL-St. Paul). She said it was inappropriate to hurt other Metro Area units of government to help the hospitals. The amendment prevailed on a 34-31 vote.

The other amendment deletes a provision permitting counties that host eligible hospitals, using the 10 percent standard addressed above, to bill the county of the patient and creates a cause of action for the hospital to seek payment from the county. Sen. Julianne Ortman (R-Chanhassen), who offered the amendment, said the provision puts counties in an untenable position, where they will not be able to budget for the bill presented by the hospitals. However, Pappas said the provision should not be removed, because counties should be sharing in the solution if there is no statewide funding solution. Ortman withdrew the amendment, but it was offered again by Pogemiller. He said that the issue has divided the Senate and he was willing to remove the provision, but that he and Belanger have made their point. The amendment was adopted on a voice vote.

S.F. 1505 was granted final passage, 58-8. Members later reconsidered the bill and also reconsidered the Marty amendment, relating to uncompensated care and fiscal disparities. The amendment failed, 31-36, and the bill was again granted final passage, 55-12.

In other action, members approved seven measures. S.F. 990, sponsored by Sen. Steve Murphy (DFL-Red Wing), is the omnibus agriculture bill. The measure's provisions relate to wild rice labeling, updating state law to reflect current federal regulations, revising organic food standards, permitting certain cattle prescription drugs to be administered by the owner rather than a veterinarian and naming the new Dept. of Agriculture-Dept. of Health joint headquarters building after the late Orville Freeman, a former governor. Murphy also authored S.F. 905, which changes the state definition of concentrated animal

feedlot operations to the federal definition.

Sen. Linda Scheid (DFL-Brooklyn Park) carried the housekeeping bill for the Board of Architecture, Engineering, Land Surveying, Landscape Architecture, Geoscience and Interior Design, H.F. 677. Sen. Linda Higgins (DFL-Mpls.) carried two bills. H.F. 456 designates Victory Memorial Drive in Minneapolis, a three-mile long World War I memorial, as an historic district. H.F. 446 exempts minors between the ages of 11 and 13 who are employed as youth athletic league officials from child labor laws. The bill requires that the minor's parents have given written consent, that the participants the minor is refereeing or officiating be in a younger age bracket and that at least one supervising adult be on the field at all times. H.F. 258, carried by Sen. Scott Dibble (DFL-Mpls.), prohibits the sale of fertilizers containing more than 500 parts per million of arsenic. Dibble also authored S.F. 418, which provides limited prescription authority for optometrists.

## Sex abuse bill passed

The latter half of the Mon., May 5, floor session continued the discussion of bills on Special Orders. One measure, S.F. 575, authored by Sen. Gary Kubly (DFL-Granite Falls), modifies the limitation period for civil actions for personal injury based on sexual abuse against a minor. Kubly said the bill separates the discovery of injury, resulting from abuse, and sets the statute of limitations at six years from the discovery. Current law specifies a statute of limitations of six years after reaching the age of 21. In addition, Kubly said, the bill carves out a one year window for individuals whose claims have been barred by the current statute of limitations.

Sen. Thomas Neuville (R-Northfield) offered an amendment maintaining the current statute of limitations for civil suits seeking money damages, but adding an unlimited time period for individuals to bring suits seeking declaratory relief. Neuville said eliminating the statute of limitations for declaratory relief allows individuals who have been abused to bring emotional or psychological closure. He said, "It is a very problematic area of the law. Statutes of limitations are to insure justice for all sides. The problem with the bill is that individuals may file suit many years after the incident and other parties, or witnesses, may not



remember or may have died in the intervening time.”

He said the amendment is a compromise that allows for the person to become whole, but prevents some of the potential for significant damages remaining for many years. Sen. Don Betzold (DFL-Fridley) supported the amendment. “There is no question that individuals that sexually abuse minors must be held criminally and civilly accountable, but these cases are difficult to defend against after 20 or 30 years have passed,” Betzold said.

Kubly opposed the amendment, “We heard from many people who were beyond the six years when they made the connection between the abuse and the damage that was done. If a person is seeking emotional closure, that could be done outside a court of law.”

Sen. Michele Bachmann (R-Stillwater) also supported the amendment. She said, “There needs to be balance. Our instinct is to make the victim whole, but under the bill there will be no meaningful ending for providers.” Kubly responded that if the individual can’t find evidence, witnesses or documents, then the case would not be allowed to go forward. Sen. Julianne Ortman (R-Chanhassen) also opposed the amendment and said the bill tries to balance fairness between victims and institutions. Victims will still have to prove difficult concepts, she said.

The amendment failed on a 31-35 roll call vote. The bill was granted final passage on a 41-25 roll call vote.

In other action, a number of additional bills were granted final passage during the latter part of the floor session. S.F. 692, authored by Dibble, authorizes the creation of a community planning and economic development department of the city of Minneapolis. Dibble said the bill represents the first step in reform measures the city is taking to streamline functions. The bill rolls the Minneapolis Economic Development Authority into the city government structure, rather than maintaining it as a stand alone agency. S.F. 891, authored by Sen. Ann Rest (DFL-New Hope), authorizes housing and redevelopment authorities to form limited partnerships, limited liability companies or corporations to develop, construct, rehabilitate, manage, support or preserve

housing projects. H.F. 317, sponsored by Sen. Leo Foley (DFL-Coon Rapids), allows the use of county facilities for commercial wireless service providers and allows the lease of sites for public safety communications equipment. The measure was later reconsidered and an amendment, offered by Sen. Jim Vickerman (DFL-Tracy), was added. The amendment authorizes the appointment, rather than the election, of the Rock County recorder. The amendment was adopted and the bill granted final passage.

S.F. 645, carried by Sen. James Metzen (DFL-South St. Paul), provides that the interest rates on security deposits may be adjusted. Metzen said that currently the interest rate is about 3 percent and the bill allows the rate to be adjusted to 1 percent. Sen. Ellen Anderson (DFL-St. Paul) offered an amendment allowing city attorneys, as well as county attorneys, the right to bring an eviction action against a tenant or licensee. The amendment was adopted and the bill granted final passage. H.F. 1080, also carried by Metzen, extends the National Guard tuition and textbook reimbursement grant program. S.F. 793, sponsored by Sen. Jane Ranum (DFL-Mpls.), clarifies the eligibility of local governments for state aid in building components of the region wide public safety radio and communications system. Members adopted an amendment that reflects an agreement between the city of Bloomington and the Metro Radio Board and gave the bill final passage.

S.F. 294, carried by Betzold, requires the payment of a salary differential and continuation of benefits to state employees who are members of the National Guard or other military reserve units and have been called to active duty. The measure also authorizes local units of government to pay the salary differential, Betzold said. H.F. 700, sponsored by Foley, provides immunity from liability for good faith communications with law enforcement. S.F. 1167, sponsored by Sen. Dan Sparks (DFL-Austin), increases parental liability owed to a victim for acts of juvenile offenders from \$1,000 to \$3,000.

Sparks also authored this year’s omnibus banking bill. S.F. 1069 makes numerous technical changes relating to financial institutions, examinations, applications, loans, advertising and organizational provisions.

## Wednesday, May 7

### Data practices bill, with opt-in requirement, approved

A bill making changes in government data practices and requiring an opt-in standard for the disclosure of consumers’ personal financial information gained Senate approval, Wed., May 7. S.F. 568, authored by Sen. Wesley Skoglund (DFL-Mpls.), was passed on a 60-5 roll call vote.

The bill includes provisions that comply with federal law, closing access to some information maintained by the government, said Skoglund. The measure also provides for the release of mental health data to police crisis intervention teams and protects information about Indian burial sites. Sen. Geoff Michel (R-Edina) offered an amendment removing provisions providing for an opt-in standard for the disclosure of financial information. An opt-in standard requires financial institutions to receive the express permission of a consumer before sharing the consumer’s personal financial information with other companies. Conversely, an opt-out standard, which is current law, requires financial institutions to give consumers the option of requesting that the institution not share their personal information. Michel said the opt-in provisions are highly controversial. Minnesota does not need to be an island of consumer privacy, he said. The flow of information and technology does not stop at the state’s borders, he said, and the appropriate place to fight the privacy battle is at the federal level. Congress has already acted and empowered consumers to opt out, Michel said, and the system is working.

Speaking in opposition to the amendment, Sen. Don Betzold (DFL-Fridley) said that only a few years ago, Minnesota consumers were calling for an end to the sale of their information. He said Minnesota was on the brink of passing an opt-in law, but that financial institutions asked the Legislature to wait for the federal law. Sen. Warren Limmer (R-Maple Grove) said five other states have adopted opt-in standards and other states are considering similar legislation. Opt-in is catching fire across the country, he said, and Minnesota consumers want us to go in this direction. However, Sen. Linda Scheid (DFL-Brooklyn Park) said that consumers must be responding

# Floor update

positively to the offers they are receiving through information sharing, or else institutions would stop sharing information. We all get the privacy notices and the opt-out forms, she said, and we are all capable of opting out. The amendment was defeated, 28-36.

Another measure gaining considerable attention during the floor session was S.F. 1278. The bill, carried by Sen. Leo Foley (DFL-Coon Rapids), requires registered sex offenders to give written notice to assigned corrections agents or local law enforcement authorities of changes in their primary residence. Sen. Thomas Neuville (R-Northfield) offered an amendment providing for lifetime conditional release for sex offenders. He said the proposal has no cost to the state for about 12 years, but does start to bring in \$1 million of annual savings in 6 or 7 years. If we do this now, Neuville said, we will start reaping the fiscal and safety benefits sooner. Sen. Linda Berglin (DFL-Mpls.) disputed the financial information and said that the amendment imposes substantial costs on the Dept. of Corrections. We should not be doing the work of the Finance Committee on the floor of the Senate, she said. However, Sen. Sheila Kiscaden (IP-Rochester) said that the amendment provides a substantial public safety benefit to the state. She said the current system of dealing with sex offenders is also very costly and may not be as effective as lifetime conditional release in reducing recidivism. The amendment was adopted, 33-30. Berglin moved that the bill, as amended, be referred to the Finance Committee for consideration of its fiscal implications. The motion prevailed on a 34-32 roll call vote.

Members also granted final passage to eight bills. S.F. 964, sponsored by Sen. Mee Moua (DFL-St. Paul), makes various changes to crime victims' rights. S.F. 1260, authored by Sen. Steve Kelley (DFL-Hopkins), amends provisions of the Telephone Assistance Plan to apply the plan to a broader group of residents, simplify administration and leverage federal funding. Sen. Yvonne Solon (DFL-Duluth) carried H.F. 433, which clarifies the 60-day requirements of state zoning law. Sen. Jim Vickerman (DFL-Tracy) authored a bill, S.F. 407, clarifying the process by which the positions of town clerk and treasurer can be combined. S.F. 67, sponsored by Sen. Tom Saxhaug

(DFL-Grand Rapids), permits Koochiching County to establish a port authority. Saxhaug also carried H.F. 770, which converts the Aitkin County Long Lake conservation training center fund into a separate county enterprise fund. H.F. 1251, carried by Kiscaden, modifies regulations relating to licensed home care agencies. Foley authored a bill, S.F. 262, authorizing sales of motor vehicles to licensed motor vehicle dealers by licensed limited used vehicle dealers, exempting donations of vehicles to individuals by limited used motor vehicle dealers from the motor vehicle sales tax and requiring nonprofit charitable organizations with limited used vehicle licenses to send donors a receipt for donated vehicles.

In other action, members concurred with amendments, made by the other body, to S.F. 350 and repassed the bill. Authored by Scheid, the measure makes changes to the Minnesota fair access to insurance requirements plan. Senators also approved motions not to concur with amendments made to S.F. 351 and S.F. 980. S.F. 351, carried by Sen. Thomas Bakk (DFL-Cook), allows the use of emergency police radio equipment by a representative of a political subdivision that has been issued a permit to use police emergency radio, without requiring an individual permit, provided the chief law enforcement authorizes the use in writing and allows a political subdivision to apply to the superintendent of the Bureau of Criminal Apprehension for a permit to lawfully use police emergency radio equipment. Foley sponsored S.F. 980, which permits victims of identity theft to report the crime to the law enforcement agency where they live, regardless of where the crime occurred, and permits prosecutors to file charges for identity theft in either the county where the offense occurred or the victim's county of residence.

## Thursday, May 8

### Video game restrictions okayed

A bill prohibiting young people from renting or buying violent video games dominated debate at the Thurs., May 8, floor session. S.F. 1140, sponsored by Sen. Sandra Pappas (DFL-St. Paul), prohibits young people under 17 from renting video games rated AO (adult only) or M (mature) by the entertainment software rating board. Pappas said the latest

generation of video games is more realistic and more violent than ever before. She said the games may desensitize young people to violence and lead to violent behavior. Pappas explained that training for the military uses similar games to train individuals to use deadly force. Sen. Julie Rosen (R-Fairmont) spoke in support and said passage would give parents a helping hand in restricting violent video games.

"This is an important public policy issue. The best selling game the past year glorifies violence against women and law enforcement officers, but most parents and teachers are unaware of the content of the games," Pappas said. We need to educate people about the detrimental effects of these games on youth, she said.

However, Sen. Steve Kelley (DFL-Hopkins) opposed the measure. "We are criminalizing entertainment," Kelley said, "It is a free speech issue and it is unconstitutional." "We want age appropriate materials for children, we don't allow free speech for children in our homes," Pappas responded.

Sen. Julianne Ortman (R-Chanhassen) questioned whether it would be more appropriate to penalize retailers, rather than the young people. Pappas said that holding retailers responsible was considered, but the bill takes an approach similar to that taken by early restrictions on the use of tobacco products.

Sen. Linda Scheid (DFL-Brooklyn Park) spoke in support of the measure. "We need to issue a wake-up call to parents. This isn't a matter of protecting free speech; it is a matter of acceptable entertainment. We should not protect this type of material."

Sen. Michael Jungbauer (R-East Bethel) said, "After 17 years of youth ministry, I can say these types of games do affect young people." Sen. Warren Limmer (R-Maple Grove) also spoke in support of the measure.

The bill was laid on the table in order for amendments to be drafted. When the bill was taken from the table, Sen. Jane Ranum (DFL-Mpls.) offered an amendment providing that a person who knowingly sells or rents a restricted video game to a person under the age of 17 is guilty of a petty misdemeanor. "If we want to hold young people accountable, we should also make sure that we are holding the people accountable who are renting or selling the games," she said. Pappas said the amendment was the first approach the



bill took, but it failed in committee. Pappas said the approach in the bill is more educational because it is unlikely that young people would be prosecuted under the bill. Sen. David Knutson (R-Burnsville) argued against the amendment. "This is a classic bait and switch," he said. The original bill failed in committee and the author drafted a new bill so that we could get something passed; let's take the incremental step and pass the Pappas bill as is, Knutson said.

Ranum said the original bill is excellent, "but we need to decide if we are ready to hold the retailers responsible." "The issue is, are we ready to say these violent video games are as harmful as tobacco and alcohol sales to minors?" Ranum said. Sen. Michele Bachmann (R-Stillwater) said she supported the underlying bill and the amendment. "Normally, I'm not in favor of placing more burdens on retailers, but we have restrictions on movie theaters because we have decided it is harmful to minors to see R rated movies, thus it is within our purview to act on these games," Bachmann said. Kelley said, "What we are ignoring here is the key role of the parents. We are talking about these games, but we haven't seen them. We are talking about doing something about violence, but violence comes from kids having been abused. That is what we should stop." However, Sen. Linda Berglin (DFL-Mpls.) said, "It is a culture of violence that we are allowing to exist by allowing these video games to be sold to children."

Sen. Betsy Wergin (R-Princeton) said, "I think it is important to have consistency. Although I would prefer to have heard from retailers, it seems if it is illegal for retailers to sell alcohol or tobacco, it should also be illegal to sell or rent these types of games." Sen. Sheila Kiscaden (IP-Rochester) said, "We know full well that to make the amendment work we have to do a variety of compliance checks and enforcement checks. It was clear in committee that the amendment is not the way to go on this issue." The amendment was adopted on a 32-30 roll call vote.

Sen. Ellen Anderson (DFL-St. Paul) moved to reconsider the amendment. The motion to reconsider was approved 35-25. The amendment was then withdrawn. Ortman offered an amendment requiring retailers to post a sign stating that it is against the law for persons under 17 to

rent or purchase a video game rated AO or M. "The point of the amendment is to inform young people that it is not okay to rent these games," Ortman said. Pappas said she supported the amendment as a better approach. The amendment was adopted.

Sen. Thomas Neuville (R-Northfield) offered an amendment providing that parents have access to the medical records of their unemancipated minor children. The amendment was ruled non-germane.

The bill was granted final passage on a vote of 53-8.

The balance of the session was devoted to considering bills on Special Orders. S.F. 299, authored by Sen. Dallas Sams (DFL-Staples) requires a study relating to ambulance service liability insurance. H.F. 316, also carried by Sams, provides procedures and criteria for calling special elections to vacancies in certain instances. H.F. 710, sponsored by Bachmann, deletes obsolete language relating to mandatory retirement. H.F. 1234, authored by Sen. Dick Day (R-Owatonna), provides for correction of interment errors. H.F. 1268, carried by Sen. Michelle Fischbach (R-Paynesville), clarifies when vehicle lights must be displayed. H.F. 314, sponsored by Sen. Carrie Ruud (R-Breezy Point), allows the display of flashing blue lights to the front of emergency vehicles. S.F. 944, authored by Sen. Claire Robling (R-Jordan), provides an exception to the priorities for designating a qualified newspaper. H.F. 419, also sponsored by Robling, modifies requirements for the use of experienced aides at child care centers for human services licensing purposes.

H.F. 645, authored by Sen. Sheila Kiscaden (IP-Rochester), modifies provisions regulating electricians. H.F. 1026, carried by Ortman, authorizes the commissioner of human services to initiate a pilot program for waived, day training and habilitation and intermediate care facility (ICF/MR) services for persons with mental retardation or related conditions under medical assistance. H.F. 335, carried by Sen. John Marty (DFL-Roseville), requires new landscape irrigation systems to have furnished and installed moisture or rainfall sensing equipment.

H.F. 1044, sponsored by Sen. Wesley Skoglund (DFL-Mpls.), clarifies costs and penalties that may be collected in disciplinary proceedings by the boards of

nursing home administrators, optometry, chiropractic examiners, physical therapy, dietetics and nutrition practice, dentistry, podiatric medicine, pharmacy and veterinary medicine. H.F. 428, carried by Sen. Don Betzold (DFL-Fridley), clarifies the authority of cities to exercise town powers and to impose service charges for emergency services. S.F. 1090, authored by Sen. David Tomassoni (DFL-Chisholm), modifies provisions governing gross vehicle weights on interstate highways and provides for vehicles and vehicle combinations weighing up to 88,000 pounds to travel on 9 ton roads in winter. S.F. 308, also carried by Tomassoni, specifies duties of owners and operators when mining operations are discontinued.

## Conference Committees

### Conference Committee on H.F. 627

#### Transportation funding compared

Conferees on transportation funding met Thurs., May 8, to compare the proposals approved by the Senate and House of Representatives.

H.F. 627, as passed by the Senate, appropriates a total of over \$3.622 billion for transportation—\$176 million from the general fund, \$38.9 million from the airports fund, \$859.6 million from the county state-aid highway fund, \$226.9 million from the municipal state-aid streets fund, \$1.988 million from the special revenue fund, \$22.3 million from the highway user fund and \$2.298 billion from the trunk highway fund. The bill also includes a refinancing of \$110 million in transportation projects from general fund money to trunk highway bond proceeds in FY 03.

The House proposal includes over \$3.765 billion—\$159.6 million from the general fund, \$39 million from the airports fund, \$868.9 million from the county state-aid highway fund, \$226.7 million from the municipal state-aid streets fund, \$1.988 million from the special revenue fund, \$24.6 million from the highway user fund and \$2.454 billion from the trunk highway fund.

Both versions include a variety of policy initiatives. The \$143 million gap between the proposals must be closed, and the bills reconciled, before the constitu-

# Floor update

tional deadline for adjournment, May 19. The conferees are led by Sen. Dean Johnson (DFL-Willmar), chair of the Senate Transportation Policy and Budget Division, and Rep. William Kuisle (R-Rochester), chair of the House Transportation Finance Committee.

## Conference Committee on H.F. 779

### Proposals compared

Negotiators from the Senate and the House of Representatives held an evening meeting, Thurs., May 8, to compare each body's proposals for funding in the budget area of environment, agriculture and economic development. The conferees are led by the chair of the Senate Environment, Agriculture and Economic Development Budget Division, Sen. Dallas Sams (DFL-Staples), and the chair of the House Environment and Natural Resources Finance Committee, Rep. Dennis Ozment (R-Rosemount).

The Senate version of H.F. 779 includes over \$367.4 million in funding for economic development in FY 04-05, including over \$301.4 million from the general fund. The bill also appropriates over \$781.6 million for the environment, natural resources and agriculture, including \$390.3 million from the general fund.

The proposal from the House consists of \$90.5 million in appropriations for agriculture and rural development, with over \$89.8 million of that amount coming from the general fund. The bill also includes \$679.5 million for the environment and natural resources, including \$273.7 million from the general fund.

Conferees must reconcile the differences in the initiatives before May 19, the constitutional deadline for adjournment of the legislative session.

## Conference Committee on S.F. 1511

### Proposals compared

Negotiators from the Senate and the House of Representatives held an evening meeting, Thurs., May 8, to compare each body's proposals for higher education funding. The conferees are led by Sen. Sandra Pappas (DFL-St. Paul), chair of the Senate Higher Education Budget Division, and Rep. Doug Stang (R-Cold

Spring), chair of the House Higher Education Finance Committee.

The Senate proposal appropriates \$2.699 billion from the general fund, and \$4.314 million from the health care access fund, in FY 04-05. S.F. 1511, as passed by the Senate, appropriates \$310 million to the Higher Education Services Office (HESO), \$1.191 billion to the Minnesota State Colleges and Universities (MnSCU), \$1.199 billion to the University of Minnesota and \$2.782 million to the Mayo Medical Foundation.

The House language for S.F. 1511 includes appropriations of \$2.598 billion from the general fund, and \$4.314 million from the health care access fund, in FY 04-05. The bill provides \$369.836 million to HESO, \$1.121 million to MnSCU, \$1.108 million to the University of Minnesota and \$2.95 million to the Mayo Medical Foundation.

Both bills also include a variety of policy initiatives. Conferees must reconcile the \$101 million general fund gap between the proposals, and each body's position on the policy provisions, before May 19, the constitutional deadline for adjournment.

## Streaming coverage available

Live coverage of Senate floor sessions and select committee hearings is available on the Senate website. Archived footage of floor sessions and hearings, as well as episodes of Capitol Report, are also available, courtesy of Senate Media Services. Citizens may also access video of press conferences, special events—including Joint Conventions and the Horizons Conference—and civics education pieces online. Go to <http://www.senate.mn/media> to access the footage.

## Tour the Capitol on CD-ROM

Senate Media Services has announced the release of a CD-ROM tour of the Capitol, called "A Building for All..."

Go to the Rotunda, the Governor's Reception Room, the Senate Chamber, the House of Representatives Chamber, the Supreme Court Chamber, and the Quadriga at your own pace. Travel behind the scenes to quarters that are not normally opened to the public like the House and Senate Retiring Rooms, the Supreme Court Justices' Consultation Room, or the Governor's Private Office.

A special section called "Other Neat Places" takes you to more obscure areas that you may not see on an in-person visit to the building like the inner dome, the underground tunnel system, or the newly restored "Rathskeller" cafeteria.

Brilliant digital photography captures the artistic beauty of the building and the professional voice-over provides background information and historical perspective on the paintings, architecture, sculpture, and interior design that make up Minnesota's State Capitol building.

"A Building for All..." can be purchased for \$5 per CD by contacting Senate Media Services at (651) 296-0264.

## Frequently called numbers

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### Senate Committee Hotline

(651) 296-8088

### House Committee Hotline

(651) 296-9283

### Senate Sergeant at Arms

G-1 Capitol/Chamber (651) 296-1119

### House Sergeant at Arms

45 State Office Building (651) 296-4860

### Senate Counsel & Research

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### House Research

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## Schedule available online

Next week's schedule is available online at: <http://www.senate.mn/schedule/2003/0512.htm>



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# Senate Briefly

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*Ten-year-old Bebe Jayeola, a student at Prosperity Elementary School in St. Paul, lends a hand during the annual spring planting on the Capitol grounds Thurs., May 15.*

*Photo by David J. Oakes*



*May 16, 2003*

# Senate Highlights

## Final countdown begins

As this issue of Senate Briefly is being assembled, Legislators are working on brokering an agreement to resolve the state's budget shortfall and compromise policy differences on a variety of major issues. Coverage of the final days of the regular Legislative Session may be found either in next week's Senate Briefly or in the daily updates section online.

## Waste storage bill passes

After several hours of recess to facilitate the work of the Tax Committee, various conference committees and negotiation over the major issue of the day, Senators devoted the bulk of the Mon., May 12, floor session to a late-night discussion of approving additional nuclear waste storage at the Prairie Island electric generation facility.

S.F. 794 amends the definition of a radioactive waste management facility to exclude an independent spent fuel storage installation (ISFSI) located on site at a Minnesota nuclear power plant, thereby modifying the current requirement for legislative approval of spent nuclear fuel storage. The bill provides that future authorization of additional storage is subject to approval of the Public Utilities Commission (PUC) and allows for legislative review of the commission's determination. The measure also eliminates the current \$500,000 annual per cask payment and requires Xcel Energy, which operates the plant, to deposit \$17 million per year into the renewable development fund (RDF). S.F. 794 also

modifies the use of the fund to include money for sustainable energy generation and research into hydrogen energy. The bill authorizes sufficient nuclear waste storage for the two reactors at Prairie Island to operate to end of their current federal licenses, in 2013 and 2014 and requires Xcel and the Mdewakanton Dakota Tribal Council at Prairie Island to reach an agreement concerning additional storage. Xcel may recover the costs incurred under the settlement agreement from its ratepayers, under the measure. The bill also reduces the biomass mandate and includes a variety of other provisions approved by the Commerce and Utilities Committee. After much negotiation, we have reached a point where we have a product that is far superior to anything that has been offered by anyone so far, said Sen. Steve Murphy (DFL-Red Wing), chief author. Sen. Ellen Anderson (DFL-St. Paul) said the proposal represents a compromise. We should allow Xcel to have enough casks to keep the plant operating to the end of its license, she said, but it is critical for the Legislature to make a final decision about energy for the next 20 or more years.

Members considered a series of amendments to the bill, adopting most of them. Sen. David Hann (R-Eden Prairie) said the meaning of "sustainable" is not laid out in the bill and is generally unclear. "To me, it has no meaning," he said. Hann offered an amendment removing the addition of sustainable energy to the uses of the RDF fund. Sen. Michele Bachmann (R-Stillwater) spoke in support of the amendment, saying she has heard testimony that sustainability involved having taken out of the earth everything that was ever going to be taken. That meaning has serious consequences for our economy and policy, she said. However, Sen. Scott Dibble (DFL-Mpls.) said the word sustainable appears in several other parts of statute and has a common meaning, including taking a long-term, economic view. The amendment was adopted, 47-18.

Murphy offered an amendment clarifying provisions relating to the settlement between Xcel and the tribe. Sen. Thomas Neuville (R-Northfield) offered an amendment to the amendment requiring the tribe not to use new land it is granted, under the agreement, for gaming purposes. The amendment also requires the land to be within 10 miles of

the tribal reservation, rather than 50 miles. We want to be in the mix for long-term policy about nuclear energy, Neuville said, and we should want to be involved in the possibility of expanded gambling. However, Murphy said the tribe has already said it does not intend to site a casino on the new land. The Neuville amendment to the amendment failed on a 21-43 roll call vote and the Murphy amendment was adopted. Murphy also offered an amendment changing the RDF contribution requirement from \$17 million to \$19.5 million. Sen. Mark Ourada (R-Buffalo) said the revised figure more accurately reflects the utility's savings from the lower biomass mandate. The amendment was also adopted.

Another Murphy amendment clarifies the procedure by which future additional waste storage is authorized. Under the amendment, if the PUC issues a certificate of need for the utility, the issue goes to the Legislature for an up or down vote. "This is the 30-year decision here and it is important that the Legislature weigh in," said Anderson. However, Sen. Dennis Frederickson (R-New Ulm) said the Legislature cannot bind the hands of future Legislatures. Hopefully, a future Legislature will restrain itself, said Murphy. The amendment was adopted.

Sen. Steve Kelley (DFL-Hopkins) offered an amendment setting a state goal of moving toward increasing reliance on hydrogen for energy needs, requiring the Dept. of Trade and Economic Development to find ways to promote hydrogen technology as part of business development and requiring the Dept. of Commerce to issue a request for proposals for a demonstration project of converting wind to hydrogen power. Sen. Dan Sparks (DFL-Austin) offered an amendment providing a small wind energy incentive. Both amendments were adopted.

As debate came to a close, Frederickson said an important point had been overlooked. With nuclear generation, we get a very toxic, lethal byproduct, he said. There is still no repository taking waste from anywhere in the United States, Frederickson said, though there are high hopes for the federal repository at Yucca Mountain. If the nuclear plants in Minnesota are relicensed, he said, the federal repository will not have the capacity to take the new waste. We may

**Senate Briefly** is a publication of the Minnesota Senate Publications Office. During the 2003 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. It can be made available in alternative formats.

### Editorial Staff:

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Joshua A. Dorothy

### Photographer:

David J. Oakes





**Participants in “The People’s Legislature” raise their voices in the Capitol Rotunda, Mon., May 12, as they kicked off a campaign in support of “a fair and balanced” solution to the state’s deficit.**

Photo by David J. Oakes

be looking at nuclear waste stored near the Mississippi River for a long time to come, Frederickson said.

S.F. 497 was granted final passage, 42-24.

In other action, members granted final passage to four other bills. H.F. 784, carried by Sen. Leo Foley (DFL-Coon Rapids), contains criminal justice appropriations. The provisions in the bill were approved previously as part of the health, human services and corrections omnibus bill and the state government omnibus bill. S.F. 333, sponsored by Sen. Dallas Sams (DFL-Staples), provides for licensure, rather than registration, for speech language pathologists and audiologists. Sen. Tom Saxhaug (DFL-Grand Rapids) carried H.F. 1059, which includes Housing Finance Agency housekeeping provisions and removes a sunset for a civil service pilot project. Sen. Wesley Skoglund (DFL-Mpls.) authored the annual claims bill, S.F. 552.

Another measure was discussed, but tabled at the request of its author. H.F. 1244, carried by Sen. Jim Vickerman (DFL-Tracy), is the omnibus charitable gambling bill. Vickerman moved to adopt the language passed by the other body. He said the only major difference is that the House version includes permission for

linked bingo, which is on the Senate’s General Orders calendar in S.F. 666. However, Sen. Claire Robling (R-Jordan) said the other body places a significant mandate on school districts that is not in the Senate version of the bill. Schools must report any raffle activity to the Gambling Control Board, under the House language, she said, while the Senate language imposes the reporting requirement only if the raffle prizes exceed \$12,000 in a year, or \$5,000 for a single event. “School boards should be able to handle the smaller amounts of raffles themselves,” she said. Robling urged members to retain the Senate language and consider linked bingo provisions as an amendment. The motion to adopt the House language failed 29-32.

### **Tax proposal passed**

The Tues., May 13, floor session began with consideration of a bill that increases individual income tax, adds \$1 per pack to the cigarette tax, alters corporate franchise taxes, freezes property taxes and funds E-12 education.

H.F. 1597, authored by Sen. Lawrence Pogemiller (DFL-Mpls.), was amended to include the language of the Senate’s tax and education funding proposal.

Sen. LeRoy Stumpf (DFL-Thief River Falls) explained the education funding provisions. “When we began in January we realized there is a significant deficit we must satisfy, but when we saw the governor’s proposal we saw there were huge cuts to many programs. We can be proud that we maintained funding at current levels in this proposal,” Stumpf said. He said one of the most significant cuts in the governor’s proposal was in the area of special education, but the committee felt it would be better to keep funding stable. We are living up to our commitment to fund education that we made two years ago he said. “There are no frills, no extras and no inflation adjustments in the bill,” Stumpf said. “We tried to stay as close to current law as we could. That is the heart of this bill,” he added.

Stumpf said that there were portions of the governor’s proposal included in the spending provisions. The bill began with a moratorium on charter schools, but that was changed to reductions in the lease aid, Stumpf said, which is similar to the governor’s proposal. There are reforms in the measure, one of which is to create a statewide library board, he said. Sen. Steve Kelley (DFL-Hopkins) explained two additional reform provisions. One of the reforms is the implementation of incentives for performance pay if districts and bargaining units agree on a valid measure for performance pay, Kelley said. Districts and teachers need more flexibility in compensation in order to retain the best teachers, Kelley said. The other reform is designed to move Minnesota forward with on-line learning, Kelley said.

Pogemiller said the rest of the bill pays for the education funding provisions. Pogemiller outlined the provisions in the revenue portions of the bill. The measure creates a new tax bracket for taxpayers earning more than \$135,000 for single taxpayers and \$250,000 for married taxpayers. The measure also contains two corporate tax provisions. In addition, the measure includes a \$1 per pack hike in the cigarette tax and increases the tax on tobacco products. Pogemiller said the increases in tobacco taxes are earmarked for health care costs and for the statewide tobacco prevention program. The bill also targets development incentives to regional centers throughout the state and provides for a biotechnology development zone, Pogemiller said.

# Senate Highlights

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Pogemiller offered the governor's proposal as an amendment to the bill. Sen. William Belanger (R-Bloomington) gave a brief summary of the governor's bill. The bill reduces local government aid payments and adopts levy limits, Belanger said. The bill also modifies the local government aid formula and generates funds through accelerated payments and alters the disposition of a variety of taxes, he said. The bill also transfers tobacco endowments to the general fund. "The governor took a reasonable approach to solve the greatest shortfall in history without raising taxes," Belanger said.

Sen. Dave Kleis (R-St. Cloud) said, "The underlying bill is a huge tax increase. It is a huge tax increase on businesses and entrepreneurs and will drive businesses out of the state." Sen. Geoff Michel (R-Edina) said the governor has been very clear; he is not going to raise taxes. "We need to be competitive with other states and other governors are not raising taxes. Other governors are taking the same tack as Gov. Pawlenty because they have realized we can't pile on by increasing taxes," Michel said.

Sen. Julianne Ortman (R-Chanhassen) said it is pure rhetoric to say the revenue increases are dedicated for specific purposes such as health care and higher education in the bill. Pogemiller responded that it is understood that the revenue is needed to make whole the budgets in the health and human services areas. "This is a DFL spending and tax increase bill, but I am concerned about our long-term economic recovery," Ortman said. Ortman said there is a price to pay in new jobs, less investment and less economic growth with a tax increase. "We need long-term economic recovery and this is not the answer," Ortman said. Stumpf responded that the governor's bill translates into a property tax increase, but the Senate plan raises general taxes that are fairer.

Belanger said the amendment protects those who have lost their jobs, are under salary freezes and protects job providers. Pogemiller urged a no vote and said the cuts on local government aids are too severe.

Kleis offered an amendment to the amendment altering the local government aid formula. "I strongly support the fact the amendment does not include tax increases, but I am concerned about the

cuts to local government aids," Kleis said. Kleis said the amendment does not have such severe cuts for cities under 5,000 in population and lessens cuts for other cities in Greater Minnesota. Pogemiller opposed the amendment and said the original bill provides a better balance. Sen. Betsy Wergin (R-Princeton), Sen. David Senjem (R-Rochester) and Sen. Cal Larson (R-Fergus Falls) all spoke in support and said the amendment to the amendment protects small communities in Greater Minnesota. Sen. John Hottinger (DFL-St. Peter), though, spoke against the amendment and said it attempts to make a bad amendment better. He urged members to support the underlying bill and reject both the amendment to the amendment and the amendment containing the governor's proposal. The amendment to the amendment failed on a 16-48 vote.

Ortman said, "We are back to the option of supporting the governor's proposal or the DFL proposal. The governor's proposal is a better option because he has asked local governments not to raise property taxes and his bill provides for a reverse referendum. The Senate DFL proposal has a draconian property tax freeze." However, the amendment containing the governor's budget proposal failed on a 19-46 roll call vote.

Sen. Dallas Sams (DFL-Staples) offered an amendment providing for revenue recapture by ambulance services. The amendment was adopted. Sen. David Knutson (R-Burnsville) offered an amendment to reinstate the school academic and financial performance evaluation project. Knutson said, "We are going to spend over \$12 billion on education funding, but we have no idea of the correlation of performance and funding." However, Kelley and Stumpf argued against the amendment and said the provision does not accurately measure education success. The amendment failed on a 29-36 roll call vote.

Sen. Michele Bachmann (R-Stillwater) offered an amendment providing for a constitutional amendment to limit increases in government spending and taxes unless approved by the voters. The amendment was ruled out of order under the Senate Rules. Bachmann moved to suspend the rules in order to have debate on the proposal. "We need to have a debate about a philosophical

change," Bachmann said. The motion to suspend the rules failed on a 30-32 roll call vote.

Senjem offered an amendment allowing counties to adjust services if funding is reduced or terminated for a state mandated program. Pogemiller said the only reason the amendment is needed is if the services are not funded, but under the bill services will be funded. The amendment failed on a 33-33 tie vote. Sen. Mady Reiter (R-Shoreview) offered an amendment deleting a provision providing for county housing redevelopment authorities in Hennepin, Ramsey, Anoka and Washington County. Sen. Michael Jungbauer (R-East Bethel) said the bill contains compromise language so he no longer opposes the provision. However, Sen. Debbie Johnson (R-Ham Lake) said cities in Anoka County do not support the bill, but do support the amendment. The amendment failed 11-48. Senjem offered a second amendment relating to mandates. The proposal creates a legislative commission on unnecessary mandates to study the issue, Senjem said. Pogemiller opposed the amendment and said the work is better done in committee. The amendment failed 30-35.

Belanger said, "We are faced with the biggest deficit in state history and now we are faced with the biggest tax increase in state history. This is an unprecedented increase. "Given the governor's position that he will not sign any bill with tax increases and he cannot go back on that pledge," Belanger said. Other Republican Senators spoke against the bill because of the tax increase provisions.

DFLers spoke in support of the bill, particularly the education funding and property tax freeze provisions. Pogemiller said, "I don't think the governor has a plan that can pass the Legislature. It is time for a bi-partisan plan. The governor has tax increases, but they are concealed taxes—higher tuition, increased fees and property taxes." Hottinger said, "This debate is a fundamental one in deciding what sort of state we want to have." He said the bill is balanced and combines the tax increases with truly significant cuts. "The cuts were too extreme, the damage too deep. This is the vote about the future of Minnesota—education, economic recovery and jobs," Hottinger said.

The bill gained final passage on a 35-31 roll call vote.



# Committee update

## Finance

### Criminal justice funding okayed

Members of the Finance Committee, chaired by Sen. Richard Cohen (DFL-St. Paul), met Fri., May 9, to conclude action on bills referred to the committee.

First, though, members took action again on H.F. 784, a bill making it a crime to interfere with emergency communications. The bill, sponsored by Sen. Leo Foley (DFL-Coon Rapids), was referred back to the committee from the floor for purposes of amendment. Sen. Linda Berglin (DFL-Mpls.) offered an amendment that contains the language from the omnibus state government bill and the omnibus health, human services and corrections bill relating to criminal justice. The amendment creates an omnibus criminal justice bill in order to smooth out the conference committee process. The amendment was adopted and the bill advanced to the full Senate.

The committee advanced several additional bills to the Senate floor. S.F. 593, authored by Sen. Michele Bachmann (R-Stillwater), modifies an adult foster care licensing provision to allow an addition person for respite care services. S.F. 904, sponsored by Cohen, prohibits agency heads or constitutional officers, other than the governor, from using state leased motor vehicles.

H.F. 943, sponsored by Sen. Geoff Michel (R-Edina), is a Finance Department housekeeping measure that modifies practices and procedures relating to state finance. In addition, the measure completes the transfer of the treasurer's duties to the Dept. of Finance. Commissioner Dan McElroy explained the provisions of the bill and answered committee members' questions. Sen. Jane Ranum (DFL-Mpls.) successfully offered an amendment to delete provisions that are included in the state government appropriations bill.

S.F. 1278, authored by Foley, clarifies the reporting requirement of the predatory offender registration law. The bill had been heard on the floor, but an amendment requiring lifetime probation for repeat sex offenders resulted in the bill being returned to the Finance Committee. A representative of the Dept. of Corrections said probation officers are already overburdened and that, even though the effect would not be felt for several years, the measure could add even more to the

case loads of probation officers and have significant costs in the future. Members adopted an amendment removing the provision. The bill was then advanced to the Senate floor.

S.F. 1470, sponsored by Berglin, adjusts appropriations contained in previous laws for early childhood and family education, K-12 education and health and human services.

S.F. 190, authored by Sen. Don Betzold (DFL-Fridley), is an omnibus pension bill. Betzold said the other body has included an omnibus pension measure in the omnibus state government appropriations bill, but that the Senate is proceeding with the bill separately.

### Bills advance to floor

The Finance Committee, chaired by Sen. Richard Cohen (DFL-St. Paul), met briefly Wed., May 14, to process three bills. S.F. 78, sponsored by Sen. Wesley Skoglund (DFL-Mpls.), provides for reimbursement to municipal or volunteer fire departments for expenses incurred in putting out motor vehicle fires within highway rights-of-way. H.F. 957, carried by Sen. Gary Kubly (DFL-Granite Falls), provides for the use of Veterans Homes wood shop profits. Under the bill the profits are to be used by the board only for the direct benefit of the residents of the homes.

S.F. 177, authored by Sen. Satveer Chaudhary (DFL-Fridley), modifies the authority of the Metropolitan Airports Commission to regulate airport taxicabs.

All three measures were advanced to the Senate floor.

## Rules and Administration

### Litigation expenses okayed

The full Rules and Administration Committee met Fri., May 9, to take action on a late bill and to consider the report from the Subcommittee on Litigation Expenses. The committee, chaired by Sen. John Hottinger (DFL-St. Peter), advanced the bill to the floor without recommendation. The measure, S.F. 1462, carried by Sen. Don Betzold (DFL-Fridley), makes changes to joint and several liability.

Hottinger left the hearing for the balance of the proceedings because a case challenging his residency during the 2002 campaign was one of the items in the

subcommittee report. Sen. Ann Rest (DFL-New Hope) chaired the remainder of the meeting.

Sen. Charles "Chuck" Wiger (DFL-North St. Paul), chair of the subcommittee, presented the report. He explained that the subcommittee recommended capping attorney hourly fees at \$150 and reviewed the new language for the Senate policy pertaining to litigation expenses. The claims for expense reimbursement included several automatic recounts and two residency challenges. Sen. David Knutson (R-Burnsville) said he opposed payment of litigation costs for the residency challenges. "There has got to be a time when we ask what is the state interest. There is a state interest in determining the seating of Senators, but the residency challenges were for determining candidacy." Betzold responded that new situations arise and that there could be a chilling effect on individuals filing for office if they thought they would be sued. Payment of the residency challenges is appropriate because the parties prevailed, Betzold said.

Members adopted the subcommittee report. Sen. Lawrence Pogemiller (DFL-Mpls.) moved to adopt the recommendations for payment and for the new policy language. Sen. Dick Day (R-Owatonna) moved to amend the motion by deleting the two payments for residency challenges and the recommendation for new policy language. Sen. Thomas Neuville (R-Northfield) moved to amend the amendment to the motion. Neuville's motion was to adopt the policy, but delay the effective date until 2006. He said the policy amounts to an ex post facto policy and that new policy should be for future contests. Betzold said until a few years ago there were no policies or guidelines and that new situations have necessitated making changes. The Neuville amendment failed. The Day amendment to the motion also failed on a 9-13 roll call vote. Sen. Sheila Kiscaden (IP-Rochester) suggested that members of the subcommittee undertake an interim study on the conditions for paying litigation expenses. The motion to adopt the recommendations and proposal for interim study was approved on an 11-10 roll call vote.

### Litigation expenses approved

The Rules and Administration Subcommittee on Litigation Expenses met Thurs., May 8, and Fri., May 9, to

# Committee update

consider claims for litigation expenses arising from the 2002 campaign and election contests. The panel, chaired by Sen. Charles "Chuck" Wiger (DFL-North St. Paul), recommended capping hourly attorney fees at \$150, not paying the attorney fees and expenses for one contest and adding new language to the Senate's policy on litigation expenses. The language suggested provides that when the placement or printing on an official ballot of the name or description of a candidate for the Senate is challenged, payment may be authorized for a candidate who prevailed in the challenge. The total amount for payment is \$168,074.24 under the recommendation.

## Housekeeping matters discussed

The Rules and Administration Committee, chaired by Sen. John

Hottinger (DFL-St. Peter), met Mon., May 12, to consider several policies relating to the internal operations of the Senate.

Members adopted amendments to the Senate's Information Systems Policy that implements security and data privacy provisions to protect the Senate's computer network.

The panel also adopted changes in the personnel roster, authorized a summer flexible work week policy and approved recipients of an employee vacation and sick leave donation policy.

The final item of business was a motion to authorize the Rules and Administration Subcommittee on the Senate Audit to issue a request for proposals for the annual audit of the Senate. The motion was adopted.

## Taxes

### Draft bill reviewed

The Tax Committee, chaired by Sen. Lawrence Pogemiller (DFL-Mpls.), met Fri., May 9, to review the first five articles of the omnibus tax bill. Committee members reviewed the individual income and corporate franchise tax article, the tobacco and excise tax article, the mineral taxation article, a miscellaneous article setting the budget reserve account and a property tax freeze article.

Pogemiller said many of the provisions are from the bill, S.F. 1504, sponsored by Sen. John Hottinger (DFL-St. Peter), that creates a fourth income tax bracket, increases the cigarette tax and makes changes to corporate franchise taxes. Pogemiller indicated the commit-



*Senators Linda Higgins (DFL-Minneapolis) and David Senjem (R-Rochester) partake of the varied cuisine as Senators took time out of their hectic schedules for a potluck luncheon, Mon., May 12.*

Photo by David J. Oakes



tee would hear testimony and offer amendments, but that the panel would not vote on the provisions of the bill until the next hearing.

### **Tax/education bill approved**

Members of the Tax Committee, chaired by Sen. Lawrence Pogemiller (DFL-Mpls.), completed their work on the second omnibus tax bill, Mon., May 12. The measure also includes education funding provisions.

The committee focused its work on property tax provisions. Pogemiller offered an amendment consisting of the property tax proposal, including a freeze of local property taxes. The amendment also raises the class-rate for commercial and industrial property to 2.25 percent, but the increase will not go into effect if the Legislature increases the statewide business property tax. A scheduled reduction in the class-rate for apartment property is postponed by two years, but the delay does not take effect if the statewide business property tax is increased. The proposal also includes the governor's proposed local government aid (LGA) formula, with additional factors included. However, LGA funding is phased in to the new formula over three years, so that the new formula is in full effect in 2006.

Members heard brief testimony on the proposal. Bill Blazar, Minnesota Chamber of Commerce, said the proposed property tax provisions represent a "pick your poison" choice for businesses. He said increases in local property taxes are not certain, though they are likely, and that an increase in the business property tax makes Minnesota businesses less competitive and is not based on ability to pay. Blazar said business taxes only make the overall tax structure more regressive. Increasing the commercial-industrial class-rate shifts the local tax burden from homeowners to businesses and erodes the accountability that came with the 2001 tax reforms, he said. The business community disagrees with the premise that the statewide business tax was meant to finance the takeover of the general education levy in 2001, Blazar said.

Jack Horner of the Multi-Housing Association said that tenants ultimately pay the property taxes on apartments. On average, he said, apartment dwellers are among the lowest-income members of society. Glenn Dorfman, Minnesota

Association of Realtors, said raising the commercial-industrial rate during a recession hurts businesses generally and specifically damages start-up industries. New businesses pay more of what income they have in property taxes than established companies, he said. Dorfman said the 2001 tax reforms did not promise more money for education, but only that what money goes to school would come from the state. He also opposed the property tax freeze, saying that if homeowners choose to raise their own property taxes, it is not the state's job to step in and either buy those taxes down or shield homeowners from the consequences of their choice.

Wayne Cox of Minnesotans for Tax Justice and Cheryl Furrer, representing Education Minnesota, spoke in support of the proposal. Cox said the property tax reforms of 2001 were based on predictions of never-ending surpluses. The surpluses did not materialize, he said, but education needs the funding it was promised. Furrer said the proposal means that cuts will be made in education, but not as deeply as the governor's proposal.

Members adopted the amendment, adding the property tax provisions to the omnibus bill. Sen. Julianne Ortman (R-Chanhassen) said tax increases come with a substantial cost, including fewer jobs and less investment in capital. However, Pogemiller said there are costs to all spending and taxing decisions. Laying off a worker from the public sector has the same economic cost as laying off a worker from the private sector, he said. The bill also avoids shifting the state's problems to local units of governments, Pogemiller said. The omnibus proposal was approved, on an 8-4 roll call vote, for introduction as a committee bill by Pogemiller.

### **Employee status bill approved**

Members of the Tax Committee, holding a very brief meeting Fri., May 16, approved a bill prohibiting employer misrepresentation of the status of employees and prohibiting employee coercion resulting in misclassification of the employee as an independent contractor. S.F. 1221, sponsored by Sen. Satveer Chaudhary (DFL-Fridley), was previously heard in the committee. Chair Lawrence Pogemiller (DFL-Mpls.) said that although members approved a motion to include the measure's provisions into the omnibus tax and education bill, the

language was inadvertently left out. S.F. 1221 was advanced to the full Senate.

## **Environment, Agriculture and Economic Development Conference Committee**

### **Comparison continued**

Members of the Conference Committee on H.F. 779, chaired by Sen. Dallas Sams (DFL-Staples) and Rep. Dennis Ozment (R-Rosemount), met during the morning hours Mon., May 12 and continued reviewing the side-by-side comparison of the two versions of the bill funding environment, agriculture and economic development programs. Staff from the House and Senate pointed out areas of differences between the two bills.

Sams said the panel would recess and meet again later in the day to adopt those portions of the bill containing identical, or very similar, language.

After a recess for floor session, members returned to consider identical and similar language in the omnibus bills. Members adopted provisions in the environment and natural resources portion of the bill relating to Dept. of Natural Resources riders dealing with grant extensions, aquaculture license fees, chronic wasting disease, department grants to private organizations and technical changes in exotic species law. In addition, identical language relating to state park senior camping, state park permit time, waterfowl and pheasant stamp revenue uses, increases in the small game hunting license fee and increases in the trout and salmon license fee increases was also adopted. Other identical provisions relating to commercial fishing fees, the Camp Ripley Deer Hunt fee, unpermitted water appropriations, the addition of soil and water conservation districts in the definition of local government for certain purposes and the repeal of the Minnesota-Wisconsin Boundary Commission were also adopted.

Similar provisions in the environment portion of the bill were also adopted. Several of the provisions dealt with grant extension riders, while other provisions dealt with other fees and fee uses. The panel also worked out minor differences and adopted language relating to vapor recovery, conservation officers, youth deer hunting licenses, the Minnesota Conservation Corps, the use of

# Committee update

lottery-in-lieu funds and the use of snowmobile enforcement account.

In the area of agriculture, members adopted identical provisions relating to milk inspection fees and additional language relating to chronic wasting disease.

Economic development provisions relating to small business development loans, contamination cleanup administration, the addition of job enhancement as a purpose in provisions dealing with loans and grants, the definition of Indian for purposes of the Indian business loan program, and the rural rehabilitation account. The conferees also adopted provisions that were similar, but had minor technical differences. The similar provisions related to the Rehabilitation Council for the Blind, the State Rehabilitation Council, challenge grants, capitol access loan, the Job Skills Partnership program and the Indian business loan program.

## Health, Human Services and Corrections Conference Committee

### Conferees begin work

Members of the Conference Committee on H.F. 437, the omnibus health, human services and corrections appropriations bill, met Mon., May 12, to begin the work of resolving the differences between House and Senate versions of the bill.

The conferees, chaired by Rep. Fran Bradley (R-Rochester) and Sen. Linda Berglin (DFL-Mpls.), began by using a side by side comparison of the two measures prepared by legislative staff. Staff reviewed the portions of the two bills that contain identical language and highlighted areas of differences. Reviewing the side by side will continue at the next hearing.

The bills must be reconciled before the constitutional deadline for adjournment, May 19.

### Comparison continues

The Conference Committee on H.F. 437, the omnibus health, human services and corrections appropriations bill, met Tues., May 13, to continue comparing House and Senate language. The members, chaired by Sen. Linda Berglin (DFL-Mpls.) and Rep. Fran Bradley (R-Roches-

ter), reviewed differences in provisions dealing with long term care, continuing care for persons with disabilities and the health department.

Members also reviewed provisions that are identical or similar with only minor differences. The panel did not consider fiscal portions of the bill.

Discussion touched on a variety of issues, from the expiration of the Council on Disability, which was set at June 30, 2007, to rate adjustments for short-term admissions for crisis or specialized medical care.

A provision on testing infants for heritable and congenital disorders sparked considerable discussion. The House language requires persons performing the testing to advise parents that the blood or tissue samples, as well as the results, may be retained by the Dept. of Health and that the parents have the option to decline to have the tests or to have the test, but require that all samples and records of the test results be destroyed within two years of testing. Sen. Sheila Kiscaden said the samples should be retained, rather than destroyed, because technological advances may yield more information at a later date. Bradley, though, said House members felt strongly that parents have the option to have the samples destroyed and that the option might lead to more parents consenting to have the tests performed. Sen. Linda Higgins (DFL-Mpls.) offered an amendment providing that the advantages of the testing be explained to parents along with the option to not have the tests. The amendment was adopted. The two versions of the bill also differed on the fee charged for the testing. The House language sets the fee at \$61. The Senate language retains the current \$21 fee for recipients of Medical Assistance, General Assistance Medical Care and MinnesotaCare, but sets the fee at \$61 for others. Bradley said the \$61 fee is realistic to cover costs, but that a fee of \$21 forces providers to lose money. Berglin said it is not a matter of hospitals losing money, but how to pay for it overall. Sen. Sheila Kiscaden (IP-Rochester) said the fee is to pay for the contract that the Health Dept. will have with the laboratory. Bradley said it is a case of cost shifting onto private pay recipients. Berglin instructed staff to draft an amendment to address some of the concerns expressed by House members and recessed for the floor session.

The panel reconvened late in the evening to continue discussion on items in the two versions of the bill.

## Transportation Conference Committee

### Comparison continues

The Conference Committee on H.F. 627, the omnibus transportation funding bill, met Wed., May 14, to discuss items in the two versions of the measure that are identical or similar in nature. The panel, chaired by Sen. Dean Johnson (DFL-Willmar) and Rep. William Kuisle (R-Rochester), did not adopt any provisions at the morning portion of the meeting, but reviewed Senate and House positions on a number of items.

## Floor update

### Friday, May 9

### Gov. Orville Freeman honored

The highlight of the Fri., May 9, floor session was a series of tributes to the late Gov. Orville Freeman. Sen. John Hottinger (DFL-St. Peter) moved that the rules be suspended to allow Jane Freeman to be present on the Senate floor while members considered a bill to name the new Agriculture Building after the late governor. Mrs. Freeman was escorted by her son, former state Senator Michael Freeman.

The bill, H.F. 1354, sponsored by Sen. Scott Dibble (DFL-Mpls.), was granted final passage on a unanimous vote. Dibble said, "It is a great honor to offer this small tribute to the former governor." He said the contributions of Gov. Freeman and his wife are not all in the distant past because Mrs. Freeman has continued a lifetime of public service as have their children. Dibble also pointed out that the day, May 9, would have been the governor's 85th birthday and was, coincidentally, Statehood Day. Sen. Steve Murphy (DFL-Red Wing), speaking in support, said, "Today is really a remarkable day in the state's history." Murphy spoke of the governor's life and experiences and the ways those life experiences contributed to the state. Sen. Gary Kubly (DFL-Granite Falls) highlighted Freeman's career as the U.S. secretary of agriculture and listed the various programs, such as the food stamp





**Senators Carrie Ruud (R-Breezy Point) and John Marty (DFL-Roseville) look over the fine points of a bill on the floor of the Senate, Tues., May 13.** Photo by David J. Oakes

program, that Freeman was instrumental in promoting. Sen. Dean Johnson (DFL-Willmar) spoke on Freeman's military career.

Other Senators spoke on Freeman's commitment to education, environment and civil rights.

Members also considered a variety of bills on Special Orders and granted the measures final passage. S.F. 931, authored by Sen. Linda Higgins (DFL-Mpls.), modifies a number of provisions relating to campaign financing. The bill expands exemptions to the definition of independent expenditure to expenditures for certain communications or materials, requires the State Campaign Finance and Public Disclosure Board to send additional notices to public officials failing to disclose participation in representation action of subjection to a civil penalty and increases the penalty for failure to respond to the second notice. The bill also establishes separate dollar limits by office sought for candidate pre-election campaign reports filing requirement purposes

and modifies the spending and contribution limits for constitutional officers.

S.F. 388, sponsored by Sen. Leo Foley (DFL-Coon Rapids), clarifies standards and procedures for vehicle forfeitures associated with driving while impaired offenses. S.F. 1019, authored by Sen. Steve Kelley (DFL-Hopkins), requires the commissioner of health to establish a reporting system for adverse health care events in licensed hospitals to facilitate quality improvement in the health care system. Kelley said the bill takes a nonpunitive approach to curb adverse health care events. He said the measure lists 27 events that should never happen in a health care facility and specifies root cause analysis and corrective plan implementation processes.

S.F. 755, authored by Sen. Richard Cohen (DFL-St. Paul), prohibits state agency procurement contracts with corporations reincorporated in tax haven countries and trading stock primarily in the United States. Several Senators expressed concern with the measure. Sen.

Sean Nienow (R-Cambridge) said it didn't seem to be good policy to prohibit agencies from doing business with corporations who legitimately try to lower their taxes. Cohen responded that several states have adopted similar legislation and that it doesn't seem appropriate to do business with corporations that have reincorporated in certain countries just to avoid paying taxes.

H.F. 968, authored by Sen. Dave Kleis (R-St. Cloud), is a Dept. of Transportation technical bill. The measure contains a number of turnbacks, trunk highway additions, transfers, vacations and descriptions modifications. S.F. 968, sponsored by Sen. Dallas Sams (DFL-Staples), requires certification for installers of multipurpose potable water piping systems and requires licensing multipurpose potable water piping system contractors.

S.F. 857, also carried by Sams, changes the percent of property owners necessary to petition for creation and termination of a lake improvement

# Floor update



**Freshman Sen. Dan Sparks (DFL-Austin), left, quips with veteran Sen. Keith Langseth (DFL-Glyndon) in the rear of the Senate Chamber, as a bust of 19th century U.S. Senator William D. Washburn appears to listen in.** Photo by David J. Oakes

district to a majority of owners, rather than 26 percent.

S.F. 1180, sponsored by Sen. Sharon Marko (DFL-Cottage Grove), is the Dept. of Administration housekeeping bill. H.F. 628, authored by Sen. Julianne Ortman (R-Chanhassen), limits liability for public notification of an emergency. Ortman said the measure limits liability for media who participate, in good faith, in an AMBER alert for missing children or other government notices.

Members also granted concurrence and repassage to one bill. S.F. 422, authored by Sen. Claire Robling (R-Jordan), adds Scott and Wright Counties to those with an alternative means of compensation for examiners of titles.

## **Tort reform bill approved**

The Tues., May 13, session continued with consideration of two measures addressing the same issue: tort reform.

Specifically, both bills dealt with the concept of joint and several liability.

Joint and several liability involves the tort law concept under which multiple defendants who are liable for a damage award may be responsible for paying the proportion of the share of the award owed by another defendant who is unable to pay. Under current Minnesota law, a defendant is liable for the entire award if the defendant is responsible for more than 15 percent of the damages, or is liable for up to four times the percentage of liability if the defendant is liable for 15 percent or less of the damages.

S.F. 1462, carried by Sen. Don Betzold (DFL-Fridley), was the first measure heard on the issue. The bill aggregates damages, so that a plaintiff may seek relief if the aggregate fault of defendants is greater than the fault of the plaintiff. The bill also raises the threshold for joint and several liability to either 50

percent, situations of conspiracy or intentional torts. Employers are also granted protection for providing references to employees, under the bill. Betzold said that many employers are afraid to give references because they fear being sued if they say the wrong thing. Many employers are advised to limit their references to confirm dates of employment, he said. Current practice harms good employees, he said, who deserve glowing references. The bill also provides, however, a cause of action for employees if an employer knowingly provides false or defamatory information with the intent to harm the employee. Betzold said the aggregation provisions of the bill put Minnesota in line with 46 other states. The measure also includes provisions relating to bad faith insurance practices.

"This is not tort reform, this is not civil justice reform," said Sen. Geoff Michel (R-Edina). The bill actually



creates a new way to sue businesses, he said, specifically insurers. Sen. Julianne Ortman (R-Chanhassen) said the bad faith provisions are bad policy. We've never had a bad faith claim against insurers in this state, she said, and it is wrong to suggest that an insurer could pay benefits and still get sued. Insurance premiums will increase and reinsurance will be hard to come by, she said. With new litigation, the bill also puts a serious burden on the courts, Ortman said. Sen. Linda Scheid (DFL-Brooklyn Park) said there has been no public clamor for bad faith claims legislation. Increasing the number of lawsuits against insurance companies is bad for the vast majority of consumers, she said. In California, the cost of auto insurance became so high that residents repealed the state's bad faith claims law in a referendum. Other states with bad faith claims laws have imposed the provisions only after a pattern of bad action emerge, she said, but no such pattern exists in Minnesota.

However, Betzold said that 44 other states allow consumers to sue insurers acting in bad faith. What good does it do a consumer with a valid policy and a valid claim to wait months to get payment, he said. There are instances where insurers don't pay promptly and people suffer, Betzold said. He also said those who are pushing for the joint and several liability standard to be set at a fault threshold of greater than 50 percent are being unreasonable. Getting a jury to determine a party is 51 percent liable is essentially asking a jury to find a defendant 80 percent liable, Betzold said. A person who gets injured ought to be compensated; it offends centuries of jurisprudence to make it impossible for people to get recovery, he said.

The bill was defeated on a 25-40 vote.

Members next took a message from the other body on S.F. 872, sponsored by Scheid. The bill, as it left the Senate, related to purchase money mortgages. However, the other body amended the bill, removing the purchase money mortgage language and replacing it with joint and several liability provisions. Scheid said the language was similar to S.F. 95, which she also authored. Changes in joint and several liability are a matter of fairness, she said. People agree that it is fair for companies to pay for the damage that they cause, Scheid said, and that it is

unfair for companies to be required to pay for damage they have not caused. Current law creates a second victim, the party left standing, the one with deep pockets, she said. The concept of joint and several liability has been defeated, or the threshold increased, in 38 other states, she said. "It is time to pass a reasonable, common sense approach to discourage lawsuits against parties with only a marginal connection to the damage," Scheid said. She moved to concur with the House amendments.

Betzold moved not to concur and to appoint a conference committee. Because the motion is higher than the motion to concur, the motion not to concur was considered first. Sen. Warren Limmer (R-Maple Grove) spoke against the Betzold motion. "There are times when things go to conference committee and it is like the roach motel," he said, "you check in, but you don't check out." We need to vote on this issue tonight, Limmer said. The motion not to concur failed, 28-37. The motion to concur was approved and the bill was repassed on matching 43-22 roll call votes. Sen. Dave Kleis (R-St. Cloud) moved to reconsider the final vote. The motion was defeated, 17-46.

In other action, members approved the omnibus pension bill, S.F. 190. Betzold, chief author, said the other body appointed its members to the Legislative Commission on Pensions and Retirement (LCPR) very late. The appointees from the other body were also interested in a very limited agenda, he said, and rolled their pension provisions into the omnibus state government appropriations bill. If the House wants to maintain its limited scope, Betzold said, the Senate members of the LCPR have agreed that they would prefer not to have any pension legislation at all this year. Members considered several amendments to the bill, many technical in nature, and with little discussion. One amendment, offered by Sen. Dean Johnson (DFL-Willmar), did spark some discussion. The amendment provides for the creation of a task force to study the creation of a voluntary statewide firefighter retirement plan. The amendment was adopted. S.F. 190 was granted final passage 60-3. Betzold moved to lay the bill on the table; the motion prevailed.

## ATV bill approved

The fourth major bill gaining passage at the Tues., May 13, floor session restricts the use of off-highway vehicles. S.F. 850, sponsored by Sen. John Marty (DFL-Roseville), also provides civil citation authority, modifies the disposition of fees and authorizes more trails for off-road vehicles.

This is a very contentious issue with a lot of concern for damage to the environment and with a lot of concern on the part of the riders about places to ride, Marty said. Marty quoted an editorial in the Bemidji Pioneer that said the proposal provides a good middle ground. Sen. Carrie Ruud (R-Breezy Point) said the bill is a true bipartisan effort. "We are trying to put trails on the ground and to protect the environment," Ruud said. She said the bill also appropriates money for education and enforcement. "We believe we have come to a balance here that is reasonable and responsible," she said.

Ruud offered an amendment specifying that an ATV used for agricultural processes may, if necessary, be driven in the ditch area of the road. Marty offered two amendments to address concerns and clarify language. The first clarifies that a road authority may provide approval for ATV use for all or part of the public road right-of-way within its jurisdiction at a single hearing. Marty said that some local units may declare all road right-of-ways open, while others may have select road right-of-ways declared open. The amendment clarifies that only one hearing is necessary, Marty said. Sen. LeRoy Stumpf (DFL-Thief River Falls) said an easier transition would be for counties and road authorities to just close the right-of-ways they want closed and have all others be open to ATVs. Sen. Dennis Frederickson (R-New Ulm) said he supported the amendment because it leads to consistency and simplicity in the hearing process. Frederickson also pointed out that the effective date of the bill is 2004, which gives local units time to prepare their plans. The amendment was adopted.

Sen. Steve Dille (R-Dassel) offered an amendment specifying that ditches and roads are open, unless the local units of government close them. Sen. Claire Robling (R-Jordan) spoke against the amendment. "I have seen way too much damage from irresponsible riders. I think

# Floor update

it is important to have the roads and ditches closed, unless designated as open," Robling said. She also said that the ruts left by ATVs provide a breeding ground for disease-bearing mosquitoes. "I thought people would be more responsible, but it has not happened. It is time to close the road ditches," Robling said.

Sen. Rod Skoe (DFL-Clearwater) said, "It is important to remember the bill applies to the entire state. People in my area use the ATVs for agricultural use. I would propose we take a slower path as we travel down this restrictive path." Sen. Pat Pariseau (R-Farmington) said the model the authors used is the same as that used for snowmobiles. Marty said we have tried to come up with an approach that is consistent with other recreational vehicles. Sen. David Tomassoni (DFL-Chisholm) said the closed unless posted open has the potential to close down the ATV industry in the state. Frederickson countered that the approach in the bill is most appropriate. "I agree that there has been too much damage already," Frederickson said. Dille said, "I am sure in many parts of the state there aren't any problems, so why should we make local units of government have hearings to open roads." Marty clarified that the local governments do not have to post the ditches open, but there must be a hearing to determine which ditches and roads are open to ATV use. Ruud added that the trails and information are posted on the Internet, just like snowmobiles. The amendment failed.

Stumpf offered an amendment specifying that north of Highway 2 road right-of-ways would be open unless local jurisdictions declared them closed, while the area south would be closed unless the local government unit specified them open. Ruud argued against the amendment and said there must be consistency throughout the state. The amendment failed.

Marty offered a second amendment that postpones the effective date for the certification of riders until July 1, 2005 and moves other effective dates to the sections of the bill to which they apply. The amendment was adopted.

Bakk offered an amendment specifying that until the earlier of Jan. 1, 2006, or when rules are adopted, the formal designation of a motorized trail that is used by motorized recreational vehicles at the time of designation, the rerouting of

less than one mile of motorized trail or the designation of existing public or forest roads for motorized recreational vehicle use are exempt from environmental review. Bakk said the amendment gives the Dept. of Natural Resources the authority to manage existing trails. Frederickson spoke against the amendment and said the issue is quite controversial and the language in the bill provides an appropriate balance. The amendment failed on a 25-38 roll call vote.

Stumpf said, "We have a thriving industry in ATV use and if this legislation passes we are going to close off that use." He said it is going to be a tremendous reduction in trails and I think in the end we are going to see people crying for change.

Ruud countered that the DNR's mission is to protect the environment in cooperation with the citizens of the state and the bill allows the department to do so. "I invite the industry to step up and cooperate because the bill will help the industry thrive and survive," Ruud said.

The bill was granted final passage on a 52-11 roll call vote.

Sen. Steve Murphy (DFL-Red Wing) moved to reconsider the vote on S.F. 794, the bill authorizing additional dry cask storage at the Prairie Island electrical generation facility, which had been granted final passage at a previous floor session. Murphy said the bill needed to be amended in order to make some technical corrections. The motion to reconsider was adopted. In order to do so, Murphy moved reconsideration of an amendment adopted. The motion was adopted and Murphy then withdrew the amendment. In its place Murphy offered another amendment that is technically correct. The amendment provides that legislative ratification is not needed for that part of a certificate of need that authorizes the fabrication of spent fuel storage casks. Another portion of the amendment relates to service disconnection. Finally, the amendment provides any certificate of need for additional storage of spent nuclear fuel for a facility seeking a license extension must address the impacts of continued operations over the period for which approval is sought. The amendment was adopted and the bill was again granted final passage.

## Elections bill passed

Members met briefly Wed., May 14, to grant final passage to 11 bills, including a measure making various changes to state election law.

H.F. 1119, carried by Sen. Linda Higgins (DFL-Mpls.), is an elections housekeeping bill consisting of provisions from both the Secretary of State's Office and county elections officers. Sen. Dave Kleis (R-St. Cloud) offered an amendment requiring school districts to have primaries if there are more than two candidates for an open position. Another amendment, offered by Sen. David Hann (R-Eden Prairie), supercedes local ordinances regarding the number of noncommercial signs that may be posted on a property from August 1 until 10 days after the general election. Both amendments were adopted.

Sen. Linda Scheid (DFL-Brooklyn Park) offered an amendment requiring all electronic voting machines purchased after July 1, 2004, to support cumulative voting and ranked-order voting and to store an electronic backup copy. She said the amendment is not meant to require the state to adopt instant-runoff voting but does help jurisdictions prepare for the possibility of adopting instant-runoff voting. However, Sen. David Knutson (R-Burnsville) said the amendment imposes additional costs on local units of government. The state may not determine to adopt an instant-runoff system, he said, and the local units will have already purchased more expensive machines. "This is paying for a policy that we haven't had a discussion on yet," Kleis said. Sen. Michael Jungbauer (R-East Bethel) said machines meeting the requirements in the amendment are often four times more expensive than the current machines used by local units of government. However, Higgins said that as instant-runoff voting catches on, prices will decline significantly. Sen. Sandra Pappas (DFL-St. Paul) offered an amendment waiving the requirement if machines meeting the requirement are five percent more expensive than machines without the specified capabilities. However, she later withdrew the amendment. The Scheid amendment was defeated, 23-42.

Higgins offered an amendment that requires school districts to make voter registration forms available, every May and September, to students who will be



eligible to vote in the next election. Higgins said schools can comply with the requirement by having a stack of voter registration cards available in the principal's office and informing students that they are available. Fewer than 20 percent of people under 25 votes, she said. However, Sen. Warren Limmer (R-Maple Grove) said that school districts could be held liable, in election disputes, if they fail to comply properly. Sen. Gen Olson (R-Minnetrista) asked if there was a problem that needs fixing. It is terrible to assume that Minnesota youths are not already being taught the importance of voting, she said. The amendment was adopted on a 55-11 roll call vote.

Sen. John Marty (DFL-Roseville) offered an amendment containing the language of S.F. 10, which deals with

lobbyist reporting requirements. Among the provisions is a clarification that volunteers and administrative support staff do not have to register as lobbyists. The amendment was adopted. H.F. 1119 was granted final passage, 66-0.

H.F. 385, sponsored by Sen. Wesley Skoglund (DFL-Mpls.), increases the penalty for fifth degree arson, in cases of bodily harm, to a gross misdemeanor. Skoglund also authored S.F. 906, which permits the collection of treatment co-pays from sex offenders. Sen. Scott Dibble (DFL-Mpls.) carried the Metropolitan Council housekeeping bill, S.F. 829. H.F. 547, sponsored by Sen. Dallas Sams (DFL-Staples), regulates warranty work done by farm implement dealers. The bill requires prompt payment for warranty work, regulates the rate at which the work must

be compensated, and allows alternate terms in limited circumstances.

Sen. Satveer Chaudhary (DFL-Fridley) carried two bills. S.F. 597 expands the crime of child endangerment to include manufacturing controlled substances in the presence of a child. Sen. Mike McGinn (R-Eagan) successfully offered an amendment expanding an exception to the ban on child pornography to include employees of law enforcement agencies carrying out their official duties; current law limits the exception to peace officers. S.F. 771 provides incentives for long-term care insurance, including a provision that allows people to use their life insurance as a mechanism to obtain long-term care insurance.

S.F. 770, authored by Sen. Ann Rest (DFL-New Hope), exempts Hennepin



**Senators Bob Kierlin (R-Winona), left, and David Gaither (R-Plymouth) exchange ideas during a Senate floor session, Tues., May 13.**

Photo by David J. Oakes

# Floor update

County Medical Center and its HMO from certain contracting and purchasing requirements. Sen. Becky Lourey (DFL-Kerrick) sponsored a bill expanding access to dental services. H.F. 326 permits dental hygienists and dental assistants to perform restorative procedures, exempts retired volunteer dentists from continuing education requirements, extends the sunset for the Dental Access Advisory Committee, and requests the commissioner of human services to study the feasibility of developing urgent care dental clinics. Sen. Jim Vickerman (DFL-Tracy) offered an amendment providing for the licensure of dental assistants. Sen. Pat Pariseau (R-Farmington) spoke against the amendment. No other state licenses dental assistants, she said, and they do not practice on their own. The amendment was adopted.

Two measures granted final passage were on the Consent Calendar. H.F. 1095, carried by Sen. Linda Berglin (DFL-Mpls.), extends the deadline for commencing construction on previously approved nursing home bed moratorium exception projects.

Sen. Leo Foley (DFL-Coon Rapids) authored a bill, S.F. 1278, requiring registered sex offenders to notify corrections agents or local law enforcement authorities of changes in their primary living addresses.

In other action, members voted not to concur in the House amendments to S.F. 575, sponsored by Sen. Gary Kubly (DFL-Granite Falls). The bill modifies the statute of limitations for sexual abuse. Kubly said he would like to get a longer statute of limitations than the one passed by the other body. However, he said, it is possible conferees may return with few, or no, changes to the House version. Sen. Thomas Neuville (R-Northfield) spoke against the motion not to concur. He said the House version includes an expansion of the statute of limitations from six years to nine years and requires reporting of the sexual abuse as a trigger for the clock to start. The other body also adopted provisions providing for a lifetime cause of action seeking declaratory relief. "This bill creates a fair process for both sides," he said. "I believe that this is the best case that we will get," Neuville said. "The best ideas are the merging of good ideas," said Skoglund, speaking in support of the motion not to concur.

The motion prevailed, 36-26.

## Thursday, May 15

### Variety of bills passed

Members began the Thurs., May 15, floor session by considering bills on Special Orders. The Senate granted final passage to a variety of bills encompassing a wide range of topics.

H.F. 1257, authored by Sen. John Hottinger (DFL-St. Peter), provides that if a drainage authority finds that repairs to a private bridge are more expensive than compensation to landowners for permanent removal of the bridge, the drainage authority may order an amount of compensation to be paid to all landowners directly benefiting from the bridge. H.F. 859, sponsored by Sen. Tom Saxhaug (DFL-Grand Rapids), modifies provisions regulating the sale of state timber. S.F. 1192, authored by Sen. Mee Moua (DFL-St. Paul), provides for the Department of Public Safety to electronically forward information relating to driver's license or identification card applicants to the federal military selective service system for draft registration information purposes.

H.F. 259, sponsored by Sen. David Gaither (R-Plymouth), removes a sunset provision to allow school buses to continue to be operated by licensed child care providers and by holders of Class D drivers' licenses under limited conditions. S.F. 904, authored by Sen. Richard Cohen (DFL-St. Paul), prohibits the commissioner of administration from leasing or otherwise acquiring motor vehicles for the use of state constitutional officers or agency heads. Cohen said the bill does not apply to the governor, but given the state budget shortfall, does prohibit providing vehicles to other high ranking state officials. Sen. Mady Reiter (R-Shoreview) said the bill was punitive toward the current administration and should not be enacted. However, Sen. Dennis Frederickson (R-New Ulm) supported the measure and said that it was good policy.

H.F. 984, sponsored by Sen. Rod Skoe (DFL-Clearbrook), authorizes businesses to organize as cooperative associations. Skoe said the bill is designed to aid businesses in Greater Minnesota. He said, "The bill is another tool in the box to aid economic development."

H.F. 946, authored by Sen. Linda Scheid (DFL-Brooklyn Park), modifies

provisions governing the Minnesota Insurance Guaranty Association. H.F. 414, carried by Sen. Steve Murphy (DFL-Red Wing), updates provisions relating to Soil and Water Conservation Districts. S.F. 78, authored by Sen. LeRoy Stumpf (DFL-Thief River Falls), provides reimbursement to township fire departments for expenses incurred in extinguishing motor vehicle fires and provides cities and towns the authority to collect unpaid bills for emergency services from nonresidents.

H.F. 1244, sponsored by Sen. Jim Vickerman (DFL-Tracy), makes various clarifying changes to provisions relating to charitable gambling. Vickerman said the bill had been discussed previously, but had been tabled to work out differences over a provision relating to school raffles. He indicated the bill contains the Senate language, which does not have the controversial provision. Vickerman offered an amendment to provide for linked bingo. Linked bingo is a bingo game played at two or more locations where there is a common prize pool and a common selection of numbers or symbols conducted at one location and where the results are transmitted to all locations by satellite, telephone or other means. The amendment was adopted.

Vickerman also carried H.F. 504. The bill requires ballot questions submitted by cities or towns at general or special elections to meet all election deadlines. H.F. 503, also sponsored by Vickerman, removes the requirement for attorneys to approve instructions relating to the rotation of candidate names on a ballot.

H.F. 837, sponsored by Sen. Steve Dille (R-Dassel), authorizes the Clearwater River Watershed District to charge for facilities for disposing sewage, industrial waste or other wastes. H.F. 321, carried by Sen. Thomas Neuville (R-Northfield), authorizes the city of Northfield to establish and operate related medical facilities in conjunction with the municipal hospital outside the city limits.

Sen. Scott Dibble (DFL-Mpls.) moved to reconsider S.F. 829, a Metropolitan Council housekeeping bill, for purposes of amendment. Dibble offered the amendment, which provides for the redistricting of Metropolitan Council districts, and then moved to lay the bill on the table in order for members to review the redistricting plan. A few moments later, the bill was taken from the table and granted final passage.



## Friday, May 16

### Compensation reporting okayed

A bill requiring health plans to disclose the total compensation of their 20 highest-compensated former or current employees gained approval from the Senate during the Fri., May 16, floor session.

S.F. 343, authored by Sen. Dan Sparks (DFL-Austin), requires health plan companies to report the information annually to the attorney general and either the commissioner of commerce or the commissioner of health. The report must include the names and titles of the employees and all compensation—including salary, benefits, bonuses, deferred or future compensation, vehicles and vehicle allowances, severance pay, insurance premium payments and all reimbursed travel expenses. The bill exempts employees whose total compensation was less than \$100,000 in the previous year. There has been some abuse of compensation practices and disclosure in the health care industry in recent years, Sparks said. As non-profits, the companies have a special responsibility to the public, he said. However, Sen. David Hann (R-Eden Prairie) said he wasn't sure that the requirements truly are in the public interest. Companies receiving public funds also have a special responsibility, he said, but we don't require them to disclose compensation information. The bill was granted final passage, 45-14.

Members also granted final passage to five other pieces of legislation. S.F. 805, sponsored by Sen. Scott Dibble (DFL-Mpls.), allows cities to impose a special assessment for reinspections of properties that have not complied with orders to correct municipal housing maintenance code violations. Sen. James Metzen (DFL-South St. Paul) carried a bill, H.F. 894, modifying requirements relating to the surrender and cancellation of certificates of title to manufactured homes placed on real property. H.F. 723, sponsored by Sen. Charles Wiger (DFL-North St. Paul), expands an exemption to the seat belt law to include all motor vehicles, not just passenger vehicles, for persons engaged in work requiring alighting from and reentering the vehicle at frequent intervals. The expansion is meant to include garbage and recycling trucks, Wiger said. H.F. 293, carried by Sen. Jim

Vickerman (DFL-Tracy), authorizes municipalities to set a fee schedule, rather than set fees by ordinance. Sen. Steve Murphy (DFL-Red Wing) carried a bill permitting auto dealers to use their names, rather than their dealer numbers, in advertisements.

Vickerman also moved to reconsider H.F. 1244. He said a drafting error had omitted crucial provisions in an amendment he offered to the bill. The measure is the omnibus charitable gambling bill, and the amendment authorized the use of linked bingo. Members reconsidered both the bill and the amendment. Vickerman withdrew the original amendment and offered a new amendment containing the missing provisions. The amendment was adopted and the bill granted final passage on a 57-8 roll call vote.

In other action, Senators concurred with amendments made by the other body to two measures and repassed the bills. S.F. 256, authored by Sen. Mike McGinn (R-Eagan), allows search warrants to be issued to peace officers for searches of premises outside their jurisdiction. Sen. Dallas Sams (DFL-Staples) carried S.F. 333, which provides for the licensure of speech-language pathologists and audiologists. Members also adopted the conference committee report on H.F. 677 and repassed the bill. Sponsored by Sen. Linda Scheid (DFL-Brooklyn Park), the measure modifies provisions related to the Board of Architects, Engineers, Land Surveyors, Landscape Architects, Geoscientists and Interior Designers.

Before taking a midday recess, the Senate observed two moments of silence. One was in observance of Police Week and Peace Officers Memorial Day, which was Thurs., May 15. Senators also paused to recognizing the passing of former Majority Leader Stanley Holmquist. Holmquist served in the Senate before members used partisan labels, but he served as the head of the majority Conservative Caucus from 1967 through 1971.

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### Schedule available online

Next week's schedule is available online at: <http://www.senate.mn/schedule/2003/0519.htm>

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# Senate Briefly

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*As the clock inches nearer to the regular session midnight deadline, Senate President James Metzen (DFL-South St. Paul) attempts to move the debate along in the Senate Chamber, Mon., May 19. Photo by David J. Oakes*



May 23, 2003



# Senate Highlights

## Regular session ends; Special Session resumes work on budget

The 83rd Legislative Session ended at midnight Mon., May 19, but Senators knew a Special Session was scheduled for the next morning. Major appropriations bills were still being negotiated as time ran out on the regular session, necessitating the need for the Special Session. End-of-session negotiations between the governor, House leadership and Senate leadership led Senate Majority Leader John Hottinger (DFL-St. Peter) to withdraw the Senate's budget proposal Fri., May 16. Hottinger announced the Senate would accept the budget numbers proposed by the governor and House leadership, but that many policy differences remained unresolved. Although lawmakers worked throughout the weekend, several major appropriations bills were not completed by the constitutional deadline for adjournment.

The stage was set, then, for a Special Session that began Tues., May 20. Lawmakers continued to negotiate the major bills, along with several additional items that did not receive passage prior to the end of the regular session, for the remainder of the week.

One of the more contentious items, a bill authorizing additional dry cask storage of nuclear waste at Prairie Island, was the subject of a series of motions the last night of the regular session designed to run out the clock and delay action until further discussions on the bill could be completed. The bill was acted upon Fri., May 23.

**Senate Briefly** is a publication of the Minnesota Senate Publications Office. During the 2003 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. It can be made available in alternative formats.

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David J. Oakes

By week's end, lawmakers had completed work on the omnibus higher education bill, the omnibus environment, agriculture, and economic development bill, the omnibus state government bill, the omnibus E-12 education bill, the omnibus judiciary and crime prevention appropriations bill and the noncontroversial omnibus tax bill.

Several bills, though, had yet to be completed by Fri., May 23. Members were still working on the omnibus health and human services bill, the omnibus tax bill, a bonding proposal and the omnibus transportation funding bill.

This issue of Senate Briefly contains floor action from the afternoon of Fri., May 19 through Fri., May 23.

## Friday, May 16

### Variety of bills processed

The second portion of the Fri., May 16, floor session began with members granting concurrence with the House amendments to a Senate bill. S.F. 484, sponsored by Sen. Betsy Wergin (R-Princeton), authorizes counties to require the dedication of land for public parks and provides the terms and conditions for the dedication.

Members also adopted the conference committee report on S.F. 980. The bill, sponsored by Sen. Leo Foley (DFL-Coon Rapids), provides for reporting procedures and venue for identity theft. The measure was repassed. The conference committee report on S.F. 990, sponsored by Sen. Steve Murphy (DFL-Red Wing), was also adopted and repassed. The measure is the omnibus agriculture policy bill. Murphy said the item in dispute was an alien farm ownership provision. The conferees adopted a compromise that allows the families currently farming in the state to continue to do so.

Members then turned to consideration of bills on Special Orders. H.F. 673, sponsored by Sen. Dan Sparks (DFL-Austin), modifies provisions relating to the Minnesota Comprehensive Health Insurance Association. Sen. Linda Scheid (DFL-Brooklyn Park) offered an amendment clarifying provisions relating to loss ratio standards. The amendment was adopted.

H.F. 624, sponsored by Sen. David Senjem (R-Rochester), requires local government impact notes prior to

implementation of new administrative rules and requires a determination of the aggregate cost of complying with a proposed rule. Senjem said the bill was an attempt to take a better look at mandates on local units of government. H.F. 671, sponsored by Sen. James Metzen (DFL-South St. Paul), regulates the promotions and packages of telephone company services and removes a sunset date for alternative regulation plans for telecommunications provisions and highway weight limit exemptions for utility vehicles.

Sen. Dallas Sams (DFL-Staples) sponsored two measures. H.F. 923 provides that a township may enter into a contract, even if a township supervisor is an employee of the contractor, as long as the supervisor had no role in preparing the bid or negotiation for the contract with the township. Sen. David Tomassoni (DFL-Chisholm) offered an amendment that authorizes the city of Biwabik to reimburse the town of White for orderly annexed property under an orderly annexation agreement. The amendment was adopted and the bill granted final passage. S.F. 394 is the Minnesota Fair Health Plan Contracting Act. The measure modifies prior authorization requirements for health care services, establishes requirements for provider contracting, modifies provisions for payment of claims and regulates the disclosure of profiling data. Sams said the measure was supported by the Minnesota Medical Association and all the health plans. He offered an amendment specifying that different underlying financial reimbursement methodology does not include health plan benefit design changes, including changes in co-payment or deductible amounts or other change in member cost-sharing requirements. The amendment was adopted. However, the bill failed to gain final passage on a 25-29 roll call vote.

H.F. 279, carried by Sen. Michelle Fischbach (R-Paynesville), allows a supervising physician to delegate the authority to certify disability parking permits and 72 hour holds to physician assistants and advanced practice nurses. H.F. 754, sponsored by Sen. David Gaither (R-Plymouth), conforms the definition of displaced person to federal law under eminent domain. H.F. 151, authored by Sen. Dennis Frederickson (R-New Ulm), allows children eligible for



**Senators Geoff Michel (R-Edina), left, and Mark Ourada (R-Buffalo) carefully scrutinize an amendment on a laptop computer during the first day of the Special Session.**

Photo by David J. Oakes

adoption assistance to be eligible for either the prepaid Medical Assistance program or Medical Assistance. H.F. 988, sponsored by Sen. Mike McGinn (R-Eagan), authorizes the commissioner of transportation to replace railroad lands needed for a trunk highway or to provide monetary compensation.

H.F. 1140, sponsored by Sen. Sheila Kiscaden (IP-Rochester), modifies requirements for an agreement to regulate nuclear materials and makes changes to provisions relating to social workers. H.F. 943, sponsored by Sen. Geoff Michel (R-Edina), is a Finance Department house-keeping measure that modifies practices and procedures relating to state finance. In addition, the measure completes the transfer of the treasurer's duties to the Dept. of Finance. S.F. 960, carried by Sen. Leo Foley (DFL-Coon Rapids), allows for the aggregation of prostitution offense

prosecutions. Foley offered two amendments, both of which were adopted. The first is technical and the second clarifies provisions dealing with vehicle forfeiture for prostitution offenses.

S.F. 692, sponsored by Sen. Linda Higgins (DFL-Mpls.), expands the scope of practice for pharmacists to allow the administration of influenza and pneumococcal vaccine. Higgins offered an amendment authorizing licensing for occupational therapists whose licenses have lapsed in Minnesota, but who have current and unrestricted credentials in another jurisdiction. The amendment was adopted. Kiscaden offered an amendment providing for professional counseling licensing. The amendment was also adopted. Sen. Sean Nienow (R-Cambridge) offered an amendment providing for education and precautions regarding vaccines and requiring consultation before

modifying the schedule of immunizations, but the amendment was ruled not germane. Sen. Becky Lourey (DFL-Kerrick) offered an amendment relating to alcohol and drug counselors that was also ruled not germane. The bill was then granted final passage.

## Monday, May 19

### Pledge bill repassed

Senators began the final day of the Legislative Session by meeting briefly to act on several bills, including legislation requiring students to recite the Pledge of Allegiance at least weekly.

S.F. 287, sponsored by Sen. Steve Murphy (DFL-Red Wing), also provides that any student or teacher may decline to participate in the recitation and that districts may waive the requirement, by



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*As the Special Session commences, Sen. Dean Johnson (DFL-Willmar), left, Assistant Majority Leader Ann Rest (DFL-New Hope) and Majority Leader John Hottinger (DFL-St. Peter) congregate in the Senate Chamber.*

Photo by David J. Oakes

annual vote of the school board. The bill requires districts to include in their handbooks a statement that anyone who does not wish to participate in recitation for any reason may elect not to do so and

that students must respect another person's right to make that choice. Schools must also instruct students in flag etiquette, display and respect, under the measure. The bill applies to both public

and charter schools. The conference committee report on the bill was adopted and the measure repassed, 58-5.

Two other conference committee reports were also adopted. S.F. 351, authored by Sen. Thomas Bakk (DFL-Cook), permits the use of emergency police radio equipment by local officials authorized to use the equipment by the local chief law enforcement officer. Sen. Yvonne Solon (DFL-Duluth) carried S.F. 328, relating to the practice of psychology.

Four bills were repassed after Senators concurred with the amendments made to the measures by the other body. Sen. David Tomassoni (DFL-Chisholm) carried a bill, S.F. 308, specifying the duties of owners and operators of mines upon the discontinuation of operations. S.F. 230, authored by Sen. Wesley Skoglund (DFL-Mpls.), modifies the time limit for serving summonses and complaints and scheduling hearings on housing violations. Sen. Linda Higgins (DFL-Mpls.) sponsored S.F. 421, which authorizes Minneapolis to establish positions in the city's unclassified service. S.F. 964, carried by Sen. Mee Moua (DFL-St. Paul), makes various changes to crime victims' rights.

In other action, members also granted final passage to a bill classifying military certificates of discharge as private data, H.F. 768, carried by Murphy.

## Profile of Learning repealed

The first portion of the Mon., May 19, evening floor session was devoted to consideration of two major issues—repealing the Profile of Learning and the passage of the omnibus environment, agriculture and economic development appropriations package.

The repeal of the Profile of Learning came in the form of an amendment to H.F. 302. Sen. Steve Kelley (DFL-Hopkins) said the amendment was the product of work done by a conference committee and had been agreed to by all parties: the governor, the commissioner of education, the House conferees and the Senate conferees. He said the measure repeals the Profile of Learning and sets up a new graduation requirement for Minnesota that is very clear. Students must complete statewide standards in five core areas, Kelley said. Under the bill, language arts, mathematics, science, social studies and the arts are all required for statewide

accountability. He said standards in math, language arts and the arts are available now and this summer the commissioner will convene groups to write standards on science and the social sciences. Kelley also explained the testing sequence as required under the federal No Child Left Behind Act.

"The bill returns a great deal of local control to school districts and parents," Kelley said.

Sen. Michele Bachmann (R-Stillwater) raised several questions about the bill. She said the bill current requires that standards must be clear, concise, objective, measurable and grade-level appropriate, not require a specific teaching methodology and be consistent with the constitutions of the United States and the state of Minnesota. Bachmann said that earlier language sponsored by House members included a requirement that standards be factual and verifiable and a requirement that the standards be consistent with the Declaration of Independence as well as state and federal constitutions. "There is no more seminal, premier document in the United States than the Declaration of Independence. I'm shocked there would be any reason to keep out the Declaration of Independence," Bachmann said. Kelley responded that both the U.S. and the Minnesota Constitutions have legal standing, but the Declaration of Independence does not.

Sen. Gen Olson (R-Minnetrista), though, commended the conferees and the department on their work on the bill and urged members to support the measure. The bill was granted final passage on a 64-3 roll call vote.

The second major bill of the evening was the omnibus environment, agriculture and economic development appropriations package. The bill was in the form of a House amendment to S.F. 905. The measure, originally sponsored by Sen. Steve Murphy (DFL-Red Wing), had been amended in the other body to contain the language worked out in a conference committee headed by Sen. Dallas Sams (DFL-Staples).

Sams explained that the bill, in accordance with the budget agreement worked out by Senate and House leadership and the administration, contained substantially more cuts than in the original Senate proposal. He reviewed the contents of the measure and said the bill does not contain a provision for hunting

mourning doves because the Senate did not have a position on the issue. In addition, Sams said the bill cuts the Superfund by \$6.4 million, but does maintain some funding for the Minnesota Conservation Corps and provides that the MCC become more independent. The other body accepted a provision prohibiting the disposal of electronic goods containing cathode ray tubes in landfills but cuts funding for Red River mitigation and ring dikes. Metropolitan parks and state parks are both cut 8 percent, Sams said, while there is an increase in fees for state parks. Sams also said a variety of other fees are increased in the bill.

The measure also contains language dealing with ATVs, Sams said. He said the compromise ATV language is a great start to dealing with the environmental concerns raised by use of the vehicles. Under the provisions in the bill, roads and ditches are considered open to ATV use unless closed by local units of government. The measure also provides for new trails for riders, Sams said.

Sams said the measure cuts local water planning grants by \$1.6 million, reduces the feed lot cost share program and removes an environmental review process for feedlots with under 1,000 animal units. In addition, the funding for the Science Museum was cut \$970,000, but some funding was retained for the second year of the biennium. The measure also drops the ban on phosphorous approved by the Senate and replaces it with a goal of a 50 percent reduction in the wastewater stream.

In the agriculture funding portion of the bill, Sams said ethanol payments were reduced from 16 cents per gallon to 13 cents per gallon. In addition, the measure requires more disclosure from ethanol plants and allows Gopher State Ethanol to stay in operation. The Agriculture Utilization Research Institute received a 57 percent cut in the bill, Sams said. In addition, the measure contains provisions for dealing with chronic wasting disease. The measure also eliminates funding for the Horticultural Society, he said, but numerous fees are increased in the bill.

Sams said that in the economic development portions of the bill, job training and housing programs were cut \$50 million. "There will be more homeless, more people on the streets and families with no place to go," Sams said. "Even though the bill contains \$9 million

more than recommended by the governor, the state largely abandons its commitment to its workers and their economic success," he said. Under the bill, the Dept. of Trade and Economic Development and the Dept. of Economic Security are to complete their merger. The bill does contain funding, at a reduced level, for Twin Cities Rise and Lifetrack Resources. Sams said the Film Board received a substantial cut, but was funded at a reduced level. Other cuts were made to tourism and the Minnesota investment fund, Sams said. Finally, Sams said the Historical Society was cut 16 percent and cuts were made to the Arts Board. Funding for the Humanities Commission was eliminated, Sams said.

Sen. Jim Vickerman (DFL-Tracy) said the cuts to the ethanol program places some plants in jeopardy. Sams responded that because the other body refused to raise revenue, the ability to fund those plants was lost.

Sen. Dennis Frederickson (R-New Ulm) and Sen. Steve Dille (R-Dassel) spoke in support of the bill. "The bill contains funding for good programs and we did the best we could," Frederickson said.

Sen. John Marty (DFL-Roseville) said, "The Senate bill did try to avoid cuts to shelters and homeless prevention programs, but there was a provisions for Northwest Airlines that provides them with \$4 million in reduced payments for the petrofund." Sen. Jane Ranum (DFL-Mpls.) questioned the provision about the airline's reduced payments. Sams said the provision was adopted to aid the airline's fiscal situation. He added that the carrier has not used the petrofund and, under the provisions of the bill, would not be able to use it because of the airline's reduced payments.

Sen. Ellen Anderson (DFL-St. Paul) said she was concerned about the reduction in housing programs. "Transition housing and emergency services are reduced \$1 million in the bill and that will result in 2,000 people being turned away from homeless shelters," Anderson said. She outlined other cuts to affordable housing programs. "We are going backwards in our commitment to affordable housing in this bill," she said.

Sen. Richard Cohen (DFL-St. Paul) said the bill represents a diminishment of the quality of life in Minnesota. "We will not see the quality of life diminished



# Senate Highlights

overnight, but by increments two years from now, three years from now, four years from now," he said.

Sen. Sandra Pappas (DFL-St. Paul) spoke against the provision allowing the continued operation of Gopher State Ethanol. Sen. Scott Dibble (DFL-Mpls.) said, "I don't understand why the governor and the House chose to gouge small amounts of money from programs that are investments. Youth intervention programs offer an opportunity to avoid huge costs in the future." Small investments are enough to leverage private money and federal funds, Dibble said.

The bill was repassed on a vote of 34-32. Majority Leader John Hottinger (DFL-St. Peter) had said earlier, when Senate DFLers withdrew their budget balancing proposal, that appropriations bills needed the votes of all members of the minority, with an additional three votes from the majority party, in order to become law. Accordingly, the vote on the measure was comprised of all members of the minority and Hottinger, Assistant Majority Leader Ann Rest (DFL-New Hope) and Senate President James Metzen (DFL-South St. Paul).

In other action, Senators also adopted the conference committee report on H.F. 719 and repassed the bill. The measure, sponsored by Pappas, is the omnibus liquor bill. Pappas said the bill contains all the provisions of the Senate bill with the exception of a provision authorizing a uniform 10 p.m. liquor store closing time and two provisions relating to brewpubs. She said the bill does contain the provision allowing bars to stay open until 2 a.m. and includes all the additional liquor license provisions of the Senate bill. The measure was granted repassage on a 50-16 roll call vote.

Members also adopted a conference committee report on a bill, H.F. 294, providing for payment of a salary differential for state employees called into active military duty. The bill, sponsored by Sen. Don Betzold (DFL-Fridley), was repassed on a 60-0 roll call vote.

Finally, members granted final passage to S.F. 1505. The measure is the first omnibus tax bill and contains mostly noncontroversial provisions. The bill, sponsored by Sen. Lawrence Pogemiller (DFL-Mpls.), was repassed on a 67-0 roll call vote.

Two resolutions were also approved. The first provides for the conduct of

Senate business during the interim. The second sets the time for reconvening in 2004. Under the resolution, the Senate will reconvene Mon., Feb. 2, 2004 at 12 noon.

## Higher ed bill passed

Members concluded the last day of the regular session by approving appropriations for higher education. The provisions were amended onto S.F. 675,

authored by Sen. Dallas Sams (DFL-Staples), by the other body. Sams moved to concur with the amendment and repass the bill, which originally eliminated the expiration date for the Minnesota Agriculture Education Leadership Council.

Sen. Sandra Pappas (DFL-St. Paul), chair of the Higher Education Budget Division, explained the provisions of the amended bill. The legislation appropriates



**Senators Mady Reiter (R-Shoreview) and Mike McGinn (R-Eagan) study a bill during the Tues., May 20, Senate floor session.**

Photo by David J. Oakes

over \$1.1 billion each to the University of Minnesota and the Minnesota State Colleges and Universities (MnSCU), \$350 million to the Higher Education Services Office (HESO) and \$2.78 million to the Mayo Medical Foundation. Policy provisions in the bill include a requirement for postsecondary institutions to provide information on meningitis to enrolling students, the appointment of the HESO director by the governor with senatorial confirmation, changes to financial aid formulas, a reduction in eligibility for the state grant program from five academic years to four academic years, a reduction in the maximum child care grant from \$2,600 to \$2,200 and authorization for Fond du Lac Tribal and Community College to offer a bachelor's degree in elementary education.

Sen. Steve Murphy (DFL-Red Wing) moved the previous question. The motion, if approved, effectively ends debate on the question under consideration, in this case to concur with the amendment. Before the Senate took the message on S.F. 675, Murphy had attempted to get the Senate to take up the message on S.F. 794, relating to nuclear waste storage. However, Majority Leader John Hottinger (DFL-St. Peter) said it was his intention to take up the nuclear waste bill after the higher education funding measure. When Murphy moved the previous question, only about 30 minutes remained before the constitutional deadline for adjournment.

A higher motion, to recess, was offered by Sen. Ellen Anderson (DFL-St. Paul). Neither the Murphy motion nor the motion to recess is debatable. The Anderson motion was defeated on a 21-45 roll call vote. Anderson then moved to adjourn, which is the highest motion under Senate Rules, and is also not debatable. The motion to adjourn was defeated, 15-52. Pappas moved to adjourn until 11:59 p.m., one minute before the deadline. A motion to adjourn to a specific time is debatable, but only with regard to the time to reconvene. The Pappas motion was defeated, 10-54. Members then acted on the Murphy motion and approved it, 46-20. Senators concurred with the amendment and repassed the bill, 36-31. With the clock having reached a few seconds before midnight, the Senate adjourned. The

regular session of the 83rd Legislature will reconvene Feb. 2, 2004. However, the governor has called a special session, for the Legislature to complete work on the FY 2004-2005 budget, to begin Tues., May 20.

### **Special Session begins, state government bill approved**

Senators convened the Special Session, Tues., May 20, and took care of procedural matters before recessing. The Senate approved two resolutions, one organizing the Senate for the Special Session and the other notifying the other body and the governor that the Senate has organized. Majority Leader John Hottinger (DFL-St. Peter) said the afternoon recess was to let the other body act on the state government and judiciary finance bills. The other budget measures, he said, are likely to be taken up over the next two days.

When Senators returned, they approved H.F. 1, the state government appropriations bill. The measure provides for \$532.4 million in general fund spending for state agencies. "This bill is a far cry from the bill that left this chamber," said Sen. Jane Ranum (DFL-Mpls.), chair of the State Government Budget Division. The division held hearings throughout the regular session, she said, and tried to find a way to engage in activities that made sense in a time of tight budgets. The governor's vision is not about reform, Ranum said. "It is about cuts, cuts, cuts," she said. Ranum said many of the cuts are not fiscally sound and do not create new efficiency or effectiveness. The bill cuts technology investments deeply, she said. The governor had an opportunity for reform by adopting the recommendations of the CORE report, she said, but he rejected the plan. Ranum reviewed many of the provisions in the bill, including the transfer of the duties of the Office of Planning to the Dept. of Administration, restrictions on the use of professional and technical contracts, the transitions of some boards to being fee-based and a narrow expansion of the use of reverse auctions for state contracts.

Sen. Mady Reiter (R-Shoreview) spoke in support of the bill and applauded agencies for taking deep cuts. The bill was granted final passage, 35-29.

### **Criminal justice bill passed**

S.F. 2, the omnibus judiciary and crime prevention appropriations bill, was the second bill passed in the Special Session. Sen. Leo Foley (DFL-Coon Rapids) explained the provisions of the bill. He said the measure consists of provisions that were originally contained in the state government omnibus bill and the health, human services and corrections bill. The measure contains funding for the court system, Foley said, and there is a significant increase in fee amounts. In the area of public defense, we created a co-pay and a revenue recapture program to help support public defenders, he said, however, there is no guarantee the revenues are sufficient to fund the programs.

Sen. Linda Berglin (DFL-Mpls.) reviewed the corrections portions of the bill. "We are taking a big step toward financing state government with parking tickets and traffic violations and I think that is a very sad thing," Berglin said. All of the grant programs for youth prevention grants are gone, she said. The House did accept the alternative sentencing program for the mentally ill, Berglin said. She also said the bill does not contain provisions for privatization of corrections, but does provide for a study.

Ranum explained the courts and public safety portions of the measure. It is a sad day, because the courts sustained a huge cut, Ranum said. She said some court facilities will have to be closed under the draconian cuts in the bill. Ranum also said the bill contains cuts for victim services that will result in more victims and more cases, but fewer convictions. As a result of the cuts proposed by the governor, CriMNet will not be finished on schedule, Ranum said.

Sen. David Knutson (R-Burnsville) spoke in support of the measure. There is quite a bit of good policy in the bill, Knutson said. "We forget about all the hard work that came out of the committees this year, which is reason enough to vote for this bill," Knutson said. He said there is also a fair distribution of the cuts in the bill. "It is very odd to hear members who negotiated these bills stand up on the floor of the Senate and urge members to vote against the bills," Knutson said, "But what we need to do as a Senate is face reality and do our best." The bill is the best we can do given the fiscal restraints and reality of the situation, he said. This



# Senate Highlights

is a good policy bill and a good finance bill, Knutson said. However, Berglin said the bill underfunds the corrections system and does away with crime prevention programs and that is not good policy. Ranum also countered that although the governor would not raise taxes, the fees that are raised are not used for the administration of the courts, but sent to the general fund.

Foley said the bill has a lot to offer, but in most instances there are indications of things that could have and should have been done better if the revenue had been available. Hottinger offered an amendment deleting provisions authorizing placement in private institutions. The amendment was adopted.

The bill was granted final passage on a vote of 35-30. Only three members of the majority voted for the measure.

## Wednesday, May 21

### Bills introduced

Members of the Senate convened the second day of the Special Session, Wed., May 21, but immediately recessed in order to allow negotiations on various appropriations bills to continue. Members reconvened late in the afternoon to process bill introductions.

## Thursday, May 22

### Rules and Administration

#### Prairie Island bill to floor

The Rules and Administration Committee, chaired by Sen. John Hottinger (DFL-St. Peter), met Thurs., May 22, to advance several bills, introduced for the Special Session, to the floor for consideration.

One bill, S.F. 21, the Prairie Island bill, generated considerable discussion. The measure, carried by Sen. Steve Murphy (DFL-Red Wing), authorizes additional dry cask storage of nuclear waste at the Prairie Island nuclear facility. The measure also contains provisions for renewable energy and for a coal gasification project. The bill is similar to a measure that generated controversy on the last night of the regular session, but failed to be considered. Sen. Ellen Anderson (DFL-St. Paul) said there is still disagreement on several provisions in the measure. One area of disagreement,

Anderson said, is over whether the Legislature or the Public Utilities Commission should have oversight over authorization of future additional dry cask storage. The other main issue, she said, is the classification of coal as a form of renewable energy under the bill. Committee members urged interested parties to continue working to iron out differences over several items in the bill.

A motion, by Sen. Dennis Frederickson (R-New Ulm), to lay the bill on the table failed on an 8-12 roll call vote. Sen. Cal Larson (R-Fergus Falls) moved that the bill be sent to the floor without recommendation. The motion prevailed on a 13-7 roll call vote.

In other action, the panel advanced a number of bills to the floor, most of which had either already passed in the Senate or been in conference committees near completion when the regular session ended.

S.F. 6, sponsored by Sen. Don Betzold (DFL-Fridley), imposes notice requirements for the use of the good cause exemption in the adoption, amendment or repeal of an administration rule. S.F. 8, authored by Sen. Linda Scheid (DFL-Brooklyn Park), establishes the Help America Vote Act account and provides for the use of funds in the account. S.F. 10, carried by Sen. Sharon Marko (DFL-Cottage Grove), makes housekeeping changes in provisions relating to the Dept. of Administration and modifies a variety of data practices provisions. S.F. 13, authored by Sen. Becky Lourey (DFL-Kerrick), modifies dental practice provisions.

S.F. 14, carried by Sen. Leo Foley (DFL-Coon Rapids), clarifies standards and procedures for vehicle forfeitures associated with DWI violations. S.F. 18, authored by Anderson, modifies provisions to increase the solvency of the unemployment insurance trust fund and makes technical changes related to unemployment insurance. S.F. 28, carried by Sen. Dallas Sams (DFL-Staples), changes the name of the Dept. of Trade and Economic Development to the Dept. of Employment and Economic Development. S.F. 31, sponsored by Scheid, changes the date of precinct caucuses and makes other changes relating to elections.

### Floor action

#### Bills approved

Senators used the first part of the Thurs., May 22, session to grant final passage to eight measures. Most of the bills are the result of conference committee action during the regular session, but the legislation was not acted on before the end of the regular session earlier in the week.

Sen. Don Betzold (DFL-Fridley) carried S.F. 6, which requires agencies using the good cause exemption for administrative rulemaking to provide public notice that they are doing so. S.F. 10, authored by Sen. Sharon Marko (DFL-Cottage Grove), is the Dept. of Administration housekeeping bill. Sen. Becky Lourey (DFL-Kerrick) sponsored a bill, S.F. 13, expanding access to dental services. The measure includes a study of the appropriate level of regulation for dental assistants. A bill clarifying procedures for vehicle forfeitures after DWI offenses, S.F. 14, was carried by Sen. Leo Foley (DFL-Coon Rapids).

S.F. 18, authored by Sen. Ellen Anderson (DFL-St. Paul), adjusts the payment schedule for unemployment insurance to provide greater solvency to the unemployment insurance trust fund. Over 80 percent of employers pay less under the proposal, Anderson said. A bill renaming the Dept. of Trade and Economic Development was sponsored by Sen. Dallas Sams (DFL-Staples). S.F. 28 changes the department's name to the Dept. of Employment and Economic Development. Sen. Linda Scheid (DFL-Brooklyn Park) carried two bills. S.F. 8 establishes the Help America Vote Act account in the state treasury. S.F. 31 changes the date of precinct caucuses.

### Rules and Administration

#### Legislation advanced

Four bills gained the approval of members of the Rules and Administration Committee during a short evening meeting, Thurs., May 22. Led by Vice Chair Ann Rest (DFL-New Hope), the panel considered five measures in total.

S.F. 9, authored by Sen. Tom Saxhaug (DFL-Grand Rapids), is the public lands bill. Sen. Don Betzold (DFL-Fridley) sponsored the pensions bill, S.F. 22, representing an agreement reached

between House and Senate members of the Legislative Commission on Pensions and Retirement. S.F. 27, carried by Sen. Steve Kelley (DFL-Hopkins), extends the maximum duration of guaranteed energy savings contracts from 10 years to 15 years. Sen. Linda Berglin (DFL-Mpls.) authored a bill, S.F. 39, permitting the recovery of damages for graffiti. The measure also permits injured parties to seek recovery from the parents of a minor.

Betzold carried the only bill that was laid over. S.F. 16 is the Revisor's bill, which makes technical corrections to legislation already passed. The measure was laid over at the author's request, so that any other corrections identified by staff can be amended into the bill before it is sent to the Senate.

## Floor action

### E-12 funding bill okayed

After a protracted discussion, Senators granted final passage, 34-33, to the omnibus appropriations bill for early childhood and K-12 education. H.F. 51 provides over \$11.8 billion in general fund spending on education and provides for about \$1.3 billion for levies paid in 2004.

Sen. LeRoy Stumpf (DFL-Thief River Falls), chair of the E-12 Education Budget Division, said the bill the Senate put together during the regular session was much better in terms of fairness and equity and was assembled on a bipartisan basis. "This [bill] is in large part a product of the governor's office and the House

Republicans," he said. The state has a constitutional responsibility to provide a uniform system of public schools, Stumpf said, but the bill moves Minnesota backwards. Under the bill, he said, education funding is cut by \$170 million and local levies increase by \$51 million. Sen. Steve Kelley (DFL-Hopkins) also spoke against the measure. The governor has broken his promise to protect education and to keep cuts away from the classroom, he said. Students will have fewer class options and larger class sizes, Kelley said. "The money won't be there to maintain the high quality of education in Minnesota," he said, "because the governor picked one pledge over his pledge to Minnesota kids."

Schools in Cook County take a huge hit under the bill, said Sen. Thomas Bakk (DFL-Cook). One district will lose over \$120 per pupil in funding, and will be able to levy back only up to \$62 per pupil, he said. Bakk noted that over 90 percent of land in Cook County is owned by the government and much of the remaining land is seasonal recreational property, which is not subject to the local levy. It shouldn't matter where you live in the state, he said, you should have the same opportunity for a quality education. Sen. Linda Higgins (DFL-Mpls.) said the bill cuts compensatory aid by \$45 million even though the governor promised community leaders that he wouldn't cut compensatory aid.

Sen. David Hann (R-Eden Prairie) spoke in support of H.F. 51. The cuts identified, he said, are cuts to projections. The current statewide average for education funding is \$6,400 per pupil, Hann said, and the bill raises the average to \$6,700 per pupil. The number is an increase over current spending, which meets the governor's goal of holding education harmless, he said. "Not everybody is getting what was projected, and I don't like that either," said Sen. Betsy Wergin (R-Princeton). When the state is facing a shortfall, she said, we have to deal with it the best way we can.

Other members also spoke out against the lack of policy reform in the measure. Hann said Legislators need to revisit funding formulas, make the formulas more easily understood and examine what state money is getting in terms of results. This was the perfect year for reform, especially in the Public Employee Labor Relations Act, said Sen. Julie Rosen (R-Fairmont).



**Senators Charles Wiger (DFL-North St. Paul), left, and Brian LeClair (R-Woodbury) closely examine a bill on the floor of the Senate, Tue., May 20.**

Photo by David J. Oakes



# Senate Highlights



**With only 45 minutes left to go before the regular session midnight deadline, Mon., May 19, a hallway near the Capitol Rotunda is filled with lobbyists glued to a television set carrying the Senate floor session.**

Photo by David J. Oakes

"There is no rational relationship between our funding systems and student outcomes," said Sen. David Knutson (R-Burnsville). Until we invest in reliable data, we won't be making the right decisions, he said. Sen. Thomas Neuville (R-Northfield) said that school boards and administrators asked Senators for the tools to deal with funding and cost problems. Among those tools, he said, were reform in labor relations and wage freezes. Without any reform, we might see a lot of young teachers laid off, Neuville said.

In other action, members granted final passage to three other measures. S.F. 9, authored by Sen. Tom Saxhaug (DFL-Grand Rapids) is the public lands bill. Kelley carried S.F. 27. The bill extends the maximum duration, from 10 years to 15 years, of guaranteed energy savings contracts entered into by local units of government. S.F. 39, sponsored by Sen. Linda Berglin (DFL-Mpls.), provides for the recovery of damages to public or private property for graffiti and permits property owners to seek recovery from the parents of minors who have caused graffiti damage.

Senators also repassed S.F. 10, sponsored by Sen. Sharon Marko (DFL-Cottage Grove). The other body corrected a drafting error in the bill, which is the Dept. of Administration housekeeping measure. Sen. Don Betzold (DFL-Fridley)

carried S.F. 22, the omnibus pensions bill. The measure was tabled at the author's request, so that members could examine the various provisions in the bill.

## Friday, May 23

### Nuclear waste bill approved

Senators began the Fri., May 23, session with consideration of a bill permitting additional dry cask storage of nuclear waste at Prairie Island, near Red Wing. The measure also includes a variety of energy initiatives, including a hydrogen economy goal.

Sen. Steve Murphy (DFL-Red Wing) moved to amend the provisions of a bill he sponsors, S.F. 21, onto the storage bill received from the other body, H.F. 9. The amendment was adopted. Murphy also offered two additional amendments. The first makes technical changes to the bill, putting the bill in the form Murphy originally intended. Sen. Ellen Anderson (DFL-St. Paul) said that while the amendment is technical, she urged members to closely examine a provision the amendment changes, which could encourage utilities not to meet their renewable energy objectives (REOs). The amendment was adopted.

The other Murphy amendment provides that a coal-gasification generation project must comprise at least two percent of Xcel Energy's energy portfolio.

Murphy said the amendment meets the governor's requirement that the technology not be used to fulfill a renewable energy objective, but that encouraging the project will create good jobs along the Iron Range. Anderson spoke in favor of the coal-gasification provisions in the amendment, but said that another part of the amendment fails to encourage the development of more wind generation. She said permitting Xcel to count the 300 megawatts of wind generation required in the bill against its REO does not advance the state beyond current law requirements. However, Sen. Mark Ourada (R-Buffalo) said that if the Legislature is going to mandate that Xcel use more wind energy, the state should permit the company to get credit for the renewable generation. He said that other utilities must make only a good faith effort to meet their REOs, but Xcel is required to meet its renewable energy standard. The amendment was also adopted.

Sen. Sharon Marko (DFL-Cottage Grove) offered an amendment removing a provision granting the power of eminent domain to the coal-gasification project. Marko said she supports the project, but that granting it eminent domain could damage its future with potential legal action. The power of eminent domain is a government function and the state can offer to use its power in support of the project, she said. However, Sen. David Tomassoni (DFL-Chisholm) said that granting the project the power will not subvert the public process. He said numerous hearings are still required for transmission lines to be sited and routed, while the power of eminent domain can be used to prevent someone from buying land to stop the project from going forward. Sen. Gen Olson (R-Minnetrista) said the authority is being granted early, since investor-owned utilities are granted the power of eminent domain in statute. As the project moves forward, she said, it will automatically receive the power. "This is clearly getting the cart before the horse," Marko said. The amendment failed on a 26-37 roll call vote.

Sen. Steve Kelley (DFL-Hopkins) offered an amendment firming up the renewable energy objective for Xcel. Sen. Gary Kubly (DFL-Granite Falls) offered an amendment requiring the Electric Energy Task Force to examine where Minnesota get its energy. Murphy spoke in support of both amendments; both amendments were approved.

An amendment requiring direct legislative authorization of any future additional dry cask storage was offered by Sen. Dennis Frederickson (R-New Ulm). The bill requires the Public Utilities Commission to evaluate storage requests and issue a certificate of need if it approves a proposal for additional storage. The decision is stayed until June 1 after the next legislative session, under the bill, and goes into effect if the Legislature fails to reject or modify the commission's recommendation. The amendment deletes the provision, effectively returning decision-making authority to the Legislature. This is radioactive waste that will remain dangerous for 10,000 years, Frederickson said. Only one proposed facility exists in the nation for permanent waste storage, he said, and it does not have the capacity to hold more waste than what will be generated under the current licenses for Minnesota's nuclear power plants. The debate about whether we want more nuclear waste stored near the Mississippi River should take place at the Legislature, Frederickson said.

Anderson noted that the governor indicated he prefers direct legislative authorization, but that the provisions of the bill are only minimally acceptable.

Murphy said the storage facility at Prairie Island is outside the 1,000-year flood plain and the casks are sealed, do not leak and cannot be displaced by water. The decision about additional casks should be taken out of the emotionally charged Legislature, he said, and put in the hands of the PUC, with a final opportunity for legislative action. Ourada acknowledged the governor's stated preference, but said that everyone must compromise and the governor has done so. The bill has expanded from one authorizing more storage to a bill that is more about jobs and new projects, said Marko. The nuclear waste issue should stand on its own, she said, and not serve as a mule for other projects. Marko said the issue has become too emotional for members on all sides. "I would like to see that we try something different," she said. However, Anderson said that it is irresponsible for Legislators to say they don't want to deal with the issue because it is too contentious or too difficult.

The amendment was defeated, 30-36.

Frederickson then offered a second amendment. The first portion of the amendment requires prospective commissioners of the Public Utilities Commission

to have demonstrable knowledge and experience with the safety and health concerns of exposure to radiation at various levels and periods of time. Sen. David Hann (R-Eden Prairie) spoke in opposition and said that perhaps members of the Legislature should have the same level of knowledge about exposure to radiation when running for office. Ourada also opposed the amendment. "We have oversight over the commissioners, they have access to expertise on a variety of issue, but this is unworkable." Sen. John Marty (DFL-Roseville) said the expertise, though, is about ratemaking, not the environmental concerns associated with nuclear waste. The first portion of the amendment failed. The second portion of the amendment specifies that if the national repository for high level nuclear waste at Yucca Mountain is not operational, the commission must deny the request for relicensure of a nuclear generating facility. Frederickson withdrew the second portion of the amendment.

Anderson offered an amendment that requires legislative approval of a PUC recommendation for future authorization of additional dry cask storage. She said the provision is a compromise between the House and Senate positions. Murphy said the amendment would not be accepted by the other body. "If we want to continue on the path of more wind, more renewable energy, then we must vote this down because the House will not accept it." Anderson urged members to show leadership on the issue and not let the other body dictate Senate actions. The amendment failed on a 31-35 roll call vote.

Sen. John Hottinger (DFL-St. Peter) offered an amendment providing that if the PUC makes a determination favorable to the utility regarding additional storage, the PUC must also make a finding that there is a federal repository outside of Minnesota that is reasonably expected to have sufficient capacity allocated for the storage of the additional spent fuel, the authorization for the utility to have more storage is not effective unless ratified by the Legislature. Ourada said the amendment will shut the plants down, because the decision must be made far in advance of the time it can be reasonably expected to find a suitable storage repository is available. The amendment also failed on a 30-36 roll call vote.

Kelley offered an amendment specifying that any municipality or rural electric association providing electric service that is meeting the objectives may use five percent of the total amount to be spent on energy conservation improvements on renewable projects located in Minnesota. The amendment was adopted. Pappas offered an amendment deleting a provision exempting the clean coal plant from the certificate of need process. Tomassoni opposed the amendment and said the process is duplicative for the plant. The amendment failed. Sen. Scott Dibble (DFL-Mpls.) offered an amendment deleting a section authorizing the commissioner to exempt a utility from the requirement to spend two percent of gross operating revenues on conservation improvement. Ourada urged members to defeat the amendment and said the language applies only to Xcel Energy and other utilities only pay one and one-half percent. The amendment failed.

Marty offered an amendment deleting a provision making the coal plant eligible for renewable energy grants for mercury removal technology, thermal efficiency optimization and emission minimization. Murphy opposed the amendment and said the language simply allows the plant to be eligible, which does not mean the grant will be awarded. The amendment failed. Ranum offered an amendment requiring the PUC to ensure that the utility takes all reasonable steps to secure the nuclear facility from possible attacks. Murphy opposed the amendment. "The utilities are already taking steps to protect the two nuclear installations in Minnesota," he said. The amendment failed. Kubly offered an amendment to keep current law in place regarding annual payments to the renewable development account. Murphy said, "My understanding is that the payments stop when the plant quits operating." Anderson, though, said "My understanding is the current law means the renewable development fund would have money coming in as long as casks are stored at Prairie Island." The amendment also failed.

The bill was granted final passage on a 40-26 roll call vote.

In other action, members also granted final passage to the omnibus pension bill. S.F. 22, authored by Sen. Don Betzold (DFL-Fridley), contains numerous provisions agreed to by members of the Commission on Pensions and Retirement.



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# *Senate Briefly*

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*The Capitol dome is illuminated against the night sky as Legislators work late in an effort to bring the 2003 Special Session to a close.*

*Photo by David J. Oakes*



*May 30, 2003*

# Senate Highlights

## Special Session draws to a close

Senators completed their work on the FY 2004-05 budget during the second week of the Special Session. The Senate met briefly Sat., May 24, Tues., May 27, and Wed., May 28, but adjourned the floor sessions without taking any action. House and Senate leaders, as well as the governor and his representatives, met throughout the week to complete negotiations on the major measures, including the health and human services and transportation budgets, the omnibus tax bill and a bonding bill.

Senators took up the health and human services budget bill during the afternoon of Thurs., May 29, and completed work on the other three major bills in about an hour's time. The session adjourned sine die with moments to go before 11 p.m.

## Rules and Administration

### Revisor's bill advanced

The Rules and Administration Committee met Thurs., May 29, to take action on one bill and to take care of housekeeping matters pertaining to the operations of the Senate during the interim.

Members approved a bill, S.F. 16, making technical corrections in bills that have been passed during both the regular and special session. Sen. Don Betzold (DFL-Fridley), chief author of the measure, explained the process by which sections are incorporated into the measure. The bill does not make any

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Senators Paul Koering (R-Fort Ripley), left, and Dallas Sams (DFL-Staples) converse on the floor of the Senate during the Thurs., May 29, session.

Photo by David J. Oakes

substantive changes in the various bills, Betzold said.

In other action, members, chaired by Sen. John Hottinger (DFL-St. Peter), approved a Senate policy authorizing staff to take up to 1040 hours of unpaid leave. In addition, the panel okayed per diem, mileage, lodging and travel expense limits for the interim and guidelines for reimbursement.

## Floor action

### Thursday, May 29, 2003

#### Health and human services funding bill passed

One of the first major bills considered at the Thurs., May 29, floor session was the omnibus health and human services appropriations bill. Sen. Linda Berglin (DFL-Mpls.) said the bill, H.F. 6, was not really the bill she sponsored, but was a House bill. She said, "This particular part of the budget reflects the values of the people of the state of Minnesota; these values have really been tested by what is in this bill." "This is a bill that will leave people hungry, that will leave people sick, that will leave people needing the basics for life," Berglin said. She explained the sections of the \$7.5 billion measure. The measure cuts \$104 million from General

Assistance Medical Care and eliminates outpatient care under the program. In addition, the bill makes \$80 million in cuts to child care assistance programs, \$37 million in cuts to children and community services grants, \$2.46 million in cuts to day treatment services for people with mental illnesses and \$5.8 million in cuts to senior nutrition and volunteer program grants. The bill also increases fees, Berglin said, and includes benefit sanctions for welfare-to-work participants who miss deadlines. The bill will increase nursing home rates for private pay patients by at least \$1,800 per year, Berglin said.

Sen. Jane Ranum (DFL-Mpls.) said it appeared the changes to the Minnesota Family Investment Program were horrific and, along with cuts to child care, would have a very negative effect on children in Minnesota. "I keep thinking, when I hear of these cuts, of the increased number of children that may end up in our child protection system," Ranum said.

Sen. Brian LeClair (R-Woodbury) said the change in child care was primarily from freezing the rates at the 2003 levels. Sen. David Hann (R-Eden Prairie) said the bill increases spending by more than \$900 million in the health and human services areas. "It is hard for me to characterize the bill as cutting when it is that much more than the current bien-nium," Hann said. Berglin responded that



there are several dynamics in play. More people are out of work and needing services, she said, and the cost of health services is rising rapidly. "There is less money to serve more people in this bill," Berglin said. She said the bill she originally sponsored did not make as many severe cuts and she urged members to vote against the bill.

Sen. Becky Lourey (DFL-Kerrick) said, "The health and human services budget used to be about 30 percent of the state budget, but the bill is only about 20 percent of the budget because of the cuts." She said that because of the economic situation, more people are relying on the safety net, but the bill cuts the safety net. For 13 years we have inched forward with making sure that every Minnesotan had health care, making sure we had child care for women who must work, but now we are going backwards, Lourey said.

Sen. Ellen Anderson (DFL-St. Paul) said, "The bill is wrong, it's mean spirited and it's not representative of the Minne-

sota I love." Berglin said the bill will result in more people being hungry, more people being sick and again urged members to vote against the measure.

The bill was passed on a 34-28 roll call vote.

In other action, members also granted final passage to H.F. 13. The bill, authored by Sen. Tom Saxhaug (DFL-Grand Rapids), is the state lands bill. The measure adds and subtracts from various state parks, state recreation areas, state forests and wildlife management areas. In addition, the measure authorizes public and private sales and conveyances of state lands.

### **Bonding bill passes**

The bonding bill, sponsored by Sen. Keith Langseth (DFL-Glyndon), was the second major funding measure approved by the Senate during its Thurs., May 29, meeting. H.F. 8 authorizes over \$230 million in capital investment. Over \$48

million in projects are included for the University of Minnesota, and over \$59 million is authorized for Minnesota State Colleges and Universities projects. The bill authorizes \$11.5 million for the Dept. of Education, \$10.7 million for the Dept. of Natural Resources and \$6.4 million for the Board of Water and Soil Resources. The measure permits bonding for \$5 million of Amateur Sports Commission projects and \$30 million in arts projects. Projects supervised by the Dept. of Transportation are granted \$26.5 million in bonding authority, the Metropolitan Council \$1 million and the Dept. of Health \$775,000. Finally, \$29.8 million in bonding is authorized for the Dept. of Trade and Economic Development and \$500,000 for the Minnesota Historical Society.

"This bill was before you before, but now it is only half a bill," Langseth said. The original Senate bonding bill, which failed to gain Senate approval during the regular session, authorized almost \$400



*Minority Leader Dick Day (R-Owatonna), left, consults with Majority Leader John Hottinger (DFL-St. Peter) in the Senate chamber on the final night of the Special Session.*

Photo by David J. Oakes

# Senate Highlights



**Sen. Becky Lourey (DFL-Kerrick), center, engages Senators Linda Higgins (DFL-Minneapolis), left, and Pat Pariseau (R-Farmington) in conversation during the closing hour of the Special Session.**  
Photo by David J. Oakes

million in capital investment. Langseth said all of the higher education projects in the original bill were contained in H.F. 8, but to reach a total acceptable to the governor and other body, all other projects had to be trimmed by about two-thirds. Some projects were dropped entirely, he said, and they would be nice to revisit in next year's bonding bill.

H.F. 8 was granted final passage on a 49-13 roll call vote. Bonding bills must gain the approval of three-fifths of Senators, pursuant to Article XI, section 5 of the Minnesota Constitution.

Four other measures were also granted final passage. H.F. 66, carried by Sen. Charles Wiger (DFL-North St. Paul), provides for the redistricting of the Metropolitan Council. Sen. John Marty (DFL-Roseville) sponsored a measure, H.F. 67, repealing changes to the definition of major political parties. The changes were made earlier in the Special Session as part of the E-12 education budget bill, but were challenged as violating the single subject rule of the state constitution, Marty said.

Sen. Richard Cohen (DFL-St. Paul) carried H.F. 3, which adjusts the FY 2003 budget to ensure that the state's books are balanced as the fiscal year closes. Cohen

explained that the bill is also intended to strengthen the state's financial position as major bond houses reevaluate the state's bond rating. "The fear is that we might find ourselves doing this [cutting] again at the end of this year, next year and potentially in two years," he said, as he told Senators the state's financial situation may be considered precarious. H.F. 57, the omnibus claims bill, was sponsored by Sen. Wesley Skoglund (DFL-Mpls.). The claims bill passed during the regular session had been vetoed because of a particular provision relating to paying a family for drainage tiles that were ripped out. The new measure does not contain the provision.

## Transportation bill passed

The third of the major bills, the omnibus transportation bill, was also granted final passage. H.F. 5, sponsored by Sen. Dean Johnson (DFL-Willmar), provides funding for highways, bridges and maintenance. The measure appropriates about \$3.8 billion for transportation. Johnson said the major change in the bill is \$400 million in bonding, which will cost the state \$220 million in interest, to fund highway projects. He said the interest is the equivalent of a 2 cent per

gallon gasoline tax. In addition, the measure provides for \$300 million to \$500 million in federal funds for accelerated projects. Johnson said under the bill, transit in both Greater Minnesota and the Metro Area will have about an 11 percent reduction in funding. In addition, the measure contains no funding for local roads, Johnson said. The bill also contains the 2 a.m. bar closing provision, he said, in order to structure funding for increased law enforcement. Another policy provision is to charge for the use of high occupancy lanes, Johnson said. Finally, the measure sets school speed limit zones at 30 miles per hour, he said. There was no discussion on the measure. The bill was passed on a 35-27 roll call vote.

## Special Session completed

Sen. Lawrence Pogemiller (DFL-Mpls.) reviewed the provisions of H.F. 7, the omnibus tax bill. The measure includes the governor's jobs and opportunity building zones (JOBZ) proposal and a proposal to create biotechnology and health sciences zones. The JOBZ concept is a promise that will not be fulfilled, Pogemiller said, "[the zones] are a bad idea, they're bad public policy and they won't work." The bill also includes provisions relating to \$103 million of one-time federal money to solve a permanent problem, Pogemiller said. "The bill also eliminates the education reserve account in the general fund; that's a terrible idea," he said. The measure includes the other body's local government aid formula and intergovernmental aid as recommended by the other body and governor. H.F. 7 includes a one-year levy limit provision and does not authorize any local sales taxes. The omnibus tax bill was granted final passage, 34-29. As with other major appropriations and budget bills passed in the day's session, only three members of the Majority Caucus voted in favor of H.F. 7.

H.F. 56, the Revisor's bill, corrects technical errors contained in legislation enacted during the regular session and earlier in the Special Session. Sen. Don Betzold (DFL-Fridley), chief author, reviewed the corrections made in the bill. Sen. Jim Vickerman (DFL-Tracy) carried a bill, H.F. 30, changing the jurisdiction for a county highway in Nobles County. Before adjourning the Special Session sine die, Senators adopted a resolution providing for Senate operations during the interim.



# Minnesota Senate 2003

Party	Phone (651) 29	Name	Room	District	Party	Phone (651) 29	Name	Room	District
DFL	6-5537	Ellen R. Anderson	120 Cap.	66	DFL	6-5645	John Marty	323 Cap.	54
R	6-4351	Michele Bachmann	141 SOB	52	R	7-8073	Mike McGinn	G-19 SOB	38
DFL	6-8881	Thomas M. Bakk	301 Cap.	6	DFL	6-4370	James P. Metzen	322 Cap.	39
R	6-5975	William V. Belanger, Jr.	113 SOB	40	R	6-6238	Geoff Michel	151 SOB	41
DFL	6-4261	Linda Berglin	309 Cap.	61	DFL	6-5285	Mee Moua	235 Cap.	67
DFL	6-2556	Don Betzold	111 Cap.	51	DFL	6-4264	Steve Murphy	306 Cap.	28
DFL	6-4334	Satveer Chaudhary	317 Cap.	50	R	6-1279	Thomas M. Neuville	123 SOB	25
DFL	6-5931	Richard J. Cohen	317 Cap.	64	R	6-5419	Seam R. Nienow	105 SOB	17
R	6-9457	Dick Day	147 SOB	26	R	6-1282	Gen Olson	119 SOB	33
DFL	6-4191	D. Scott Dibble	111 Cap.	60	R	6-4837	Julianne E. Ortman	G-21 SOB	34
R	6-4131	Steve Dille	103 SOB	18	R	6-5981	Mark Ourada	145 SOB	19
R	6-2084	Michelle L. Fischbach	129 SOB	14	DFL	6-1802	Sandra L. Pappas	120 Cap.	65
DFL	6-4154	Leo T. Foley	G-24 Cap.	47	R	6-5252	Pat Pariseau	117 SOB	36
R	6-8138	Dennis R. Frederickson	139 SOB	21	DFL	6-7809	Lawrence J. Pogemiller	235 Cap.	59
R	6-4314	David Gaither	107 SOB	43	DFL	7-8061	Jane B. Ranum	120 Cap.	63
R	6-1749	David Hann	G-27 SOB	42	R	6-1253	Mady Reiter	132D SOB	53
DFL	6-9246	Linda Higgins	328 Cap.	58	DFL	6-2889	Ann H. Rest	205 Cap.	45
DFL	6-6153	John C. Hottinger	205 Cap.	23	R	6-4123	Claire A. Robling	143 SOB	35
DFL	6-3826	Dean E. Johnson	121 Cap.	13	R	6-5713	Julie A. Rosen	G-23 SOB	24
R	6-3219	Debbie J. Johnson	135 SOB	49	R	6-4913	Carrie L. Ruud	109 SOB	4
R	6-3733	Michael J. Jungbauer	115 SOB	48	DFL	7-8063	Dallas C. Sams	328 Cap.	11
DFL	7-8065	Steve Kelley	205 Cap.	44	DFL	6-4136	Tom Saxhaug	124 Cap.	3
R	6-5649	Bob Kierlin	127 SOB	31	DFL	6-8869	Linda Scheid	303 Cap.	46
IP	6-4848	Sheila M. Kiscaden	G-15 SOB	30	R	6-3903	David H. Senjem	G-17 SOB	29
R	6-6455	Dave Kleis	G-25 SOB	15	DFL	6-4196	Rod Skoe	124 Cap.	2
R	6-4120	David L. Knutson	133 SOB	37	DFL	6-4274	Wesley J. Skoglund	124 Cap.	62
R	6-4875	Paul E. Koering	131 SOB	12	DFL	6-4188	Yvonne Prettnr Solon	303 Cap.	7
DFL	6-5094	Gary W. Kubly	306 Cap.	20	DFL	6-9248	Dan Sparks	G-24 Cap.	27
DFL	6-3205	Keith Langseth	122 Cap.	9	DFL	6-8660	LeRoy A. Stumpf	G-24 Cap.	1
R	6-5655	Cal Larson	153 SOB	10	DFL	6-8017	David J. Tomassoni	321 Cap.	5
R	6-4166	Brian LeClair	149 SOB	56	DFL	6-5650	Jim Vickerman	226 Cap.	22
R	6-2159	Warren Limmer	121 SOB	32	R	6-8075	Betsy L. Wergin	125 SOB	16
DFL	6-0293	Becky Lourey	G-24 Cap.	8	DFL	6-6820	Charles W. Wiger	226 Cap.	55
DFL	7-8060	Sharon Marko	G-24 Cap.	57					

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