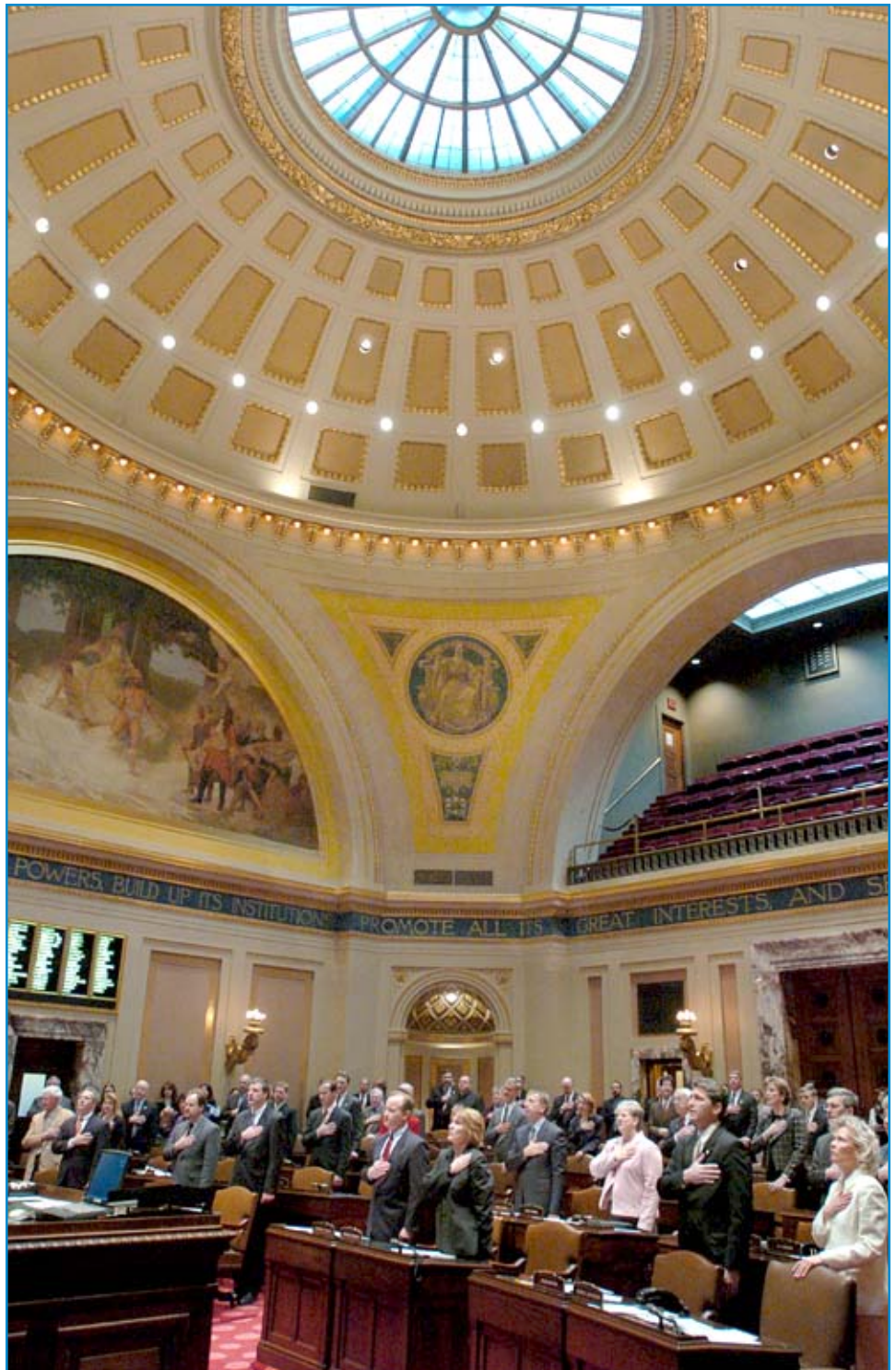


Senate Briefly

Page 2 Highlights

Senators stand and recite the Pledge of Allegiance in the Senate Chamber as the 2005 legislative session gets under way, Tues., Jan. 4.

Photo by David J. Oakes



January 7, 2005

Senate Highlights

Senators begin 84th Session

Members of the Senate resumed their work by opening the 84th Legislative Session. The first day of the session, Tues., Jan. 4, was devoted primarily to formalities.

Senators elected leaders, including Majority Leader Dean Johnson (DFL-Willmar) and Minority Leader Dick Day (R-Owatonna), and officers, including Sen. James Metzen (DFL-South St. Paul) as president of the Senate. Other officers elected included Secretary of the Senate Patrick Flahaven, First Assistant Secretary Patrice Dworak, Second Assistant Secretary Colleen Pacheco, Engrossing Secretary Catherine Morrison, Sergeant at Arms Sven Lindquist, Assistant Sergeant at Arms Marilyn Logan Hall and Rev. Rob Lubben as Senate chaplain. Former Sen. David Knutson, now a judge in the First Judicial District, returned to the Senate Chamber to swear in the officers. Senators also approved temporary rules, committee structure, committee memberships and resolutions providing allowances for postage, parking and per diem. The Senate also adopted a concurrent resolution adopting temporary joint rules in conjunction with the other body.

Setting an opening theme for the closely-divided Legislature, Johnson stressed the importance of discussion. "It is a good thing to sit down and talk," he said. Johnson said he had talked with Day earlier in the morning and pledged to continue ongoing conversations with Day, the governor and the other body's leadership. It is important that Senators interact socially, as well, Johnson said. He thanked Senators David Gaither (R-Eden Prairie) and Geoff Michel (R-Edina) for challenging Johnson and Sen. Lawrence Pogemiller (DFL-Mpls.) to a golf game over the summer. After the game, which



Secretary of the Senate Patrick Flahaven gives copies of the legislative directory to the newest member of the Senate, Sen. Chris Gerlach (R-Apple Valley) during the opening day of the Legislative Session, Tues., Jan 4. Gerlach won a special election in July 2004, replacing Sen. David Knutson who was appointed a District Judge by the governor.

Photo by David J. Oakes

Johnson admitted he and Pogemiller lost, the four sat and talked. "Let's do it more often," Johnson said. The majority leader also encouraged Senators to take care of themselves, recognizing the stressful nature of the job.

Senators welcomed their newest member, Sen. Chris Gerlach (R-Apple Valley), and congratulated the former member whose seat Gerlach was elected over the summer to fill, Knutson, on his appointment to the bench. Members also observed three moments of silence, noting

the recent deaths of former Sen. Roger Hanson, Assistant Sergeant at Arms Roger Moening and Eryn Johnson, the majority leader's father.

Short session held

Senators met briefly Thurs., Jan. 6, to process official communications, primarily notices of appointments by the governor, and bill introductions. Members observed a moment of silence to note the death of former Sen. Chuck Davis and welcomed a visiting legislator from another state, Utah House Minority Whip Brad King.

Public Safety nominee approved

A 32-year veteran of the Bureau of Criminal Apprehension was given preliminary approval to serve as commissioner of public safety by members of the Crime Prevention and Public Safety Committee, Tues., Jan. 4. The panel, chaired by Sen. Leo Foley (DFL-Coon Rapids), recommended the Senate confirm Michael Campion.

Campion started with the BCA in 1972, initially serving as a special agent.

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He rose through the bureau's ranks, becoming a special agent team leader, assistant superintendent and, in 2000, superintendent of the agency. The BCA is one of many agencies within the Department of Public Safety.

The commissioner's job comes with grave and broad responsibilities, Campion said, but the core mission is "promoting safer communities throughout the state." He identified three goals for his tenure as commissioner: creating an environment where people enjoy their work and feel their work is appreciated by superiors, providing the best service possible to the public and other law-enforcement agencies and striking a balance between state leadership and local autonomy. Campion said he wants to make significant progress on five issues—inter-agency communication tools, the CriMNet database, homeland security, highway deaths and gangs and drugs.

Several members of the committee expressed their support for Campion, but

also indicated they have concerns about changes being made in public safety. Sen. Don Betzold (DFL-Fridley) said many citizens are worried that civil liberties are being sacrificed in the name of homeland safety and security. Campion said he was aware of the concerns but has observed no visible trend in that direction. "We play by the rules and the rules are real clear," he said of the tension between safety and liberty. The department has a great respect for individual rights, Campion said. Sen. Dave Kleis (R-St. Cloud) said police agencies in Greater Minnesota are concerned the consolidation of two task forces—one focused on gang activity, the other on illegal drugs—gives short shrift to gang activity as the prevalence of methamphetamine escalates. Campion said investigators were in competition for resources, information and the results that justify continued spending. The consolidation plan, he said, is part of a search for a streamlined structure maximizing results and promoting efficiency.

Environmental requests heard

The Capital Investment Committee met Wed., Jan. 5, to hear bonding requests for environmental projects. Prior to those requests, however, Committee Chair Keith Langseth (DFL-Glyndon) spoke on the importance of passing a bonding bill early in the session. "This year it's our task to do what we should have done last year," he remarked. Langseth said he intended to introduce the bonding bill in late January.

Before turning to the requests, Langseth also welcomed new committee members: Sen. Chris Gerlach (R-Apple Valley), Sen. Carrie Ruud (R-Breezy Point), Sen. Wesley Skoglund (DFL-Mpls.), Sen. Claire Robling (R-Jordan), and Sen. Dallas Sams (DFL-Staples).

The committee heard three bonding requests for environmental projects. The requests came from the Board of Water and Soil Resources (BOWSR), the Department of Natural Resources (DNR), and from Sen. Dan Sparks (DFL-Austin) seeking emergency flood funding for SE Minnesota. BOWSR is seeking just over 27 million while DNR has requested around 108 million. Sparks has not yet specified the amount of his request.

The committee further heard advocates of various environmental project requests, including representatives from the State Parks and Trails Council, the Trust for Public Lands, the Nature Conservancy, and the Minnesota Environmental Partnership.

Inflation in forecasts discussed

The Finance Committee met Thurs., Jan. 6, to consider S.F. 2, a bill authored by Chairman Richard Cohen (DFL-St. Paul). The bill restores inflation to state budget expenditure forecasts. Cohen said the bill allows us to look at the budget on a realistic basis.

Four amendments were offered to the bill. The first, a technical amendment, was adopted without debate. The second and third amendments were offered by Sen. Steve Dille (R-Dassel). Dille proposed first to include language identifying that deflation and other variables be considered in forecasts along with inflation. Dille also offered an amendment to include the word deflation along with inflation in a subsequent section of the bill regarding forecast variables. Both amendments prevailed. The final amend-



Sen. James Metzen (DFL-South St. Paul) wields an oversized gavel as he jokes with Senators after being re-elected as President of the Senate during opening ceremonies of the 2005 Legislative Session.

Photo by David J. Oakes

Senate Highlights



Woodbury High School student Adam Hanson (top) presides as President of the Senate, while Centennial High School student Casey Hoshaw serves as Secretary of the Senate during a mock floor session in the Senate Chamber, Fri., Jan. 7. Both students were participating in the YMCA's Youth in Government program, which annually brings hundreds of students from around the state to the State Capitol to give them a firsthand experience in state government.

Photo by David J. Oakes

ment came from Sen. Sean Nienow (R-Cambridge) who proposed to strike the language added by Dille's amendments.

Additionally, Nienow's amendment restored language prohibiting the use of inflation in budget forecasts and also

included revenue as an area in which forecasts may not include inflation. The amendment failed.

There were no representatives from the Department of Finance present at the meeting, and several Senators, led by Sen. Thomas Neuville (R-Northfield), expressed an interest in hearing testimony from such officials. There's no hurry, and it's not going to affect the February forecast, said Neuville, who further said that he thought the committee would benefit from hearing the testimony.

Though Cohen said he felt ready to vote on the bill, he agreed to lay the measure over.

Rules deadline discussed

Opening resolutions dominated the first meeting of the Rules and Administration Committee Tues., Jan. 4. The panel, chaired by Sen. Dean Johnson (DFL-Willmar), approved numerous resolutions in order to prepare the Senate for business on the first day of the 84th Legislative Session.

Several of the resolutions, such as those naming the majority and minority leaders, providing for stamps and appointing committees to notify the governor and the other body that the Senate was organized were approved without discussion. Debate did occur on three of the resolutions. The first related to the adoption of temporary rules. Past practices has been that the Senate operates under temporary rules until permanent rules are adopted. Sen. Thomas Neuville (R-Northfield) offered an amendment to specify that the permanent rules must be adopted on or before Mon., Feb. 28. Neuville said setting a deadline would lead to a more cooperative and orderly procedure to adopting permanent rules. The motion to amend the resolution was adopted and the entire resolution was approved.

Neuville made a similar motion to amend the resolution adopting temporary joint rules. However, Sen. Ann Rest (DFL-New Hope) said setting a deadline for the adoption of permanent joint rules would not work because the Senate cannot compel the other body to act. Neuville withdrew the motion.

The third resolution sparking debate concerned authorization for members to be reimbursed for travel to attend meetings of bodies such as the National Council of State Legislatures and the



Silver spoons, each with a depiction of the State Capitol, create a kaleidoscopic effect in a display of collectibles in the north corridor of the Capitol as part of the Capitol's 100th birthday celebration.

Photo by Shelley Hawes

Council of State Governments. Sen. Pat Pariseau (R-Farmington) offered an amendment to specify that each member of the Senate is entitled to be reimbursed by the Senate for the expenses incurred in attending at least one non-partisan event each year. Sen. John Hottinger (DFL-St. Peter) opposed the amendment and said the amendment opens the door for travel to ideological groups. Sen. Dave Kleis (R-St. Cloud) said there should be a total freeze on travel until the state budget situation improves. The amendment failed to gain adoption, but the resolution was approved. Johnson said the entire travel policy was under review and that

further discussion on the issue will occur later in the session.

Members also adopted changes to the permanent and temporary employee roster prior to adjourning.

Appointments approved

Members of the State and Local Government Committee held a brief hearing Tues., Jan. 4, in order to consider two gubernatorial appointments. The panel, chaired by Sen. Linda Higgins (DFL-Mpls.), approved the appointment of Dana Badgerow as commissioner of the Dept. of Administration. Badgerow, who had held the same position from 1991

through 1993, said, "I feel as though I have come home." In addition, the committee approved the appointment of Mary Krinkie as a member of the Metropolitan Council.

Schedule available online

Next week's schedule is available online: <http://www.senate.mn/schedule/2005/0110.htm>

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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. When you have finished your multi-media tour, test yourself on what you have learned by taking the short quiz.

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Senate Highlights



Bryon Roesselet, with Conrad Schmitt Studios, prepares the walls and ceiling in a third floor Capitol corridor for painting and artwork restoration, Fri., Jan. 7. Extensive repair and restoration work is under way in the State Capitol to compensate for water damage and subsequent plaster damage.

Photo by David J. Oakes

tape of either program contact Senate Media Services at (651) 296-0264.

Information Services

The Senate Information Office and the Office of the Secretary of the Senate are located in Room 231 of the Capitol. These offices distribute all public printed materials and handle inquiries about Senate committee meetings, Senate districts, Senate telephone numbers, bill reference numbers and status, and bill sponsorship. Interested citizens may also request copies of bills or ask to be put on the mailing list for Senate publications. If you want to know the name of your Senator or have any other questions about

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MyBills system available

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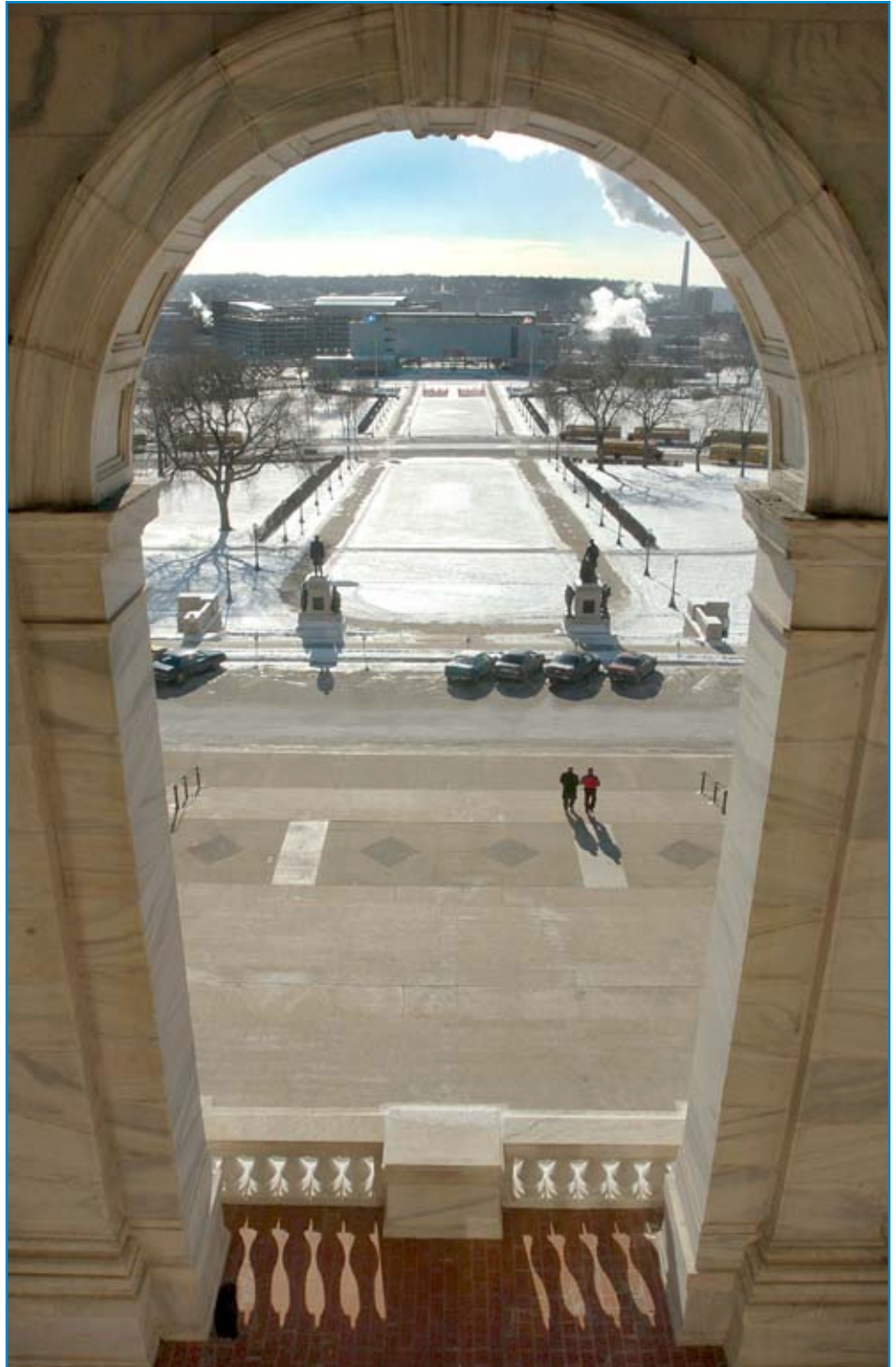
Senate Briefly

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With a well-below-zero high temperature predicted, the Capitol approach takes on a desolate, Arctic-like appearance.

Photo by David J. Oakes



January 14, 2005

Senate Highlights

Appointees confirmed

Members devoted the Mon., Jan. 10, floor session to acting on the confirmations of three gubernatorial appointees.

Sen. Leo Foley (DFL-Coon Rapids) moved that Michael Campion be confirmed as commissioner of the Dept. of Public Safety. Foley said, "I am pleased to ask for approval of the appointment. Mr. Campion has a long history in law enforcement and he is working to unify the law enforcement efforts of the state." Majority Leader Dean Johnson (DFL-Willmar) also spoke in support of Campion's appointment. Johnson said he has always been impressed by Campion's work and that Campion has always been professional. Sen. Linda Berglin (DFL-Mpls.) echoed Johnson's comments and added, "I have always been impressed by Mr. Campion's understanding that there must be an emphasis on prevention of criminal activity." Campion's appointment was approved on a 65-0 roll call vote.

Sen. Linda Higgins (DFL-Mpls.) began the discussion of the appointment of Dana Badgerow as commissioner of the Dept. of Administration. Higgins said Badgerow has a long history in private business as well as experience as commissioner of the Dept. of Administration from 1991 through 1993. Johnson said Badgerow is a true innovator and problem solver, exactly the kind of person needed in state government. Sen. Dennis Frederickson (R-New Ulm) echoed the support of Badgerow. "She served well in 1991 and I am sure she will do so now," he said. Badgerow's appointment was approved on a unanimous vote.

The third major appointment, that of Mary Krinkie to the Metropolitan Council, was also approved on a unanimous vote. Higgins said Krinkie is well

known at the Capitol because of her role as vice-president of the Minnesota Hospital Association and a former employee of the Senate during the 1980s. Sen. Mady Reiter (R-Shoreview) also supported the appointment and said that Krinkie will do a good job on the council. Johnson said, "Ms. Krinkie is a tough negotiator and will stand up for her beliefs."

Senators also gathered for a brief floor session Thurs., Jan. 13, to process bill introductions and committee reports.

In addition, members adopted a resolution celebrating the life and work of Rev. Dr. Martin Luther King, Jr. Sen. Satveer Chaudhary (DFL-Fridley), chief sponsor of the resolution, spoke of the work of King in ending segregation and working toward civil rights for all Americans.

Cap removal approved

The Health and Family Security Committee, chaired by Sen. Becky Lourey (DFL-Kerrick), unanimously approved S.F. 255 in a roll call vote during its Thurs., Jan. 13, meeting. The bill, sponsored by Sen. Linda Berglin (DFL-Mpls.), repeals a section of law capping insurance for MNCare consumers without children at \$5000 per year.

The measure was approved following testimony from both individuals and organizations dealing with the program. The first to speak was Sheila Hart, a MNCare consumer. Hart related several accounts of individuals, including herself, adversely affected by the cap. She said it was "immoral" not to use funds collected through the provider tax to pay for healthcare, the purpose for which the tax was expressly created. She further stressed the personal impact of the cap; "I'm being legislated to death," said Hart, "There's

actually a bill that says I'm allowed to die."

Dr. Terry Cahill also spoke on the measure. A family physician from Blue Earth County, Cahill said that patients who capped out on their coverage would often halt treatment or medication programs or turn to emergency rooms for care as a result.

Another presenter was Kate Krisik, social concerns director for the Minnesota Catholic Conference. Krisik, testifying in favor of the bill, said that by choosing not to fund MNCare Minnesota would be "committing euthanasia by neglect."

Four other individuals spoke in favor of S.F. 255; no one spoke in opposition to it. The measure will now move to the Finance Committee.

Commissioner of education ok'd

The first meeting of the Education Committee, Tues., Jan. 11, was devoted to discussion of the appointment of former Rep. Alice Seagren as commissioner of education. The committee, chaired by Sen. Steve Kelley (DFL-Hopkins), voted to approve the appointment.

Kelley had invited members of the Early Childhood Policy and Budget Division, chaired by Sen. John Hottinger (DFL-St. Peter), to attend the hearing and participate in the discussion.

Seagren began by emphasizing her strong support of public education. "I've been involved with education as a parent for more than 20 years," Seagren said, "I used my experience as a basis for running for the Legislature." Seagren also said, "I believe it is important to recognize the different funding and academic needs of the various regions of our state."

Kelley asked about Seagren's plans to go about fixing the problems with the federal No Child Left Behind Act. Seagren responded that she has already participated in discussions in Washington, D.C. about issues arising from NCLBA, particularly issues concerning students for whom English is a second language and issues concerning children with learning disabilities.

"I believe education is the key to becoming a successful adult," Seagren said. She pledged to continue working to improve education in Minnesota.

Representatives from a variety of groups, ranging from the Minnesota Business Partnership to the Minnesota Association for Colleges for Teacher

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Education supported the appointment. Former education commissioner Duane Mathias and Jerry Ness of the Minnesota Rural Education Association also spoke on Seagren's behalf.

Sen. Geoff Michel (R-Edina) made the motion to approve the appointment. The vote was unanimous in support of the motion.

Seagren thanked the members for their vote of confidence and said, "I am just one person, it takes all of us to make a difference in our children's lives and I pledge to work with you."

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Schedule available online

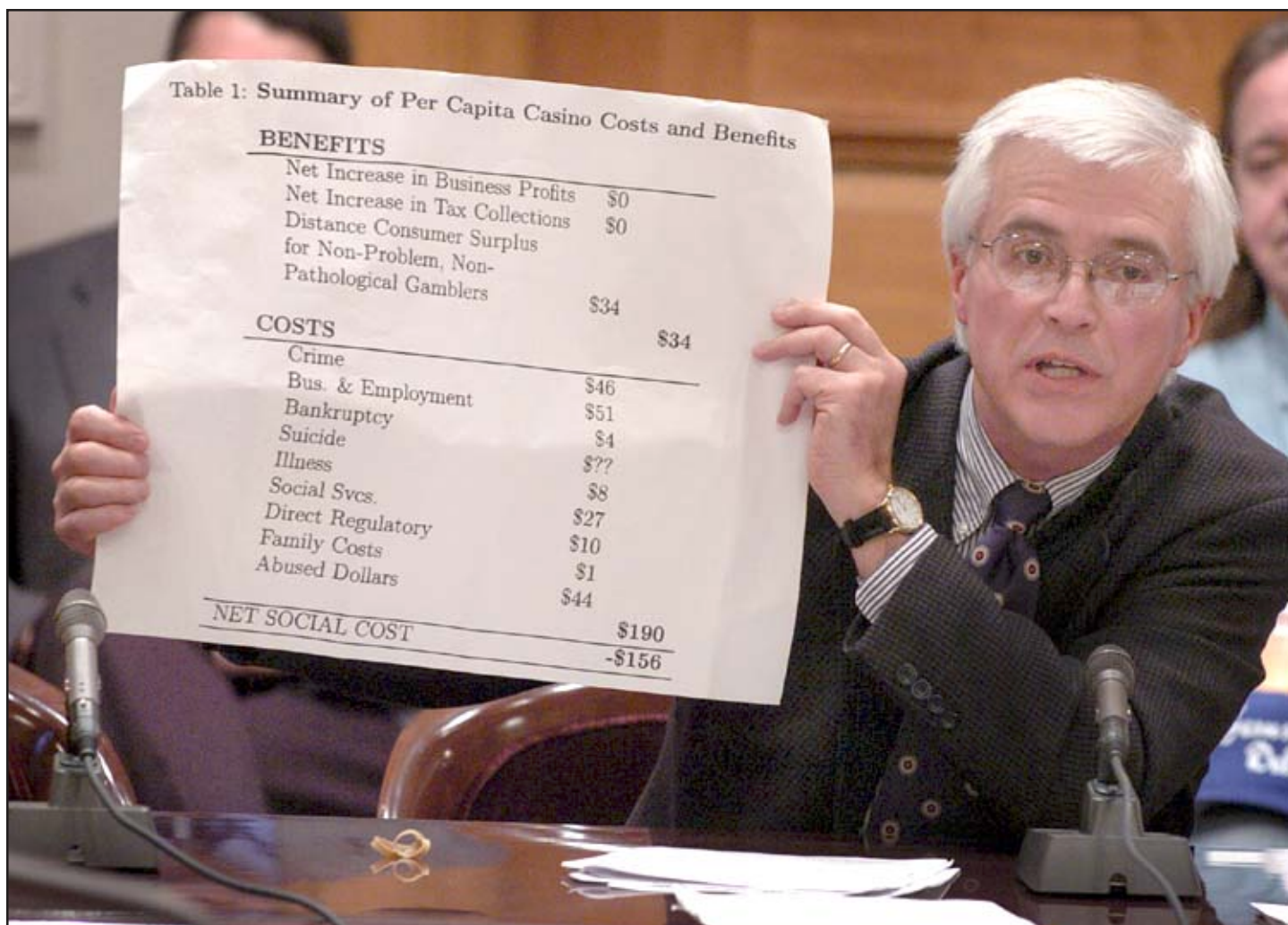
Next week's schedule is available online: <http://www.senate.mn/schedule/2005/0117.htm>



Dan Williams of Vadnais Heights recites Rev. Dr. Martin Luther King, Jr.'s famous "I Have a Dream" speech in the Capitol Rotunda, Thurs., Jan. 13, in honor of the late civil rights leader's birthday. Behind Williams are Rev. Robert Battle of the Berean Church of God in Christ in St. Paul and Sen. Michele Bachmann (R-Stillwater).

Photo by Shelley Hawes

Committee update

A photograph of Brian Rusche, a man with white hair and glasses, wearing a dark suit and tie. He is holding a large white sign in front of him, which displays a table titled 'Table 1: Summary of Per Capita Casino Costs and Benefits'. The table lists benefits and costs of gambling. The sign is held up with both hands, and he is looking towards the camera with a slight smile. The background is slightly blurred, showing other people in a room.

BENEFITS	
Net Increase in Business Profits	\$0
Net Increase in Tax Collections	\$0
Distance Consumer Surplus for Non-Problem, Non-Pathological Gamblers	\$34
	\$34
COSTS	
Crime	
Bus. & Employment	\$46
Bankruptcy	\$51
Suicide	\$4
Illness	???
Social Svcs.	\$8
Direct Regulatory	\$27
Family Costs	\$10
Abused Dollars	\$1
	\$44
NET SOCIAL COST	\$190
	-\$156

Brian Rusche, with the Joint Religious Legislative Coalition, shares the results of a study on the social costs of compulsive gambling to members of the Agriculture, Veterans and Gaming Committee, Wed., Jan. 12.

Photo by David J. Oakes

Agriculture, Veterans and Gaming

Gambling, ethanol bills approved

The Agriculture, Veterans and Gaming Committee, chaired by Sen. Jim Vickerman (DFL-Tracy), took up the subjects of compulsive gambling and ethanol in its Wed., Jan. 12, meeting.

Members heard first from a panel on the topic of gambling. Representatives from the Northstar Problem Gambling Alliance, the Minnesota State Lottery, the Minnesota Problem Gambling Hotline, and the University of Minnesota spoke on the history of gambling in Minnesota, the structure of the industry in the state, and the nature and effects of gambling addiction. Brian Rusche of the Joint Religious Legislative Coalition also spoke on the negative societal conse-

quences of gambling.

The testimony was prelude to consideration of S.F. 116, a bill sponsored by Sen. Yvonne Prettnier-Solon (DFL-Duluth). The measure authorizes \$150,000 in FY 2006 and the same amount again in FY 2007 as a grant for a compulsive gambling council located in St. Louis County. The council is required to provide a statewide compulsive gambling prevention project for adolescents. Senators approved the measure which will now go to the Finance Committee.

Ethanol was the second major item on the agenda. Three separate bills were put forth to increase the minimum ethanol content for gasoline sold in the state. The first, S.F. 4, was authored by Sen. Dallas Sams (DFL-Staples). The measure requires all gasoline sold or

offered for sale in Minnesota to contain at least 20 percent ethanol beginning in 2012. The remaining two bills, S.F. 85 and S.F. 143, were sponsored by Sen. Gary Kubly (DFL-Granite Falls) and Vickerman respectively. The three bills were nearly identical, and S.F. 4 ultimately gained approval.

In discussing the ethanol bills, Senators listened to two panels of speakers. The first, composed of those supporting the increased minimum, included representatives from the Minnesota Department of Agriculture, the Minnesota Ethanol Producers Association, the Lake Crystal Northstar Ethanol Plant, the Minnesota Coalition for Ethanol, the Chippewa Valley Ethanol Coop, the American Coalition for Ethanol, and the Minnesota Farmers Union. Panelists opposing the measure came from the

Minnesota Auto Dealers Association, the Alliance of Automobile Manufacturers, the American Petroleum Institute, Flint Hills Resources, the Marathon Ashland Petroleum and Super America.

Capital Investment

Transportation list considered

Several requests for bond proceeds dollars held the attention of members of the Capital Investment Committee, Mon., Jan. 10, as the panel continued its review of projects included in last session's bonding bill. The measure was reintroduced for 2005 as S.F. 1 and is carried by Sen. Keith Langseth (DFL-Glyndon), committee chair.

Most of the panel's time was spent considering the needs of four transit corridors serving the Metropolitan Area and surrounding regions. The Northstar Commuter Rail line, running from Big Lake to Minneapolis, requires a \$37.5 million commitment from the state to secure federal approval and funding for the final design phase. Anoka County Commissioner Dan Erhart said residents in the corridor are tired of sitting in traffic when they could be home with their families and businesses are tired of their employees and products being stuck on roads not designed for current traffic levels. The local governments along the line, which could later stretch as far as Rice, have spent eight years committed to the project, he said. One of the reasons Medtronic cited for placing its headquarters in Fridley, said Tim Yantos, was the plan for a commuter rail station in Fridley and a link between commuter rail and light rail in downtown Minneapolis. Yantos, executive director of the Anoka County Regional Railroad Authority, said Northstar Corridor Development Authority has engaged in tough but successful negotiations with Burlington Northern Santa Fe railroad, the owner of the tracks Northstar will run on.

Proponents of another commuter rail line, along the Red Rock Corridor running from Hastings to the Metro Area, sought \$1 million for continued planning and analysis of the project required to secure federal approval and funding. A request of \$1 million was also made by supporters of the Rush Line Corridor, from St. Paul to Hinckley, for bus improvements and park and ride facilities.

Ramsey County Commissioner Victoria Reinhardt said the long-term goal of the corridor's task force is a commuter rail line or busway.

Additional light rail transit in the Metropolitan Area is planned as part of improvements to the Central Corridor, which connects Minneapolis and St. Paul along University Avenue. The request totals \$5.25 million to match a federal appropriation and fund preliminary engineering. Rick Beeson, St. Paul Area Chamber of Commerce, said light rail in the corridor is the best long-term investment to be made in a growing, dense region of the Metro Area. However, several Senators questioned the benefit gained if the trains will stop at traffic lights, as outlined in the proposal. If there is no override for traffic signals, these are basically buses on rails, said Sen. Chris Gerlach (R-Apple Valley). The state would get the same benefit at lower cost by funding bus rapid transit (BRT) in the corridor, he said. Ramsey County Commissioner Sue Haigh said BRT is cheaper than light rail only if there are no dedicated bus rights-of-way in the two downtowns and at the University of Minnesota. If dedicated bus rights-of-way are included, she said, the cost for BRT becomes almost equal to the cost of light rail. Haigh also noted that a single rail car can carry more passengers than three buses.

Committee members also heard requests for the local bridge replacement and local road improvement programs operated by the Dept. of Transportation. The department's request for the programs totals \$38 million, but the bill includes an additional \$12 million.

Corrections, Human Services bond funding requests heard

Requests from two state departments were on the agenda, Wed., Jan. 12, as members of the Capital Investment Committee continued their examination of the bonding bill, S.F. 1. The measure is sponsored by Committee Chair Keith Langseth (DFL-Glyndon).

The Department of Human Services' requests total over \$27 million, including funds for a sex offender facility at the St. Peter Regional Treatment Center, a forensic nursing facility and systemwide asset preservation. The measure trims the request to about \$12.3 million, primarily

by excluding the forensic nursing facility. An additional program, to purchase grave markers at regional treatment centers, is included in the measure. Assistant Commissioner Wes Kooistra reviewed the projects.

The request from the Department of Corrections totals over \$117 million. Projects included in the request are an expansion of the Faribault prison, an expansion of housing at the Willow River boot camp, predesign for a new segregation unit at the Stillwater prison and asset preservation. The measure provides over \$70 million and includes no funds for the Stillwater predesign. Commissioner Joan Fabian and Deputy Commissioner Dennis Benson discussed the projects with committee members.

Crime Prevention and Public Safety

Deficiency requests heard

Deficiency requests and a department overview were the subjects of a joint meeting of the Crime Prevention and Public Safety Committee and the Public Safety Budget Division, chaired by Sen. Leo Foley (DFL-Coon Rapids) and Sen. Jane Ranum (DFL-Mpls) respectively. The meeting, which took place Mon., Jan. 10, is the first in a series of joint meetings between the two committees. Ranum explained the reason for the joint meetings, stating that in this policy area one cannot separate policy from money.

Four agencies requested deficiency funding. The first was the Board of Judicial Standards, represented by Executive Director David Paul. Citing the governor's appropriations bill which proposed 230,000 for the Board, Paul said the Board would only require 199,000 in funding. The deficiency came about because of costs incurred investigating Judge Harvey Ginsberg. Ginsberg was ultimately removed from the bench.

The Department of Public Safety (DPS) cited two different requests. The first seeks matching funds for Federal Disaster Assistance provided to southeastern Minnesota after last fall's flood damage. Al Bataglia and John Kerr, both of the Division of Homeland Security and Emergency Management, requested \$710,000, a figure that constitutes the state's 15 percent share of the 25 percent non-federal required matching sum. Sen.

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Dan Sparks (DFL-Austin) and Craig Hoium, Community Development Director of the City of Austin, also spoke regarding the need for the funds.

Mary Ellison brought forth the second request from DPS, saying that \$276,000 is needed for the Gang Strike Force to continue its operations through June 30, 2005.

The third agency request was from the Public Defender's Office (PDO). Kevin Kajer and John Stuart, both of the State Board of Public Defense, testified to the need for \$7.68 million to maintain staff in Minnesota's public defense system.

The final agency, the Department of Corrections (DOC), requested \$4.37 million in deficiency funding. Of that, \$2.85 million is designated for costs associated with a rising prison population while \$1 million and \$520,000 are earmarked for health service and sex offender management expenses respectively.

In addition to deficiency requests, the joint panel heard an overview from DOC. Dan Storkamp, DOC Director of Information Analysis, presented the overview, stressing that its population, demographic, and budget projections were based on current laws, trends, and practices.

Corrections overview heard

Members of the Public Safety Budget Division, along with members of the Crime Prevention and Public Safety Committee, continued their review of the Dept. of Corrections at their Tues., Jan. 11, joint hearing.

Commissioner Joan Fabian, Dept. of Corrections, began with an overview of the core functions of the department. She said the two major areas of responsibility include the Facilities Division, which effectively contains the state's most dangerous offenders, and the Community Services Division, which provides effective supervision of offenders on probation and supervised release.

The Facilities Division operates eight adult prisons with varying security classifications. In addition, the division operates two juvenile facilities. The facilities provide work, treatment, education, health care and transition programs for over 8,333 inmates.

The Community Services Division provides direct supervision, intensive supervision and partners with local jurisdictions to supervise over 126,000

offenders statewide. Other responsibilities of the division include sex offender assessment and community notification, work release, the house building program, program support and assistance and the interstate compact unit.

According to material provided by the department, Minnesota is 46th lowest in per capital spending on corrections, is the 49th lowest in the state facility incarceration rate and has the 32nd lowest crime rate.

Dennis Benson, deputy commissioner, and Harley Nelson, deputy commissioner, were also on hand to answer questions from the panel.

The joint panel, chaired by Sen. Jane Ranum (DFL-Mpls.) and Sen. Leo Foley (DFL-Coon Rapids), also heard an overview from the Department of Public Safety. Commissioner Michael Campion and Deputy Commissioner Mary Ellison described the organization and responsibilities of the agency.

Security overview heard

Members of the Crime Prevention and Public Safety Committee, chaired by Sen. Leo Foley (DFL-Coon Rapids), and the Public Safety Budget Division, chaired by Sen. Jane Ranum (DFL-Mpls.), continued their series of joint hearings with an overview, Wed., Jan. 12, of homeland security efforts and funding.

Senators heard from Al Bataglia and Dan Johnson, both of the Dept. of Public Safety. The pair provided a general overview of homeland security planning, risk assessment and safety efforts in the state. Bataglia and Johnson also fielded several questions from panel members on how homeland security dollars are spent, priorities for additional funds and criteria for grants to local public safety agencies. "It would be helpful to get more specificity on the criteria for grants," Ranum said, along with obtaining other information from the department.

Sentencing changes reviewed

Members of the Crime Prevention and Public Safety Committee and Public Safety Budget Division met Thurs., Jan. 13, to consider proposed modifications to Minnesota's sentencing guidelines. The panels are chaired by Sen. Leo Foley (DFL-Coon Rapids) and Sen. Jane Ranum (DFL-Mpls.), respectively.

The major element of the modifications, recommended by the Sentencing

Guidelines Commission, is conformity with a U.S. Supreme Court ruling requiring juries to find aggravating circumstances, beyond a reasonable doubt, in order for judges to depart from sentencing guidelines in order to impose a higher sentence. The court's opinion, in a case styled *Blakely v. Washington*, was primarily directed at the procedure used to impose a term longer than the presumptive sentence for an offense, said Barbara Tombs, executive director of the commission. The modifications proposed by the commission, she said, ensure that extended sentences are available when they are appropriate. To comply with *Blakely* and related cases, Tombs said, the proposal provides for a jury trial on any additional facts supporting a departure from sentencing guidelines, other than a defendant's prior history of similar criminal acts. The full report is available from the Sentencing Guidelines Commission website: <http://www.msgc.state.mn.us/>

Senators also received an overview of public defender operations and funding needs from Chief Administrator Kevin Kajer of the Board of Public Defense. He discussed the increasing caseloads borne by public defense offices, the new challenges posed to public defenders by sentencing changes and the increased public scrutiny of sex offender cases. Additional funding is the main priority for public defenders, Kajer said. The board also wants to reduce the caseloads of individual attorneys, which are double the recommended caseloads set forth by the American Bar Association, he said.

Education

School accountability, student achievement discussed

Members of the Education Committee, chaired by Sen. Steve Kelley (DFL-Hopkins), heard presentations from various Minnesota school officials during their Thurs., Jan. 13, meeting. The officials, who came from Grand Rapids, Princeton, St. Francis, Minneapolis, Hayfield, Renville, Stillwater, and St. Paul, spoke on issues of accountability and achievement.

Testing was one of the main topics discussed. Principals John Beach and Greg Blodgett of Princeton spoke on the Measure of Academic Progress (MAP) test which adjusts the difficulty level of questions in response to a student's

performance throughout the exam. This type of format was designed to challenge every student continually for the duration of the test. Both Beach and Blodgett said they were pleased with MAP as did Sen. Betsy Wergin (R-Cambridge) who took the test during a school visit last summer.

Many of the officials spoke on the positive progress of their schools. Ossie Brooks James, principal of Lyndale School in Minneapolis, highlighted impressive improvements in math and reading ability amongst Lyndale's kindergartners and first-graders since 2000. Despite the challenges of poverty and a high population of English Language Learners (ELL) students, Lyndale has a percentage of students proficient in math and reading higher than Minneapolis' overall rate. James attributed the success to dedicated teachers, engaged parents, and compensatory funds from the state.

Environment, Agriculture and Economic Development Budget Division

LCMR project funding discussed

The inaugural meeting of the Environment, Agriculture and Economic Development Budget Division, Tues., Jan. 11, began with a review of projects recommended for funding by the Legislative Commission on Minnesota Resources (LCMR). The panel, chaired by Sen. Dallas Sams (DFL-Staples), also heard a presentation, on behalf of the Minnesota Environmental Partnership, analyzing recent capital and general fund appropriations for environmental programs.

Sen. Jim Vickerman (DFL-Tracy), outgoing chair of the LCMR, and John Velin, executive director of the commission, presented an overview of the work of the LCMR and reviewed the appropriations the commission is recommending for the next biennium. Vickerman said the work of the commission was helped by the participation of a citizen's advisory committee.

Velin said the commission recommended appropriating \$39.2 million for a total of 78 projects. He said the projects are spread throughout the state and involve all areas of environmental programming. Velin said much of the funding comes from the environment and natural resources trust fund. A number of safeguards are in place to ensure that the



Members of the Health and Family Security Committee listen to testimony during a meeting, Thurs., Jan. 13.

Photo by David J. Oakes

trust fund's endowment continues to grow over time, Velin said. He said the commission is authorized to appropriate only a percentage of the trust fund's endowment and that appropriations must be made on a reimbursement basis in order to facilitate the monitoring of projects.

Under the proposal, \$10.76 million is provided for fish and wildlife habitat, \$12.719 million is earmarked for recreation, which includes trails, parks and recreation area acquisition, \$6.027 million is designated for water resources, \$2 million is provided for land use and

natural resource information, \$2.683 million is slated for agriculture and natural resource industries, \$3.792 million is provided for energy projects, \$720,000 is provided for environmental education and \$200,000 is earmarked for children's environmental health projects.

Velin said the proposal also spells out the requirements for the projects including reporting, data availability, match requirements and payment conditions. No action was taken, but Sams said the proposal will be included in the division's omnibus bill.

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Health and Family Security

Medicare Part D examined

The Health and Family Security Committee, chaired by Sen. Becky Lourey (DFL-Kerrick) devoted its Tues., Jan. 11, meeting to presentations on Medicare Part D and its affect on the state. The program was enacted in 2003 as part of the Medicare Modernization Act (MMA).

Dr. John O'Brien, director for state policy at Pharmaceutical Research and Manufacturers of America (PhRMA), was the first to speak. In addition to providing a broad overview of Part D, O'Brien further described how the program would affect individuals of various incomes and those with dual eligibility for Medicare and Medicaid. "People who have the highest drug costs and the lowest income will reap the most benefit from this program," said O'Brien.

Sen. Mee Moua (DFL-St. Paul) said she was concerned that constituents would have a difficult time interpreting the new law. Christine Bronson, the second presenter, said she shared that sentiment. Medicare Director at the Department of Human Services (DHS), Bronson spoke to the state's role with regard to changes in the program. She stressed the need for a coordinated public education campaign and additional staff to assist the public as the transition to Part D occurs.

The third speaker, Mark Schoenbaum, testified with regard to Part D's affect on rural Minnesota. Speaking for the Office of Rural Health and Primary Care, Schoenbaum identified a portion of the law that requires a pharmacy to be within 15 miles of at least 70 percent of the population as a potential problem for implementation in rural areas of the state.

John Gross of the Department of Commerce (DOC) was the final presenter to speak at the meeting.

Health and Human Services Budget Division

Bonding proposal, deficiency appropriations discussed

The Health and Human Services Budget Division, chaired by Sen. Linda Berglin (DFL-Mpls), met Tues., Jan. 11 to hear a bonding proposal, two supplemental deficiency appropriations requests, and an overview forecast from the Department

of Human Services (DHS).

The first order of business, a bonding proposal for planning and construction of a forensic patients' facility, was outlined by Wes Kooistra, assistant commission of Chemical and Mental Health at DHS. Kooistra explained that the \$12.6 million request, currently included in the governor's bonding proposal, would cover a new facility with 50 beds at a location yet to be determined. Of the \$12.6 million, \$1.6 million would fund design while the remaining \$11 million would be used for construction. Members of the committee expressed a number of concerns about the proposal, including a lack of investigation into remodeling current properties or purchasing a vacant facility for the project. Consequently, several Senators requested the agency bring forth alternatives to the current proposal.

Kooistra also spoke on the supplemental deficiency request for \$11.5 million for the St. Peter Treatment Facility. This sum represents a \$3 million dollar increase from last year's request of \$8.5 million. Kooistra identified a growth in mentally ill and dangerous (MID) patients and the referral of level 3 sex offenders to state agencies as the "driving force" behind the increase.

Wayne Waslaski and Beverly Kroiss, both of the Department of Administration, described the second supplemental deficiency request. A total of \$4.7 million is needed for relocation costs shared by the Department of Agriculture and the Department of Health (DOH). Leaving their current location on the University of Minnesota campus, the two agencies are moving to a new facility where they will share lab space. The Department of Health will bear \$2.718 million of the cost of relocation.

The final item was a DHS forecast overview. George Hoffman, director of reports and forecasts, and Shawn Welch, assistant director of reports and forecasts, presented the overview, noting that a \$300 million increase from the general fund was the "headline" of the report. Hoffman attributed the rise to anticipation of higher caseloads in Medical Assistance for families and children and Medicare.

Bonding proposals approved

The Health and Human Services Budget Division continued its consideration of a bonding proposal for a forensic nursing facility in its Wed., Jan. 12, meeting.

The panel, chaired by Sen. Linda Berglin (DFL-Mpls), had previously expressed interest in hearing alternatives to the \$12.6 million project included in the governor's bonding proposal. Assistant Commissioner of Chemical and Mental Health at the Department of Human Services (DHS) Wes Kooistra spoke to the committee about the alternatives. Kooistra presented a list of locations for potential renovation with options ranging from \$1 million to \$10 million in cost. Sen. Paul Koering (R-Fort Ripley) made a motion to approve funding for renovation of an existing facility in Brainerd, but the motion failed in a 3-5 roll call vote. Members then adopted a motion, put forth by Sen. Yvonne Prettner-Solon (DFL-Duluth), which provides up to \$1.6 million for planning and possible renovation of a forensic patient facility operated by state services. The motion also requires the committee to receive updates from DHS every three months. The motion, approved on a 5-3 roll call vote, drew concern from some Senators. "What the governor suggested is a good solution and this is a much lesser solution," said Sen. Brian LeClair (R-Woodbury) who voted against the measure.

The committee also listened to a presentation on the transition from Regional Treatment Centers (RTCs) to Community Services in mental health treatment throughout the state. Kooistra spoke once more along with the director of the National Alliance for the Mentally Ill and officials from Le Sueur and Ramsey counties. During the presentation, Berglin stressed that existing law requires current state employees of RTCs to be retained as staff for new Community Services operations.

Berglin also authored a bill, S.F. 272, which appropriates \$8.5 million in bond proceeds for Lutheran Social Services supportive housing. The proposal grants funds for a 64-unit site targeted at providing housing for those experiencing long-term homelessness. Members approved a motion to include S.F. 272 in the bonding bill.

Higher Education Budget Division

Panel tours campus

Members of the Higher Education Budget Division devoted their first hearing Tues., Jan. 11, to a tour of the

North Hennepin Community College campus in Brooklyn Park. The panel, chaired by Sen. Sandra Pappas (DFL-St. Paul), plans several campus tours over the course of the session. The tours allow Senators to get a first-hand look at the facilities, interact with students, faculty and administrative personnel and gain a better understanding of the budgetary needs of the various higher education institutions.

Reform report presented

A Citizens League report recommending ways to sustain Minnesota's competitive advantage in higher education was the focus of the Thurs., Jan. 13, meeting of the Higher Education Budget Division, chaired by Sen. Sandra Pappas (DFL-St. Paul).

The report, entitled "Trouble on the Horizon," was presented by the study's co-chairs, Rondi Erickson and Vance Opperman. The report was requested by the governor in his 2004 State of the State address and was aimed at assessing the state's higher education system as a whole. The study found that Minnesota faces troubling demographic trends, including a reduction in the supply of potential workers as baby boomers start leaving the workforce and an increase in the percentage of potential workers who are part of underperforming educational groups. Minnesota is also falling behind on the number of students taking upper-level math and science courses and faces increasing numbers of students requiring remedial courses before starting higher education, according to the report. The study also identified global and fiscal trends.

Opperman and Erickson said the study committee proposed a new vision for higher education, "always excellent, always available," that seeks to sever the link between higher education and certain places—such as college campuses—and times in life—such as after high school but before working—and to encourage Minnesotans to engage in high-quality education throughout their lives and from many different sources. The report recommends increasing expectations to set a minimum standard of two years of education beyond high school for every Minnesotan and properly preparing students in high school to immediately begin higher education, without post-

graduation remediation. The report also recommends creating online report cards for higher education providers and replacing the Higher Education Services Office (HESO) with a council that is independent of higher education institutions and focused on accountability. The various providers of higher education should be encouraged to focus on excellence in their specializations and to coordinate efforts among themselves, according to the report.

Representatives of the Minnesota State University Student Association commented on the report and spoke against specialization by state colleges and universities. Non-traditional students and students needing to study close to home, they said, are ill-served by localizing programs rather than offering programs at institutions across the state. The students also raised concerns about student input to the council recommended to replace HESO.

Jobs, Energy and Community Development

DEED reports heard

The first meeting of the Jobs, Energy and Community Development Committee, Wed., Jan. 12, was devoted to reports from the Department of Employment and Economic Development (DEED). The panel, chaired by Sen. Ellen Anderson (DFL-St. Paul), heard an overview of the state's economy from Matt Kramer, DEED commissioner.

Kramer said, "In Minnesota, it is fair to say the economy is improving, but it is also fair to say, that the economy is not improving that much." He said the general trend is positive. However, Kramer said, "Increasingly, as companies invest in improvements, they are investing in improvements that require less labor involvement." Lending is coming back, he said, and manufacturing companies are making investments in new equipment, he added. In terms of trade, Kramer said, Minnesota has exceeded national averages. "We are one of the few states to receive high marks on our economy; that is the ability to generate and sustain our economy," Kramer concluded.

Members also questioned Kramer on the primary goal of the department. He said, "The number one issue for the

department is the integration of economic development and workforce development."

The panel also heard from several additional representatives from the department. Steven Hine, research director of the Labor Market Information Office, gave an overview of employment trends in Minnesota. "Employment is on the rise. We have gained jobs, but a slower rate than expected." He also said the past year has been the best for job growth of the last four years. "Month to month there is oscillation in job growth, but the trend is upward."

Rick Caligiuri, director of the Dislocated Worker Program, TAA and the Job Skills Partnership Board, reviewed the status of the dislocated worker program and Bob Isaacson, director of analysis and evaluation, reviewed the annual business subsidy report.

K-12 Education Budget Division

Education finance reviewed

Members of the K-12 Education Budget Division devoted their first meeting to a review of how education is funded in Minnesota. The panel, chaired by Sen. LeRoy Stumpf (DFL-Plummer), met Tues., Jan. 11.

The most recent economic forecast projected education spending to be almost \$12 billion in FY 06-07, said Fiscal Analyst Eric Nauman. He said state aid expenditures are expected to decline because the number of pupils is falling off, but that property tax levy dollars are increasing, in part due to new referenda. Nauman summarized the many different and complex formulas used to calculate school district revenue and spent most of his time explaining recently enacted changes. The changes affect a variety of formulas, including those used to account for limited English proficiency students, extended time students, regional equity between districts and operating capital.

Nauman also noted a provision in state law providing for an automatic buyback of certain accounting shifts made by the Legislature in 2002 and 2003. The provision requires the commissioner of finance to allocate money to certain accounts if a general fund forecast indicates a positive balance at the end of a biennial budget cycle. The Dept. of

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Finance has indicated that the governor's supplemental budget bill temporarily suspends the automatic buyback to provide \$25.1 million for other programs, Nauman said. However, he said, the buyback would resume if additional positive balances were projected in the next economic forecast.

Former commissioners decry use of one-time budget fixes

Two former finance commissioners discussed budgeting and resolving projected shortfalls with members of the K-12 Education Budget Division, Wed., Jan. 12. The panel, chaired by Sen. LeRoy Stumpf (DFL-Plummer), heard from John Gunyou, commissioner under Gov. Arne Carlson, and Jay Kiedrowski, commissioner under Gov. Rudy Perpich.

The former commissioners, along with Pamela Wheelock, finance commissioner under Gov. Jesse Ventura, have made their presentation about state budgeting to groups around the state and to various committees in the Senate and other body over the last several years.

Gunyou said the former commissioners are concerned about political polarization in the state and nation, but believe that there are policy issues extending beyond partisan viewpoints. We are trying to prompt an honest discussion about finances, he said, but do not have a political agenda. "We do have a problem," Gunyou said of the state's financial outlook. The accurate way to portray the shortfall is to include inflation, he said. Including inflation in the projections means the state is spending about \$2 million per day more than it takes in, Gunyou said.

He reviewed the history of budgeting and resolving projected shortfalls during recent decades. In the early 90s, the state had a 12 percent problem, he said. Gunyou said the problem was half-solved with spending cuts and the remaining half was split between an increase in the sales tax and one-time changes. The use of one-time changes is common as a partial solution, he said, to provide a transition period. Long-term changes require time to take effect, Gunyou said. In 2002, he said, the state had an eight percent problem.

The Ventura administration suggested a similar solution, he said, composed of spending cuts, revenue increases and a partial one-time reduction in the budget reserve. Instead, the Legislature enacted a package composed almost entirely of one-time fixes, he said. "That is the crux of why Gov. Pawlenty faced the problem he did when he took office," Gunyou said. When the governor took office, the problem had more than doubled to represent an 18 percent shortfall in the budget, he said, even though the recession had eased. This is our fourth year of projected shortfalls, Gunyou said. Minnesota should not be in that position, he said. Other states are not similarly situated, the recession is over and revenues are growing healthily, Gunyou said. The problem we face is directly tied to the over-reliance on one-time fixes, he said, and Moody's bond raters lowered the state's credit rating for that very reason.

There are four solutions to the problem, Kiedrowski said. He identified the solutions as honestly balancing the budget, spending smarter, fixing the volatility of the tax system and investing



Minneapolis Mayor R.T. Rybak, center, expresses his concerns over a proposal to expand the Minneapolis – St. Paul International Airport as Mayor Herb Bergson of Duluth, left, and Mayor Mary Hamann-Roland of Apple Valley await their turns to speak during a Tues., Jan. 11, Transportation Committee hearing.

Photo by David J. Oakes

in the future. Honest balancing requires suspending the use of gimmicks—such as transfers, shifts and revenue accelerations—including inflation in projections, seeking a bipartisan solution and adopting a concurrent resolution setting a revenue target, as required by law, Kiedrowski said. He said spending smarter means not enacting across-the-board cuts. The goal should be, he said, to set a target level of public service and find ways to provide it more cost effectively. He said tax reform includes several options, such as broadening the sales tax base to include services or clothing, indexing the gas tax to inflation, broadening the corporate tax, diversifying revenue to include more fees, implementing income averaging for the individual income tax and enacting a trigger tax. Kiedrowski said investing in the future involves recognizing that “taxes have always been too high in Minnesota.” Minnesotans created a competitive advantage for themselves in the state’s highly educated workforce, he said. Minnesota has outgrown the states around it, he said, even though it has the highest taxes. We are not saying the budget has to have a tax increase, Kiedrowski said, because real spending cuts would also satisfy the former commissioners’ concerns. It is a policy decision for the Legislature to make about what it wants to spend, but it should target the state’s resources, he said.

Rules and Administration

Mileage resolution approved

Members of the Rules and Administration Committee held a brief meeting Wed., Jan. 12, to consider a resolution setting the reimbursement rate for mileage and expenses. The mileage rate reflects the federal government’s rate of 40.5 cents per mile, up from 37.5 cents per mile last year. The resolution also reinstates a \$125 monthly communication allowance that was approved at an earlier committee meeting. Per diem and lodging reimbursement rates are unchanged under the resolution. Members approved the resolution without discussion.

State and Local Government Operations

Arts appointees okayed

The State and Local Government Committee, chaired by Sen. Linda

Higgins (DFL-Mpls.), held a brief hearing Wed., Jan. 12, to take action on three gubernatorial appointments to the State Arts Board.

Bob Booker, executive director of the board, introduced two of the appointees, Jane Belau and Ellen McInnis. The third appointee, Corey Elmer, was delayed by inclement weather. Booker said that all three appointees were excellent additions to the board. He said the goal of the board is to provide access to the arts for citizens throughout the state and that the three appointees bring tremendous expertise and experience to the board.

Larry Redmond, representing Minnesota Citizens for the Arts, spoke in support of the appointees and said, “The governor made outstanding appointments to the board. Minnesota arts organizations have national and international reputations for excellence and the three appointees will serve the board well.”

Sen. Dick Day (R-Owatonna) said, “It’s great that people of this caliber are willing to serve on the board.” Sen. Yvonne Prettner Solon (DFL-Duluth) echoed Day’s comments and moved that the appointments be approved. All three received unanimous endorsement.

State Government Budget Division

‘Drive to Excellence’ discussed

The State Government Budget Division met for the first time Thurs., Jan. 13, to hear an overview of the Dept. of Administration and to discuss the department’s “Drive to Excellence” initiative. Members also recommended language for inclusion in the full Finance Committee’s deficiency appropriation bill.

Dept. of Administration Commissioner Dana Badgerow began by outlining the organization and accomplishments of the agency. She said, “The mission of the department is to lead Minnesota government in delivering quality products and services faster, better and more cost-effectively.” The department has 850 employees and 22 divisions encompassing professional areas ranging from archaeology to technology, Badgerow said. The budget for the agency is \$392 million for the current biennium, she said.

Badgerow also outlined some of the agency’s accomplishments in recent months. She said the department was

given a legislative mandate to raise \$5.05 million in surplus real estate sales; the agency, though, raised \$7.06 million. Badgerow said the department sold 28 acres in Anoka, 15 acres in St. Cloud and the former Bureau of Criminal Apprehension building in St. Paul. The department was authorized, in 2002, to engage in reverse auction purchasing, Badgerow said, which resulted in \$1.9 million in savings through FY 2005 and \$4.6 million in extended potential savings. The agency also received \$38.8 million in revenue in FY 2004 for computers services to 200-plus customers. In addition, Badgerow said the department is also exploring the use of voice internet protocol telephony as a way to increase savings in long-distance telecommunications.

Badgerow also gave a brief overview of the “Drive to Excellence” plan initiated by the governor. The Drive to Excellence plan envisions providing faster, more reliable and cost-effective services to Minnesota’s citizens and businesses through transforming the operation of state government, Badgerow said. Details of the plan will not be released until the governor presents the biennial budget, she said. However, she said the plan provides for restructuring so that the state is well positioned for the future. She outlined eight broad transformation areas: enterprise budgeting, grant management, sourcing, technology, real property, licensing, human resources and customer service innovation. “Other state governments have pursued similar transformation opportunities and have found \$5 to \$10 in savings opportunities for every \$1 invested,” Badgerow said. She acknowledged, though, that funding and investment will be problematic in the current budget climate.

Members, chaired by Sen. Sheila Kiscaden (IP-Rochester), then began consideration of two deficiency budget items. The first, \$39,000 for the Dept. of Veterans Affairs, is for increased rent for additional space in the Veterans Services Building. The second item, \$4.705 million, is for moving expenses incurred with the move of the Dept. of Health and the Dept. of Agriculture to a new building. Badgerow said the appropriation will be off-set by the revenue from the sale of the old Dept. of Health Building, which is expected to raise \$4.853 million. The

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panel approved a motion to recommend the inclusion of both items in the omnibus deficiency appropriation bill.

Tax

Charitable deduction bill okayed

A bill allowing an income tax deduction for charitable donations for tsunami relief was the main item of business at the inaugural meeting of the Tax Committee Wed., Jan. 12. The measure, S.F. 218, mirrors a federal law recently enacted providing a federal tax deduction in 2004 on charitable contributions made in January of 2005 for Indian Ocean tsunami relief. Bill sponsor, Sen. Ann Rest (DFL-New Hope), said the measure was aimed at encouraging timely donations for victims of the Dec. 26, 2004, earthquake and tsunami in the Indian Ocean.

Matthew Bechtel, chief financial officer, American Refugee Committee (ARC), spoke in support of the bill. He outlined ARC activities in the stricken area and said that ARC operates entirely on donations. He said it is important to act quickly on the bill in order to encourage donations.

Committee Chair Lawrence Pogemiller (DFL-Mpls.) pointed out that technically there are no funds available for the bill. He said current law specifies that funds in excess of current budget needs must go to replenish the state's reserve account and for other statutory prescribed purposes. He added, though, that the amount of revenue lost because of the deduction is so small that it could likely be taken care of at the closing of the fiscal year.

The bill was approved and advanced to the full Senate.

In other action, Pogemiller reviewed the goal statement he has set forth for the committee. According to the statement, the goal of the panel is to help establish and maintain a tax structure that efficiently and fairly collects revenues required to provide necessary, quality public services. Further, the statement specifies that the level of revenues collected must be economically and socially sustainable. Pogemiller also said that he planned to have bills meet an overall list of committee objectives, as has been done in past sessions. In addition, Pogemiller said bills heard in the committee will be placed on an "A" list if members definitely want the measure included in the omnibus bill, on a "B" list if members want the bill included

and there is no fiscal impact, on a "C" list if members want the bill included and the funds are available, on a "D" list if members do not want the measure to be included and an "E" list if members determine the bill does not follow the committee's direction.

Transportation

Airport expansion plan reviewed

A plan to expand the Minneapolis-St. Paul International Airport was the only item on the agenda when members of the Transportation Committee met Tues., Jan. 11. The panel, chaired by Sen. Steve Murphy (DFL-Red Wing), heard from several interested parties, including the Metropolitan Airports Commission, mayors of three cities and airline labor representatives. Murphy said Northwest Airlines was invited to the meeting, but declined to attend.

Vicki Tigwell, chair of the Metropolitan Airports Commission (MAC), said the airport has nearly completed its plan to meet needs projected for 2010. In October, she said, the crown jewel of the 2010 plan—a new runway—will open. Tigwell said the decision to improve MSP rather than building a new facility has kept operating costs low. The airport is one of the most efficiently managed in the country, she said, but no gates are available during peak hours. While Northwest is growing, other airlines are also, she said. Tigwell noted that ATA Airlines announced two new flights to Chicago and has a new code-share agreement with Southwest Airlines. Sun Country is also expanding, she said, and charter gates are at their peak capacity.

"If we stagnate the growth at MSP, we stagnate the growth of the state economy," Tigwell said. The new plan, she said, is half as expensive as a concept plan prepared in 1996, but provides for greater passenger demand than the 1996 concept. Tigwell said the plan minimizes the impact on ongoing operations, provides opportunities for incremental implementation and minimizes the impact on surrounding road traffic. "No jobs would be lost because of the 2020 expansion," she said. Airlines, not airport authorities, make employment decisions, Tigwell said. There is ample room, she said, to replace hangars demolished as part of the expansion.

Minneapolis Mayor R.T. Rybak said decision makers need to slow down and consider the state's interests. The current plan is not a vision for all of Minnesota, he

said. "Most of us were not asked," Rybak said. He noted that his constituents are being denied funds for noise abatement, but funding is apparently available for airport expansion. Rybak said the state is betting everything on one company, Northwest, with the plan. He also said all Minnesotans pay costs associated with having a "fortress hub," rather than broad competition. Sen. Dick Day (R-Owatonna) said the flyers may pay more, but they also get more from having an international hub. Consumers like competition, he said, but they also like being able to take direct flights to major international destinations. We have one of the best airports with a superbly high safety record, Day said.

Herb Bergson, mayor of Duluth, said that if the jobs cannot be accommodated at MSP, they can be absorbed in other Minnesota communities. Bergson said Northwest should consider keeping the jobs in the state, whether in Duluth, Rochester, St. Cloud or elsewhere. Apple Valley Mayor Mary Hamann-Roland said quality jobs are an important part of having a stable community. Northwest Airlines is a critical employer for the state, she said, and the state needs to slow down and consider what will happen if the jobs are lost.

The union isn't against expansion, but is concerned about how the plan is laid out, said Ted Ludwig, president of Aircraft Mechanics Fraternal Association (AMFA) Local 33. Two hangars have already been demolished in anticipation of approval of the first phase, he said. We want to know where the work currently being done, by 2,000 mechanics, in the remaining buildings will be done, Ludwig said. The mechanics acknowledge that MAC does not have the answer, he said, but the answer should be obtained from the airline before approval is granted. Ludwig noted the airline has not kept promises it made as part of a 1990s financial deal with the state. Among the promises, he said, was a commitment to keep employment levels well above 17,000 jobs in the state. Northwest has just over 15,000 employees in Minnesota, he said. There isn't anyone in the room that would not rather have AMFA members in Minnesota maintaining planes than mechanics in other states or countries, said Day. However, he said, such labor issues are between the union and the airline. Murphy said policymakers should consider the possibility of creating an incentive package to convince Northwest to keep the mechanics' jobs in Minnesota.

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Built on the cantilever principle, and without any visible means of support, the oval staircase near the Capitol rotunda creates an abstract spiral effect.

Photo by Shelley Hawes



January 21, 2005

Senate Highlights

Tsunami relief bill, Seagren appointment okayed

The floor session Thurs., Jan. 20, was highlighted by the passage of a bill allowing for a tax deduction for Minnesotans who contribute to tsunami relief and by the confirmation of Alice Seagren as commissioner of education.

Majority Leader Dean Johnson (DFL-Willmar) designated S.F. 218 a Special Order in order to allow expedited passage of the measure. The bill, authored by Sen. Ann Rest (DFL-New Hope), allows an accelerated deduction for taxpayers who make a donation to an eligible organization for tsunami relief.

Rest said the bill is similar to the federal law that was recently enacted. She offered an amendment making a technical reference to the federal law that conforms to the language in the House companion bill. Rest said by having the identical language, the bill will be sent straight to the governor and will not need to go to conference committee. The bill specifies that cash contributions made during the month of January to eligible organizations may be deducted from 2004 taxes. Rest said taxpayers may choose to take the deduction for their 2005 taxes, but may not take the deduction for both years. The amendment was adopted and the bill was granted final passage on a 60-1 roll call vote.

Members also approved, by a unanimous vote, the appointment of Alice Seagren to the position of commissioner of education. Sen. Steve Kelley (DFL-Hopkins), chair of the Senate Education Committee, made the motion to confirm and spoke in support of Seagren's appointment. "A number of us have had the opportunity to work with Commissioner Seagren in her former position as a member of the House. During the course

of that working relationship, I have come to recognize her as a passionate advocate for our kids and a compassionate advocate for special needs children," Kelley said.

Sen. Gen Olson (R-Minnetrista), lead Republican on the Education Committee, also spoke in support of Seagren's appointment. "Her interest in education began as a parent and led her to become active in supporting our schools and our young people," Olson said. "She has developed a base of knowledge and skills that will work well as a commissioner of education," Olson said.

The Senate voted to approve the appointment on a 62-0 roll call vote.

Members also approved the appointments of Jane Belau, Ellen McInnis and Corey Elmer to the State Board of the Arts.

Johnson also announced the committee deadlines for the session. He said the first deadline, the time by which Senate committees must hear Senate bills, is April 5. The second deadline, the time by which Senate committees must hear bills originating in the other body, is April 12. The third deadline, April 22, is the time by which Senate budget bills must be out of committee.

Members held an extremely brief floor session Wed., Jan. 19, in order to process bill introductions and committee reports.

Bonding bill headed for floor

A measure authorizing almost \$1 billion in state bonding was approved by members of the Finance Committee, Fri., Jan. 21. The panel, chaired by Sen. Richard Cohen (DFL-St. Paul), sent the bill to the full Senate.

S.F. 1, carried by Sen. Keith Langseth (DFL-Glyndon), provides funds for projects on campuses of the University of

Minnesota and the Minnesota State Colleges and Universities system, at the Minnesota Zoo and in the areas of education, natural resources, pollution control, the environment, agriculture, state government, transportation, public safety, health, human services, corrections, housing and economic development. The bill authorizes \$975.879 million in bonding, an \$87 million increase over last year's proposal. (Additional information about the measure is available in coverage of the Capital Investment Committee.)

"A lot of people say we're fast-tracking this bill, and of course we are. But let's remember that 90 percent of this bill is last year's bill," Langseth said. However, said Sen. Sean Nienow (R-Cambridge), there is no harm done by waiting for the February forecast so that policymakers really know how much the state can afford. Members adopted two technical amendments and an amendment authorizing general fund spending on debt service before approving the measure on an 18-1 roll call vote.

Committee members also heard a presentation on state budgeting from former Finance Commissioners Jay Kiedrowski and John Gunyou. The discussion centered on budgeting for long-term stability and investment. The former commissioners have made their presentation before various Senate committees several times in recent years.

Omnibus liquor bill advances

Members of the Commerce Committee began their work for the session by approving a modified version of last year's omnibus liquor bill. The panel, chaired by Sen. Linda Scheid (DFL-Brooklyn Park), advanced the measure to the full Senate.

S.F. 171, sponsored by Sen. Sandra Pappas (DFL-St. Paul), includes all the provisions of last year's omnibus liquor bill, except for a provision that caused the governor to veto the measure. The governor's veto message indicated his disapproval of language narrowing a prohibition on alcohol sales within 1,000 feet of hospitals, training schools, reformatories and prisons to apply only to state facilities. The modification of the prohibition has been removed from the bill, Pappas said, but will reconsidered as a separate piece of legislation. The remaining provisions of S.F. 171 reduce the license fee for brewers producing between

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Senators Michelle Fischbach (R-Paynesville), left, and Yvonne Prettner Solon (DFL-Duluth) converse in the Senate Chamber.

Photo by David J. Oakes

2,000 and 3,500 barrels of malt liquor annually, permit brewers producing fewer than 3,500 barrels annually to obtain licenses to sell growlers, permit municipalities to issue small brewers temporary on-sale licenses for social events, allow brewers to provide samples as part of brewery tours, insert a severability clause into the liquor code, authorize sales on all days of the week at the Elko Speedway, change the issuer of an on-sale license for Minnesota-produced wine at the State Fair from St. Paul to Ramsey County, authorize the issuance of a license for Wade Municipal Stadium in Duluth, authorize the issuance of a liquor license to the holder of wine license in Minneapolis and permit the issuance of a license for special events relating to the Capitol centennial.

Committee members also approved a second bill relating to alcohol licensing. S.F. 206, carried by Sen. Ellen Anderson (DFL-St. Paul), permits St. Paul to issue an off-sale license within one half-mile of the St. Paul campus of the University of Minnesota. Current law prohibits alcohol sales near the campus, except for one on-sale license within the half-mile radius. Janeen Rosas, director of licensing for the city, said the St. Paul City Council and mayor have indicated their whole-hearted support for a proposed wine shop in the neighborhood. Anderson said the local community council also supports the proposal, while the University is officially neutral. The bill was recommended for placement on the Consent Calendar.

The panel concluded its meeting with a review of liquor regulation in Minne-

sota. Frank Ball, director of the Alcohol and Gambling Enforcement Division of the Department of Public Safety, summarized the history and structure of liquor regulation and sales and fielded questions from committee members.

MyBills system available

The MyBills personalized bill tracking system is now available. Users can add House and Senate bills to their lists by bill number, subject, or author, and view the legislative status of their bills, with items with significant current floor action highlighted. Users can modify their lists at any time. The MyBills system is available from the Legislative website at: <http://www.house.mn/leg/billslogin.asp>

Committee update

Agriculture, Veterans and Gaming

Vets bonus bill okayed

The Agriculture, Veterans and Gaming Committee met Wed., Jan. 19, to consider two bills providing for a constitutional amendment to be placed before the voters that authorizes the payment of a bonus for veterans of the Global War on Terrorism.

Prior to considering the bills, the panel, chaired by Sen. Jim Vickerman (DFL-Tracy), heard a report on designing a bonus program for Global War on Terrorism veterans. Michael Pugliese, acting commissioner, Dept. of Veterans Affairs, said, "Five earlier bonus programs were created for Minnesota's World War I, World War II, Korean War, Vietnam War and Persian Gulf War era veterans. Recognition has taken the form of monetary bonuses, Pugliese said, from a few to several hundred dollars to each qualifying veteran. Previous programs provided those who served in the war theater roughly twice the amount as veterans who served outside that area, he said, with larger amounts going to surviving spouses or beneficiaries.

Pugliese said the number of Minnesotans who would be eligible for a veteran's bonus depends on the eligibility criteria that will be specified by the enabling legislation.

S.F. 226, authored by Vickerman, and S.F. 48, authored by Sen. Dave Kleis (R-St. Cloud), are essentially identical. Kleis said the minimum appropriation amount, based on the criteria and amount for the Persian Gulf War veterans, is about \$11 million, but is likely to be \$17 million or more. The potential is good, though, that the Global War on Terrorism will continue for many years and the number of eligible veterans will increase, Kleis said. Kleis said, "By doing this as a constitutional amendment we will have more information, because of the time needed, to be better able to calculate the costs." He also said, "I am confident the voters of Minnesota will approve the amendment for our veterans." Vickerman said he anticipated putting together an omnibus military bill. "There are other things we can do for our veterans," Vickerman said.

S.F. 48 was laid over and S.F. 226 was approved and advanced to the Rules and Administration Committee.

In other action, the committee approved several gubernatorial appointments. Members approved the appointments of Robert Erickson and Byron Opstad to the Minnesota Veterans Homes Board of Directors, Susan Meyer and James Molenaar to the Minnesota Rural Finance Authority, Holly Neaton to the Board of Animal Health and Tamara Garcia, William Goede, and Shirleen Hoffman to the Gambling Control Board.

Capital Investment

Bonding requests heard

The Capital Investment Committee, chaired by Sen. Keith Langseth (DFL-Glyndon), held an evening hearing Tues., Jan. 18, to consider bonding requests and to discuss the panel's recommendations for this year's bonding bill.

The committee heard from representatives of the University of Minnesota and the Mayo Clinic on a request for a joint University of Minnesota—Mayo Clinic biotechnology research facility. Members also heard request from the Red Lake School District and the Veterans Home Board.

Langseth had an amendment distributed containing the proposal for this year's bonding projects to be substituted for the language of S.F. 1 as introduced. The proposal contains a total of \$975.769 million in bonding compared to the governor's proposal of \$743.974 million.

Under the proposal \$118.383 million is allocated to the University of Minnesota, \$182.647 million is allocated for the Minnesota State Colleges and Universities system and \$117.779 million is allocated for natural resource and environmental projects.

In addition, the proposal allocates \$28.78 million for education projects, including \$24.04 million for the Red Lake School District. The Minnesota State Academies receive \$5.841 million and the Perpich Center for Arts Education receives \$1.983 million according to the amendment.

Other appropriations include \$14 million for the Pollution Control Agency, \$4 million for the Office of Environmental Assistance, \$29.2 million for the Water and Soil Resources Board, \$864,000 for agriculture projects, \$12 million for the Minnesota Zoo, and \$8.487 million for Dept. of Administration projects. The measure also includes

\$1.2 million for design of the Capitol building interior renovation and \$2.370 million for Capitol building repair.

The measure allocates \$3.2 million to the Amateur Sports Commission, \$5 million to the Dept. of Military Affairs for asset preservation and facility life-safety updates, \$670,000 to the Dept. of Veterans Affairs for the Minnesota World War II memorial and \$12.009 million to the Veterans Home Board for asset preservation, repairs and renovation.

The Dept. of Transportation receives \$105.04 million under the proposal, an amount which includes \$37.5 million for the Northstar Commuter Rail project and funding for the Central Corridor Transitway, the Rush Line Corridor Bus Way and the Red Rock Line Corridor Transitway.

Other appropriations includes \$1.269 million for public safety, \$1.4 million for a Hennepin County Medical Center Crisis Intervention Center, \$15.173 million for human services projects, \$81.720 million for corrections projects, \$24.25 million for Housing Finance Agency projects, \$1.8 million for the Mesabi Station, and \$9.996 million for Historical Society projects.

Finally, the measure allocates \$185.583 million for employment and economic development projects. Included in the amount is \$21.726 million for the Mayo Clinic—University of Minnesota biotechnology facility, \$24 million for the Minnesota Planetarium, \$10 million for the Shubert Performing Arts and Education Center, \$10.662 million for Roseau flood damage repair and \$2 million for Austin area flood damage repair.

Bonding bill gains

A quick meeting of the Capital Investment Committee yielded positive results for S.F. 1, the bonding bill. Members, meeting Wed., Jan. 19, advanced the bill, carried by Chair Keith Langseth (DFL-Glyndon), to the Finance Committee.

The measure provides for almost \$976 million in general obligation bonding, an amount Langseth said is \$15 million below the debt-service cap. The bill is similar to the bonding bill proposed last year, he said, but has grown in size to reflect inflation and to replace placeholder amounts. Among the \$87 million in net increases, Langseth said, are \$35.5

million more for the Northstar Commuter Rail, \$11 million more for expansion of the Faribault prison and \$9 million more for the Minnesota Zoo.

Everyone was disappointed that we did not pass a bonding bill last year, said Sen. Richard Cohen (DFL-St. Paul), but everyone also seems to think that we've

done a good job this year in assembling the measure. S.F. 1 advanced on a 21-0 roll call vote.

Crime Prevention and Public Safety

Deficiency request approved; ARMER program discussed

The Crime Prevention and Public Safety Committee, chaired by Sen. Leo Foley (DFL-Coon Rapids), and the Public Safety Budget Division, chaired by Sen. Jane Ranum (DFL-Mpls), met jointly on Wed., Jan. 19. Members heard a deficiency request from Department of Corrections (DOC) as well as presentations on the 800 MHz Allied Radio Matrix for Emergency Response (ARMER) program.

Speaking first, Deputy Commissioner Dennis Benson and Director of Health Services Nan Schrader testified on behalf of DOC, seeking more than \$4 million for the department. Of that, \$1 million was attributed to increased health care costs. The request raised concerns among several Senators. Sen. Linda Berglin (DFL-Mpls) said the request includes inflation while other deficiency requests do not. "I have a feeling if we start funding inflation in this area of the budget, we're going to have a lot more of these requests coming in" said Berglin. Ranum added that the health care part of the proposal "may be something we don't need to treat as a deficiency."

Berglin offered an amendment cutting the request by \$500,000. The figure represents the lowest estimate of costs incurred by inflation according to the department's deficiency request. The amendment was adopted and members approved the measure. The bill will now go to the Finance Committee.

Next, the committees turned their attention to ARMER, a system designed to improve communications among the state's public safety and government officials. Central to the program is an 800 MHz radio system. Peter Wattson of Senate Counsel and Research gave a brief history of the program, the roots of which go back to the creation of the 911 system in 1977. Ron Whitehead, the project manager from the Department of Public Safety (DPS) provided a project update.

ARMER is funded by 911 fees which have been increased to cover the costs of



Charles "Rumble" Fletcher of Minneapolis listens to preparatory remarks in a meeting room in the Capitol prior to setting out in search of Legislators. He and dozens of other motorcyclists from around the state came to the Capitol, Thurs., Jan. 20, to discuss their concerns with lawmakers.

Photo by Shelley Hawes

Committee update



Sen. Mady Reiter (R-Shoreview), center, converses with law enforcement officers in the Capitol Rotunda about the dangers inherent in the widespread use and manufacture of methamphetamine during the second annual Meth Awareness Day, Wed., Jan. 19, sponsored by Sen. Julie Rosen (R-Fairmont).

Photo by Shelley Hawes

expanding the program. In 2003 the fee was raised from 33 cents to 40 cents. Ranum said the increase was approved with the intention of using the funds generated to improve the 800MHz system, but the money has served other purposes.

Jerry Knickerbocker of the Minnesota Telecom Alliance and Bill Dean and Dick Stafford, both of the Metropolitan Radio Board, also spoke on the topic. Dean said that 10,000 radios in the Metropolitan Area are already on the system and that once current "committed users" are incorporated, the number will double. Stafford suggested Minnesota raise its 911 fee to 84 cents, noting that the national average is \$1.19.

Judicial system reviewed

An overview of the state's court system was the focus of a joint meeting, Thurs., Jan. 20, of the Crime Prevention

and Public Safety Committee and the Public Safety Budget Division. The panels are chaired by Sen. Leo Foley (DFL-Coon Rapids) and Sen. Jane Ranum (DFL-Mpls.), respectively.

State Court Administrator Sue Dosal briefly reviewed the three-tiered structure of the court system, and the size and caseload of the judicial branch. The courts have 298 judges and 2,900 employees, she said, spread across over 100 locations statewide. Dosal said the trial court caseload is over 2 million cases per year, with over 2,500 filings in the Courts of Appeals and almost 700 filings in the Supreme Court. The state has assumed the responsibility for funding the trial courts, Dosal said, in a phased transition. The final two districts will become state funded with the start of FY 2006, she said. The transition to state funding, Dosal said, has created several efficiencies,

including consolidated administrative positions, work- and staff-sharing across county lines, uniform practice development and resource allocation based on statewide priorities.

Judges from several judicial districts presented the many innovations being made in the administration of justice. Judge Richard Hopper, Fourth Judicial District, discussed community courts and mental health courts. Eighth District Judge Paul Nelson reviewed the children's justice initiative, a pilot project of the Supreme Court in collaboration with the Dept. of Human Services seeking to improve the handling and results of child protection cases. Advances in early case management in family matters were discussed by Chief Judge Lucy Wieland, Fourth District. Judge Ed Lynch of the First Judicial District reviewed the implementation of two information

systems, MNCIS and CriMNet, and the growing use of drug courts. Lynch also discussed the challenges facing the court system, including the growth of criminal cases, the explosion of cases involving methamphetamines and the diminished ability of courts to serve the public, both because of funding reductions and the resource-intensive nature of specialized courts.

Early Childhood Policy and Budget Division

Programs discussed

Presentations on a variety of educational programs occupied the Early Childhood Policy and Budget Division, chaired by Sen. John Hottinger (DFL-St. Peter), in its Thurs., Jan. 20, meeting. Speakers provided information on Head Start, after school enrichment programs, Early Childhood and Family Education (ECFE), School Readiness and Way to Grow.

Tarryl Clark of the Minnesota Community Action Association spoke on Head Start. Clark showed a video that outlined Head Start as a comprehensive program that addresses not only academic, but also health and social education. She said parents were encouraged to participate in all aspects of the program and that 33 percent of current staff had previously participated in the program as parents. Sen. Betsy Wergin (R-Princeton) asked Clark about the funding methodology of Head Start. Clark said the program received a capped allocation that allowed it to serve 60 percent of potential clients on a "first-come, first-serve" basis.

Next, Carol Thomas from the Department of Education (DOE) spoke on after school enrichment programs. Thomas said the main challenges in offering the programs were providing transportation and proving that a specific program has made a difference when so many variables affect a program.

Barbara O'Sullivan, acting supervisor for early learning services at DOE, also spoke.

First, she spoke on Early Childhood and Family Education (ECFE). Next, O'Sullivan spoke on School Readiness and the Way to Grow programs. School Readiness, she said, targets 3.5 to 5 year olds to help prepare them for school in terms of health and development. The

program varies widely in execution from district to district because, according to O'Sullivan, it is mostly a funding stream. O'Sullivan next spoke on the Way to Grow program. Legislation authorizing the program was repealed in 2003; the state had provided funding for five grants promoting intellectual, health, and social readiness in children pre-natal through age six.

Two audience members also addressed the panel. The first was Lynn Kunnick, a kindergarten teacher from Osseo. Kunnick said she strongly supported early childhood programs and related her own experiences with children who came to kindergarten without being ready. Gayle Southwell, coordinator of School Readiness in Osseo, also spoke and said she strongly supported early childhood programs.

Education

Appointments approved

Members of the Education Committee, chaired by Sen. Steve Kelley (DFL-Hopkins), met Thurs., Jan. 20, to consider several gubernatorial appointments.

The panel approved the appointments of Mary Mackbee, Sanford Nelson, Ramraj Singh, Barbara Troolin and Robert Windel to the Board of School Administrators. Committee members okayed the appointments of four members to the Board of Teaching: Lindsey Cartwright, Dierdre Bird Kramer, Stuart Lade and Heather Lindstrom. Walter Kramer gained approval as a member of the Board of the Minnesota State Academies. Four trustees for the Minnesota State Colleges and Universities were approved: Duane Benson, David Olson, Thomas Renier and Christopher Schultz. Finally, the panel indicated its support for the appointments of Mary Ives and Raymond VinZant to the Minnesota Higher Education Facilities Authority.

Finance

Inflation, deficiency bills get nod

Two measures advanced from the Finance Committee, Thurs., Jan. 20. Committee members, chaired by Sen. Richard Cohen (DFL-St. Paul), sent both bills to the full Senate.

S.F. 2, carried by Cohen, requires inflation and deflation to be considered in

preparing state economic and budget forecasts. Inflation had been part of the forecasting process until the enactment of Laws 2002, chapter 220. Before voting on S.F. 2, committee members heard from Paul Anton, a member of the Council of Economic Advisors (CEA). Anton urged passage of the measure, because current policy badly understates future shortfalls, guarantees that policymakers will face large shortfalls annually, encourages a preference for short-term fixes over long-term structural changes and erodes the state's credibility with rating agencies, financial markets and the public at large. "The current process is just plain silly," he said. Minnesota's refusal to recognize inflation is a sure laugh-line in economic circles, Anton said. Forecasts without inflation are guaranteed, as a matter of logic, to be wrong, he said, because the forecast adjusts revenues for inflation, but not expenditures. He compared the situation to a transportation department calling its budget balanced, if one assumes that there will be no snow to plow. Since November 2003, the CEA has unanimously approved a statement recommending the use of inflation in forecasts, Anton said. He also said that if the practice does not return to the inclusion of inflation, someone in the finance world will start putting out inflation-adjusted figures for the budget. The focus, among the finance community and the public, will shift to the privately produced information, not on the official figures, Anton said.

Sen. Thomas Neuville (R-Northfield) said the inflation debate is not merely economic, but also political. Policymakers are accused of cutting programs if projections showed, for example, a six percent biennial inflationary increase, but the Legislature appropriated a four percent increase, he said. The program was not cut, Neuville said, but growth was restrained by the Legislature. Anton said economists treat the situation as a cut. Not funding inflation, he said, reduces the resources available to provide a set-level of services. Cohen acknowledged that a large part of the motivation for the 2002 elimination of inflation in forecasts was political. Cohen said that he voted for the bill, but spoke against the inflation provision. I thought it was a mistake then, though I did not realize the full ramifications at the time, he said.

Members considered an amendment, offered by Sen. Dennis Frederickson (R-

Committee update

New Ulm), delaying the effective date of the inflation inclusion provisions from the day after final enactment to July 1, 2006. Frederickson said delaying the effective date also delays the political impacts of the bill until after the next election.

Cohen said the delay only perpetuates unreality. The amendment was not adopted. The committee sent S.F. 2 to the full Senate on a 19-2 roll call vote.

The other measure approved by the panel, S.F. 350, appropriates \$30.874 million to meet agency deficiency requests for the remainder of FY 2005. Also carried by Cohen, the bill provides \$199,000 to the Board on Judicial Standards, \$7.681 million to the Board of Public Defense, \$986,000 to the Dept. of Public Safety, \$3.87 million to the Dept. of Corrections, \$13.394 million to the Dept. of Human Services, \$39,000 to the Dept. of Veterans Affairs and \$4.705 million to the Dept. of Administration. The legislation includes revenues of \$1.609 million from human services cost-sharing with counties and \$4.853 million from the sale of the Dept. of Health building in Minneapolis. The

remainder of the funds are taken from the budget reserve. The bill was approved on a voice vote.

Health and Family Security

Prescription drug bills heard

The Health and Family Security Committee, chaired by Sen. Becky Lourey (DFL-Kerrick), considered four bills in its Thurs., Jan. 20 meeting.

The first three bills were sponsored by Sen. Yvonne Prettnner-Solon (DFL-Duluth) and pertained to prescription drugs. The first of the three, S.F. 22, requires the Commissioner of human services to establish prescription drug bulk purchasing programs if the programs produce a significant savings to the state. The bill also allows for importation of prescription drugs from Canada or Europe. Mike Vanselow of the Attorney General's Office said that the program is something many, many other states are doing and called the measure one of the most successful things states are doing to bring down drug prices.

Pharmaceutical groups raised some concern about the bill. Tim Gallagher, a pharmacist representing the Minnesota Pharmacists Association (MPhA), said pharmacists could be cut out of any plans that import drugs from Canada and Europe, although he said MPhA acknowledges Solon's efforts to include Minnesota pharmacists in the measure. Bob Vanasek of Pharmaceutical Research and Manufacturers of America (PhRMA) also testified, saying he had concerns about how the bill would affect Medicare. S.F. 22 was approved and now goes to the Finance Committee.

Solon's second proposal, S.F. 23, requires disclosure of pharmaceutical pricing. The bill requires drug manufacturers to disclose the following to the Board of Pharmacy and the commissioner of human services: average wholesale price (AWP), wholesale acquisition cost (WAC), average manufacturer price (AMP) and best price as defined under federal law. Vanselow, testifying a second time, said the purpose of S.F. 23 was "to



Senators John Marty (DFL-Roseville), left, and Thomas Neuville (R-Northfield) look over proposed legislation during a Judiciary Committee hearing, Thurs., Jan. 20.

Photo by David J. Oakes

create more transparency in the prescription drug pricing area.”

Linda Carroll-Shern of PhRMA and Kerry Bundy testified against the measure. Bundy said the bill is unconstitutional because it violates the takings clause by requiring the disclosure of trade secret information. Some Senators said they were unsure they agreed with Bundy’s analysis. Vanselow said the trade secret argument was a complete red herring as the state receives trade secret information regularly. S.F. 23 was approved and referred to the Finance Committee.

S.F. 227 was Solon’s final bill. The measure requires the commissioner of health to establish and maintain a cancer drug repository program, which would allow people to donate unused cancer drugs to those who need them. The drugs must be unopened, sealed, and at least six months from expiration upon the donation date.

While several Senators said they appreciated the goal of the bill, they cited potential problems. Sen. Steve Kelley (DFL-Hopkins) said there was no provision requiring disclosure to the recipient that the drugs had been donated. He also said drug companies were protected from liability simply because the consumer had received the prescriptions through donation instead of purchase. Sen. Linda Berglin (DFL-Mpls) asked why other drugs, not just cancer drugs, could not be included in the measure as well. Finally Lourey said that while the measure was worthy of policy consideration, she was reluctant having it leave the policy committee with so much undone. Solon agreed to lay the bill over and work further on the proposal.

The final bill, S.F. 99, was sponsored by Sen. Brian LeClair (R-Woodbury). The measure makes donations to health savings accounts (HSAs) tax-deductible in Minnesota. The federal government allows a similar deduction. Dr. Stephen Parente of the University of Minnesota, as well as representatives from the Minnesota Business Partnership, the Minnesota Chamber of Commerce, Communication for Agriculture and the Self-Employed, Blue Cross Blue Shield of Minnesota, the Minnesota Federation of Independent Business, and Mercury Office Supply all spoke in support of the bill. Kelley said he wanted to know how the state would pay for the measure. S.F. 99 was approved and sent to the Tax Committee.

Higher Education Budget Division

University of Minnesota’s ‘partnership proposal’ presented

University of Minnesota President Robert Bruininks offered members of the Higher Education Budget Division a partnership proposal, Thurs., Jan. 20. “We’re not coming here for a free ride,” Bruininks said of the University. The division is chaired by Sen. Sandra Pappas (DFL-St. Paul).

The University cannot live up to its mission without a strong partnership with the state, Bruininks said. The proposal provides for \$84 million annual increases in University funding, equally shared by the state and University, for the FY 2006-2007 biennium. The 50 percent state investment, he said, is targeted toward three projects: biosciences for a healthy society, attracting and retaining talent for Minnesota’s future and creating and sustaining essential research and technology infrastructure. The \$42 million annual obligation from the University, Bruininks said, comes from a budgetary reallocation and tuition increases and is focused on faculty and staff compensation increases, basic operating costs and other academic investments. He said the proposed tuition hikes amount to 5.5 percent annual increases. The partnership proposal is designed to position the University, and the state as a whole, for an increasingly competitive global economy, Bruininks said.

He said he has never opposed funding students directly, but does caution against becoming obsessive about state higher education funding following students. Policymakers need to look at what the goals are of all institutions in our higher education system, Bruininks said, and determine the best way to get the results we need. The Colorado model of higher education funding, he said, is a disaster. If we take a sizeable chunk of money out of the University’s base budget, we build an anorexic institution poorly suited to be globally competitive, he said. Bruininks said he does not oppose increasing funding for the state grant program, but will fight attempts to reduce the University’s base budget.

Division members also heard from representatives of student groups at the

University, who spoke in support of the partnership proposal.

Judiciary

Variety of bills considered

Members of the Judiciary Committee met for the first time this year Thurs., Jan. 20, to consider a variety of bills. The panel, chaired by Sen. Don Betzold (DFL-Fridley), advanced three measures to the floor and laid over three bills for further consideration.

The first bill considered, S.F. 74, requires the Commission on Judicial Selection to make recommendations to the governor on filling Tax Court vacancies. Sen. William Belanger (R-Bloomington), the bill’s chief author, said currently, the commission does not make recommendations and the governor simply makes the appointments. “It is important to get the best judges possible for the Tax Court and the commission is in the position to make the best recommendations,” Belanger said. The bill was approved and sent to the full Senate.

Members also approved a bill allowing funeral providers to recover reasonable attorney fees in actions for recovery of fees. S.F. 287, sponsored by Sen. Betsy Wergin (R-Princeton), originally specified that a funeral provider who prevails in an action for recovery of fees for services is entitled to reasonable attorney fees. An amendment changing “entitled” to “may” was adopted in order to parallel other statutes pertaining to the awarding of attorney fees. The bill was advanced to the Senate floor. The third bill gaining committee approval, S.F. 327, relates to the time frame under which the commissioner of human rights must make a probable cause determination. Sen. John Marty (DFL-Roseville) said current law requires the probable cause determination to be made within 12 months after a charge is filed. The bill, though, suspends the requirement during the time another enforcement agency is investigating the case under a work sharing agreement, Marty said. The measure was sent to the full Senate.

Members also discussed three additional bills before laying the measures over for further work. S.F. 72, sponsored by Belanger, increases the service charge and civil penalty for driving away from a gas station without paying. Discussion on

Committee update

the bill centered on whether or not there should be a stepped level of penalties depending on the amount of gasoline taken from the station. S.F. 288, authored by Wergin, exempts wedding rings from attachment, garnishment, or sale under bankruptcy proceedings. The bill was laid over because of concerns raised by representatives of a particular type of lending institution that uses diamonds as collateral. S.F. 215, carried by Sen. Mee Moua (DFL-St. Paul), makes numerous technical changes to the Human Rights Act. The bill was laid over for further amendments.

K-12 Education Budget Division

Finance reform report heard

The K-12 Education Budget Division took up the issue of education finance reform in its Wed., Jan. 19, meeting. Chaired by Sen. LeRoy Stumpf (DFL-Thief River Falls), the panel heard from Ric Dressen who chairs the Education Finance Reform Task Force. Stumpf said he was interested in hearing creative, innovative funding ideas that “we can jointly, bipartisanly get behind and support.”

Dressen, who also serves as the Alexandria school district superintendent, presented a report from the task force which examines how Minnesota can make its schools financially more equitable, understandable, and accountable. While current funding follows a model of “access and equity,” said Dressen, a new model should focus on “accountability and efficiency.” Dressen also stated, “We do not believe the current funding system will bring (that model) forward.”

The task force put forth a six-point plan that organizes Minnesota educational funding into a five-tier system: instructional services, local district revenues, innovative programs, categorical programs, and facilities and debt service. According to Dressen, the changes between the proposal and current funding methods are that the proposed model is tied to actual costs, focuses on learning instead of teaching, and acknowledges local market forces.

Some Senators were concerned that the task force had used professional judgment panels, which, according to the presentation, rely on school officials to

determine how much money schools need, to make cost projections. Sen. Steve Kelley (DFL-Hopkins) said that Maryland had adopted a model that blended professional judgment panels with “successful schools,” another popular model, to determine costs. Dressen said a hybrid model could be useful. He also reminded the panel that the report was only a “snapshot” of the situation and that further study of finance reform was needed.

Rules and Administration

Bill disposition discussed

During the floor session Wed., Jan. 19, a member objected to the committee report on S.F. 4. As a result, both the Rules and Administration Subcommittee on Bill Referral, chaired by Sen. Ann Rest (DFL-New Hope), and the full Rules and Administration Committee, chaired by Sen. Dean Johnson (DFL-Willmar), met Thurs., Jan. 20, to discuss the bill's disposition.

The bill, authored by Sen. Dallas Sams (DFL-Staples), increases the minimum ethanol content required for gasoline sold in the state. The measure had been heard by the Agriculture, Veterans and Gaming Committee and recommended to pass and be placed on General Orders. Sen. David Hann (R-Eden Prairie) object to the reference and, thus, brought the bill before the subcommittee. Hann said the bill needed to be heard by an additional committee. The subcommittee voted to refer the measure to the Environment and Natural Resources Committee. The full Rules and Administration Committee adopted the recommendation of the subcommittee and directed the measure to the policy committee.

State and Local Government Operations

Overviews heard

Members of the Senate State and Local Government Operations Committee met with members of the House Local Government Committee Tues., Jan. 19, to hear overviews about the organization and function of the Office of Administrative Hearings and the Metropolitan Airports Commission. The joint panel

was chaired by Sen. Linda Higgins (DFL-Mpls.) and Rep. Mark Olson (R-Big Lake). Higgins said the idea of the joint hearing was to relieve representatives of administrative branch offices of repetitive presentations to separate committees. In addition, Higgins said, the joint hearing would allow members of the two committees to get to know one another better.

Chief Administrative Law Judge Ray Krause presented the overview of the Office of Administrative Hearings. He said the office is central entity that acts as an independent executive branch tribunal. The OAH conducts a variety of dispute resolution proceedings in matters involving state agencies, cities, counties, school districts and others, Krause said. The Office of Administrative Hearings is organized into two divisions, he said, the Workers Compensation Division and the Administrative Procedures Division. The Workers Compensation Division conducts hearings on the initial eligibility for, continuation of and modifications to benefits received by workers injured on the job, Krause said. The Administrative Procedures Division conducts contested case hearings and rulemaking proceedings, he said. Contested case hearings are trial-type proceedings conducted to resolve disputes over the actions of a state agency, board or commission or over the actions of a local unit of government.

In addition, last year the Legislature directed that Fair Campaign Practice and Campaign Finance Act complaints be heard at the Office of Administrative Hearings, Krause said. He said depending on the proximity to the next election, the law specifies a very tight deadline for hearing and resolving campaign complaints, but the result is that the public is informed about the validity of a complaint before an election.

Members also heard an overview of the Metropolitan Airports Commission (MAC) from Executive Director Jeff Hamiel. The MAC owns and operates Minneapolis-St. Paul International Airport and six reliever airports throughout the Twin Cities area, Hamiel said. He said the MAC's mission is to serve the community by ensuring the safety of airport users and to provide efficient services and facilities for air travelers.

Hamiel also spoke about proposals for expansion of Minneapolis-St. Paul International Airport and the Humphrey terminal. The 20-20 plan, Hamiel said, is

a 15-year plan to expand the Humphrey terminal from its current 10 gates to 20 gates and increase the number of gates at the Lindbergh terminal from 117 to 153. Under the plan, Northwest Airlines and its business partners would be housed at the Lindbergh terminal and other airlines would be housed at the Humphrey terminal.

State Government Budget Division

Gambling regulation, oversight reform recommended

A report critical of gambling regulation in Minnesota captured the attention of members of the State Government

Budget Division at their Wed., Jan. 19, meeting. The panel, chaired by Sen. Sheila Kiscaden (IP-Rochester), reviewed the Legislative Auditor's evaluation of gambling regulation and oversight.

Legislative Auditor James Nobles and Project Manager Deborah Parker Junod presented the report to the panel. Evaluators found strengths and weaknesses in gambling regulation, Nobles said. The report examined the activities and missions of the four agencies responsible for gambling oversight. The Gambling Control Board does an inadequate job of detecting and deterring charitable gambling noncompliance, according to the report, so that some charitable gambling enterprises have a significant imbalance of expenses and contributions.

The report indicates that the Racing Commission sufficiently oversees horse racing, but falls short of the mark on oversight of the Canterbury Park card club. The State Lottery ensures the protection of its games adequately, according to the report, and uses technology effectively. The Alcohol and Gambling Enforcement Division (AGED), a unit of the Department of Public Safety, has the authority to inspect gambling operations at tribal casinos, but fails to use the authority fully. Evaluators found that many problems at the agencies stem from insufficient staff expertise in specific types of gambling and underutilization of technology for regulation.

The report included many recommendations. Among them are stepped up



KBEM-FM Traffic Management Coordinator and Reporter Mike Mauren, left, states his case for the importance of continuing a 15-year partnership between the radio station and MnDOT to members of the Senate Transportation Committee, Thurs., Jan. 20. Sen. Charles "Chuck" Wiger (DFL-North St. Paul), right, sponsored a bill renewing a longstanding contract MnDOT says it must terminate due to budget considerations.

Photo by David J. Oakes

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regulation of charitable gambling by the Gambling Control Board, an increase in Racing Commission staff expertise on card club operations, full use of tribal casino inspection authority by AGED and better use of technology by the three agencies. The report specifically recommended against a reorganization or consolidation of the gambling oversight agencies. Agency heads responded to the report, indicating they have already put many of the recommendations into action.

The full report is available online: <http://www.auditor.leg.state.mn.us/Ped/2005/pe0502.htm>

Transportation

KBEM bill discussed

A bill to restore the state's contract with KBEM radio to supply traffic reports provided the focal point for discussion at the Thurs., Jan. 20, meeting of the Transportation Committee.

The measure, S.F. 365, authored by Sen. Charles "Chuck" Wiger (DFL-North St. Paul), requires the state to continue the contract with the KBEM radio to provide traffic reports. "S.F. 365 is inspired by the listeners of KBEM radio traffic reports," said Wiger. It is a value to the people of the Metro Area, but also to Greater Minnesota as well, he said. Wiger said the state has been in partnership with KBEM for about 15 years for traffic updates. "There are other stations that provide traffic updates, but KBEM has the most thorough and accurate updates," Wiger said.

Mike Mauren, traffic management coordinator, spoke in support of the bill. He said the station responds to weather and traffic conditions to tailor reports to the public. He said KBEM gives reports frequently, up to every three minutes, as conditions dictate, but commercial stations are not able to give longer or more frequent reports because of financial constraints. "There is no question that what we do and what we provide is reasonably priced," Mauren said.

Committee Chair Steve Murphy (DFL-Red Wing) said, "Legislators have been receiving phone calls and e-mails and I would hope the commissioner could find the funds for the service." However, Sen. Mady Reiter (R-Shoreview) said the grant of \$418,000 for the radio station could be better used in other traffic

projects. She said she received traffic updates from commercial stations and did not see the purpose of KBEM's service. Sen. Scott Dibble (DFL-Mpls.) said the benefit of KBEM's service was the timeliness and frequency of the traffic reports. Sen. Mark Ourada (R-Buffalo) said KBEM's service is more comprehensive, whereas commercial stations are able to mention just one or two congested spots. Sen. Dick Day (R-Owatonna) argued that the grant would be better spent on a radio station with more listeners. Mauren responded that many people do not listen to the jazz programming on the station, but do switch to the station periodically to catch a traffic update.

Bernie Arseneau, Dept. of Transportation, spoke about the department's rationale for terminating the contract. He said part of the reason was a result of setting departmental priorities. In addition he said, there are many more traffic information signs available now than when the contract with KBEM was begun. In addition, the department provides video images, information on the department's web site and information to commercial radio and television stations, he said. "The partnership we had with KBEM has been a good one, but we have come to a point where there are many more alternative sources of information," Arseneau said.

The bill was laid over, but Murphy said the panel would vote on the measure at the next hearing.

In other action, the panel heard three bills dealing with automobile insurance verification.

Murphy said that in the past, drivers were required to provide insurance information when license tabs were renewed. However, no one verified the information, Murphy said, so the system was changed to require a random sampling of drivers to show proof of insurance. Murphy said that some drivers did not receive the notice that they were chosen to provide proof of insurance and lost their driving privileges. The three bills all deal with the problem of drivers not receiving the notice. S.F. 285, sponsored by Murphy, repeals the insurance sampling program. S.F. 159, authored by Sen. David Tomassoni (DFL-Chisholm), requires the requests for vehicle owners' insurance information be sent by certified mail. S.F. 372, carried by Sen. Becky

Lourey (DFL-Kerrick), requires the commissioner to include information on the envelope to allow the post office to return undeliverable mail to the sender and refrain from blocking forwarding of the mailed requests.

Patricia McCormack, director of Driver and Vehicle Services, said the department is making changes to accommodate some of the Senators' concerns. She said the mail, which is sent under a first class permit, is now being forwarded. Day said the new program has created a lot of problems with people losing their driving privileges just because they did not get the notice. McCormack said the department is not suspending licenses at this time if individuals do not respond to the request for information, because of the problems that have arisen.

All three bills were laid over for further discussion.

The panel also approved a bill, S.F. 181, designating names for a bridge and a cemetery. The bill, sponsored by Lourey, designates the bridge over the St. Louis River that is part of trunk Highway 23 as Biauswah Bridge. In addition, the measure specifies that the cemetery in Jay Cooke State Park be designated the Roussain Cemetery.

Finally, the panel heard a draft summary from Dept. of Transportation officials on performance based investment plans.

Schedule available online

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With temperatures well above freezing, the south facade of the Capitol gleams in the sun of a January thaw.

Photo by Shelley Hawes



January 28, 2005

Senate Highlights

Bonding bill passed

Members of the Senate gave the bonding bill, S.F. 1, final passage at their Mon., Jan. 24, session.

Sen. Keith Langseth (DFL-Glyndon) reviewed the projects in the measure. Most of the bill, he said, is similar to the bonding bill considered by the Senate last year. The net increase over last year's bill is \$87 million, to over \$975 million, primarily due to including the full need for the Northstar Commuter Rail and inflation, Langseth said. "For those who think we're moving a little fast, remember that we are 8 months late," he said.

Senators considered several amendments to the bill. One amendment, offered by Sen. Mady Reiter (R-Shoreview), eliminates funding for the Northstar Commuter Rail project. Reiter said the line will not relieve congestion. State money is better spent on other projects, she said. However, Sen. Don Betzold (DFL-Fridley) said residents living in the Northstar Corridor want the line. It would cost \$1 billion to improve the roads from the Metropolitan Area to St. Cloud, he said. Betzold said federal funds for Northstar will be withdrawn if the Legislature does not approve the project this year. This is the last shot, he said, and if Northstar is not approved, the money will go to another state. Sen. Steve Murphy (DFL-Red Wing) said the state has a comprehensive transportation plan for the Metro Area and surrounding communities. Northstar is one leg of the plan, he said. Sen. Warren Limmer (R-Maple Grove) spoke for the amendment, saying a major portion of congestion on I-94 and I-694 in the northern suburbs would be relieved by funding a different project, the completion of TH-610. The amendment was defeated, 6-57.

Sen. Michele Bachmann (R-Stillwater) offered an amendment providing \$5 million to predesign, design, construct, furnish, and equip an expansion of the Stillwater Carnegie Library, one of the oldest Carnegie libraries in the state. The amendment was defeated, 20-42. Another amendment, also offered by Bachmann, provides \$1.75 million to complete extending a sewer system from the Bayport prison pond to the St. Croix River. Sen. Brian LeClair (R-Woodbury) urged support for the amendment, noting that the state broke the existing sewer system and is obligated to complete the fix. The amendment was defeated on a voice vote.

An amendment, offered by Sen. Betsy Wergin (R-Princeton), providing \$300,000 for a bridge over TH-169 on the Soo Line Trail was also defeated, 15-47. A final amendment, offered by Sen. Claire Robling (R-Jordan), removed three projects from a priority list for funding provided for Metropolitan Area parks. The projects—Grand Rounds National Scenic Byway in Minneapolis, J.D. Rivers Urban Agriculture Awareness Center in Minneapolis' Theodore Wirth Regional Park and Henry Park in St. Paul—were not submitted as requests in the original process, Robling said. She said giving the three projects priority in the bill is unfair to communities that have followed the rules and gone through the process seeking funding. The amendment was defeated, 29-35.

Discussion of the bill as a whole focused on the wisdom of passing the bill early in the session. Limmer said that bonds will not be sold until summer and the state budget has not been set. "Why are we conducting this bonding bill process today, so early in the session?" he asked. Limmer also questioned how the

state could afford the bill, when the projected shortfall for FY 06-07 is \$1.4 billion, with inflation. The budget is already busted, he said, "and I'm wondering if this is a prudent way to go." Langseth said the bill is last year's business and there is no need to push it off to the end of this year's session. Approving the bill now, he said, allows construction to start in the spring. The Dept. of Finance can bridge any funding gap that arises, he said, but most contractors are not paid until a project is completed. Langseth also noted that an informal cap of three percent of general fund spending is not breached by the debt service required for the bill. "We are not going to allow the infrastructure of this state to go down the tubes," he said, by failing to pass a bill.

S.F. 1 was granted final passage on a 57-7 roll call vote. The measure was then laid on the table to await passage of a bonding bill by the other body.

In other business, Senators observed a moment of silence in honor of U.S. Navy Petty Officer 3rd Class Benjamin J. Farrell, who died on Jan. 18, while serving aboard the U.S.S. Ronald Reagan.

Nominees confirmed

Senators assembled Wed., Jan. 26, to approve several appointments to various state boards, process bill introductions and facilitate the movement of bills between committees. The Senate confirmed Holly Jane Neaton as a member of the Board of Animal Health and Tamara G. Garcia, William B. Goede and Shirleen Hoffman as members of the Gambling Control Board. The appointments of Susan Meyer and James Molenaar to the Minnesota Rural Finance Authority and Robert Erickson and Byron Opstad to the Minnesota Veterans Homes Board were also approved.

Five new members of the Board of School Administrators were approved: Mary Mackbee, Sanford Nelson, Ramraj Singh, Barbara Troolin and Robert Windel. The Senate approved the appointments of Lindsey Cartwright, Deirdre Bird Kramer and Stuart Lade to the Board of Teaching, Duane Benson, David Olson, Thomas Renier and Christopher Schultz to the Board of Trustees of the Minnesota State Colleges and Universities and Mary Ives and Raymond VinZant to the Minnesota Higher Education Facilities Authority. Senators also confirmed the appointments of about 8,500 of the state's notaries public.

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Deficiency bill approved

A measure providing \$30.874 million for state agencies to resolve deficiencies for FY 05 gained the approval of Senators, Thurs., Jan. 27.

H.F. 57, sponsored by Sen. Richard Cohen (DFL-St. Paul), was granted final passage on a 59-0 vote. The bill provides \$13.394 million for the Dept. of Human Services, \$7.681 million for the Board of Public Defense, \$4.705 million for the Dept. of Administration, \$3.87 million for the Dept. of Corrections, \$986,000 to the Dept. of Public Safety, \$199,000 to the Board on Judicial Standards and \$39,000 to the Dept. of Veterans Affairs.

In other action, Senators granted final passage to a measure on the Consent Calendar, S.F. 206. The bill, carried by Sen. Ellen Anderson (DFL-St. Paul), permits the city of St. Paul to issue one

off-sale liquor license within one half-mile of the St. Paul campus of University of Minnesota. Anderson said city officials and the neighborhood organization support the bill and the University is officially neutral. S.F. 206 was granted final passage, 59-0.

Minimum wage increase approved

A \$1.85 increase in the minimum wage was approved by members of the Jobs, Energy and Community Development Committee, Wed., Jan. 26. The panel, chaired by Sen. Ellen Anderson (DFL-St. Paul), sent the minimum wage increase measure, S.F. 3, to the full Senate.

The bill, authored by Anderson, raises the minimum wage payable by large employers to \$6.10 on July 1, 2005, and to \$7 one year later. The minimum wage

payable by small employers rises to \$5.85 and \$6.75 on the same dates, under the legislation. The measure also increases the so-called training wage, payable to employees younger than 20 during their first 90 days of work, from \$4.25 to \$5.15. People who go to work daily deserve a decent wage, Anderson said. She said the current minimum wage, \$5.15, does not meet a basic Minnesota standard of fairness.

Professor Ann Markusen, University of Minnesota, said over 550,000 workers will see some wage increase under the bill. Raising the minimum wage has a cascading effect on the wages of workers earning up to \$8.50 currently, she said. Studies have shown no cases of job loss as a result of previous minimum wage increases, Markusen said, at both the national and state level. She said low-wage earners



In recognition of the death of Senate Majority Leader Dean Johnson's wife, Avonelle, on Mon., Jan. 24, a photo and rose are displayed in the Senate Chamber on the majority leader's desk.

Photo by Shelley Hawes

Senate Highlights



Sen. David Gaither (R-Plymouth), right, greets members of the Minnetonka High School football team and girl's cross country team in the Capitol Rotunda, Mon., Jan. 24. Both teams won their respective state championships last fall.

Photo by David J. Oakes

spend the increases almost immediately, benefiting the entire economy. Raising the minimum wage also increases business productivity, she said, and carries no administrative costs or revenue losses for the state. Most businesses paying the minimum wage compete only within a state, she said. Employers paying the minimum wage do not tend to lose business after increases, Markusen said, because competitors also have to pay the higher wage.

Representatives of several social organizations also spoke in favor of the bill. Brad Lehto, AFL-CIO, said organized labor unanimously supports an increase in the minimum wage, even though union members traditionally earn wages well above the minimum wage. Fifteen states, he said, have minimum wages higher than Minnesota. A higher minimum wage is foundational to our economic and social justice, said Brian Rusche of the Joint Religious Legislative Coalition. Tarryl Clark, Minnesota Community Action Association, said an increased minimum wage is especially important in Greater Minnesota.

Mike Hickey, National Federation of Independent Business, spoke against the bill. He said the federation prefers keeping the state minimum wage pegged to the federal minimum. Raising the minimum wage in Minnesota creates a significant disadvantage for businesses in border communities, Hickey said. He also noted data indicating that only 12 percent of minimum wage earners are sole breadwinners, while 62 percent are part-time workers and many are between the ages of 16 and 24. Only two percent of Minnesota hourly workers make the minimum wage, Hickey said.

Representatives of other business groups also spoke against the measure. Tom Hesse of the Minnesota Chamber of Commerce said that the market is working. There has been a decrease of about 30,000 workers in the ranks of minimum wage earners in recent years, he said. Buzz Anderson, Minnesota Retailers Association, said an increase in the minimum wage translates into a decrease in available entry-level jobs. Few retailers pay the minimum wage, but those who do pay it to new employees, usually high

school students working part time, he said.

Sen. Carrie Ruud (R-Breezy Point) offered an amendment creating a tip credit. The proposal conforms to federal law and recognizes tips as wages, she said. The amendment also guarantees that tipped employees never make less than the minimum wage, by requiring employers to make up any deficiencies between tips and the minimum wage. Tom Day, Hospitality Minnesota, spoke in support of the amendment. He noted that Minnesota is one of seven states without a tip credit. We are an island in the Upper Midwest, he said. Markusen spoke against proposals to

institute a tip credit, saying tip credits amount to absolute transfers of the value of the minimum wage increase from workers to employers. The amendment was defeated on a 6-9 roll call vote.

S.F. 3 was approved on a 9-6 roll call vote.

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Committee update

Agriculture, Veterans and Gaming

Organic agriculture considered

Meeting on Mon., Jan. 24, the Agriculture, Veterans and Gaming Committee, chaired by Sen. Jim Vickerman (DFL-Tracy), approved S.F. 333. The measure, authored by Sen. Michelle Fischbach (R-Paynesville), excludes groups of two or fewer manufactured homes from having to register as mobile home parks.

Stearns County Environmental Services Director Don Adams said the measure did not create a separate set of codes for the residences. Rather, as Fischbach stated, all safety standards for the homes remain the same and "health and safety issues are addressed. There is not exemption from that." Members approved the bill and re-referred it to the Jobs, Energy and Community Development Committee.

Senators devoted the remainder of the meeting to a discussion of organic agriculture. Meg Moynihan from the Department of Agriculture spoke on the tremendous growth of organic production in the state. Minnesota, she said, has 421 certified organic farms, making it the fourth largest organic farming state in the nation. According to Moynihan, several factors motivate farmers to produce organically ranging from higher price premiums to agricultural philosophy to health and safety concerns.

Chuck Anderson, president of Country Choice, an organic food distributor in Eden Prairie, said there was a market for organic foods. "Growth is driven by, number one, demand" said Anderson. He also pointed to better packaging, better taste, and wider distribution as having increased demand for organic products over the past few years. Pam Riesgraf, an organic dairy producer from Jordan, also spoke enthusiastically about organic milk production.

Sen. Becky Lourey (DFL-Kerrick) said she strongly supported organic farming, noting that she was in the process of converting her own dairy farm to organic. Sen. Steve Dille (R-Dassel) said he recognized that there was a niche for organic products but did not want traditional means of production to be criticized. "There's a market, and I want to support you," said Dille. He continued,

"I hope you will support those who choose to produce food in a more conventional manner."

Anderson said organic products represented a choice for consumers. Vickerman agreed, saying "It's not for everybody...there's still room for both."

Aid for dairy startups discussed

A bill providing assistance to beginning dairy farmers was discussed by members of the Agriculture, Veterans and Gaming Committee at their Wed., Jan. 26, meeting. S.F. 296, authored by Sen. Becky Lourey (DFL-Kerrick), provides milk producer payments to beginning milk producers. Lourey said the bill was endorsed by the committee last year, but did not become law. She said the measure, which was developed with the aid of Sen. Steve Dille (R-Dassel), provides encouragement to individuals starting out in the dairy business.

Under the bill a beginning milk producer is defined as a person who has not owned more than 20 dairy cattle in the last five years or has rebuilt milk production capacity that was destroyed by a barn fire. The bill directs the commissioner of agriculture to make cash payments to beginning producers and specifies the amount to be \$1 per 100 pounds of milk for the first 1 million pounds produced each year for the first five years from the start of production. The bill also specifies the payments may not exceed \$10,000 in any fiscal year. Finally, the bill requires the milk producer to participate in a farm management program. Payments under the bill do not start until next biennium.

Thom Peterson, Minnesota Farmers Union, and Leander Wagner, National Farmer Organization of Minnesota, spoke in support of the measure. In addition, three individuals from the Land Stewardship Project, Dave Minar, Bobby King and Alan Perish, also supported the bill.

Minar said, "Beginning dairy farmers need support and the bill will help jump start beginning farmers." Perish said the bill sends a message that small dairy farms are viable in Minnesota.

Sen. Betsy Wergin (R-Princeton) said she supported the intent of the bill, but the measure had several loop holes that could let dairy farmers who are not beginning farmers collect the subsidy. The bill was laid over in order to resolve the issues raised by Wergin.

Crime Prevention and Public Safety

Community supervision of sex offenders evaluation discussed

The Crime Prevention and Public Safety Committee met jointly with the Public Safety Budget Division Tues., Jan. 25, to hear the Legislative Auditor's report on Community Supervision of Sex Offenders.

Legislative Auditor James Nobles began the hearing by summarizing the overall conclusions of the report. He said supervision practices need more state-level coordination, tools such as home visits and polygraphs should be used more often, treatment should be better funded and making appropriate house arrangements is a key part of sex offender supervision.

Joel Alter, program evaluation coordinator, then made a presentation on the report. Alter said the number of sex offenders in Minnesota's prisons has doubled since 1990. The number is important because almost all offenders in prison will be under community supervision at some point. He said there are increasing periods of supervision following prison because of longer prison sentences and conditional release, which was instituted in 1998. The average length of probation sentences has remained fairly constant at about 13 years, he said.

Alter said that starting in 1999, there has been state funding for "enhanced" supervision with the goal of reducing caseloads of specialized sex offender agents to 35 to 40 offenders. The average caseload of the specialized agents in 2004 was 45, Alter said. Alter also spoke on intensive supervised release. The need for intensive supervision is determined on a case-by-case basis, Alter said, but intensive supervised release is not available in all counties. Intensive supervised release typically lasts for a year, but agencies would prefer a longer duration for some offenders, Alter said.

Alter made some general observations and said after intensive supervised release, the frequency of contact often declines. Agencies have varying standards regarding offender contacts and the standards are not always met, he said. In addition, home visits can play a critical role in sex offender supervision, but they are too infrequent, Alter said.

Committee update

Alter said the report also recommends the law be clarified to provide that treatment assessments be completed prior to sentencing, courts should be reminded of the statutory requirement for assessment of all repeat sex offenders, and state law should require the Dept. of Corrections to provide relevant prison records to agencies that assume supervision responsibilities. In addition, Alter said state rules should define components of outpatient sex offender treatment and there should be more treatment opportunities available in prison and in the community. Other recommendations, Alter said, include providing additional funding for treatment, providing that the funding follow the offender and clarifying the requirement for the department to collect information on treatment participation and outcomes.

Another area of concern, according to Alter, is transitional housing. The department and local agencies are responsible for helping offenders find suitable housing, but community corrections agencies said that halfway house beds have been insufficient to meet the needs. The report also makes several recommendations for additional protections for potential sex offense victims. Priorities for additional funding, Alter said, are state-required assessments, treatment and transitional housing for sex offenders on supervised release and expansion of intensive and enhanced supervision.

The joint panel, chaired by Sen. Leo Foley (DFL-Coon Rapids) and Sen. Jane Ranum (DFL-Mpls.), also heard from representatives of the Dept. of Corrections and community corrections agencies who responded to various portions of the report.

The entire report is available at: <http://www.auditor.leg.state.mn.us>

Drugs' impacts on courts heard

The impacts of alcohol and other drugs on the judicial system, and the innovative solutions the courts have created to help address the problems, gained the attention of members of the Crime Prevention and Public Safety Committee and Public Safety Budget Division, Thurs., Jan. 27. The panels are chaired by Sen. Leo Foley (DFL-Coon Rapids) and Sen. Jane Ranum (DFL-Mpls.), respectively.

Ramsey County Judge Joann Smith and Deputy Commissioner Mary Ellison, Dept. of Public Safety, discussed the increasing number of criminal cases involving drug or alcohol problems, including methamphetamine abuse and repeat drunk driving offenses. Smith also reviewed the increasing use of drug courts and other specialized, problem-solving courts, which are more likely to rely on treatment and supervision to address offenders' problems. Panel members also heard from citizens who have successfully completed a drug court regimen and who have participated in staggered sentencing.

Education

Staff recognition programs okayed

Legislation permitting school districts to operate employee recognition programs gained the approval of members of the Education Committee, Tues., Jan. 25. The bill was the first measure approved in 2005 by the committee, chaired by Sen. Steve Kelley (DFL-Hopkins). S.F. 345, carried by Sen. Tom Saxhaug (DFL-Grand Rapids), was recommended for placement on the Consent Calendar.

Committee members also approved two other measures. S.F. 232, sponsored by Sen. Mady Reiter (R-Shoreview), allows secondary school students to possess and use nonprescription pain relievers with parental permission. Sen. Steve Dille (R-Dassel) carried S.F. 457, creating a procedure for coaches to respond to the reasons for the non-renewal of their contracts. Both bills were sent the full Senate.

In other action, the panel heard from Assistant Commissioner Rollie Morud and Nancy Larson, Dept. of Education, on the renewal of federal special education law. The Individuals with Disabilities Education Improvement Act of 2004, they said, makes several changes to special education mandates. Among the main changes Morud and Larson identified were modifications to funding, highly qualified special education teacher requirements, private school placement procedures and individualized education program processes. Larson said the federal regulation promulgating process will likely take between 12 and 24 months. The department has no plans at this time to propose legislation responding to the new federal law, Morud said. Any incompatibilities between state and federal law are minor,

he said, and can wait for clarification by the federal department and state action in 2006.

Elections

Five bills approved

Five bills gained approval when the Elections Committee, chaired by Sen. Charles "Chuck" Wiger (DFL-North St. Paul, met Wed., Thurs. 26.

The first two measures were sponsored by Sen. Linda Higgins (DFL-Mpls). S.F. 290 releases \$36 million from Minnesota's Help America Vote Account (HAVA), appropriating \$18 million for purchasing new voting machines and \$18 million for purchasing new tallying equipment and for operating costs. The bill leaves just under \$4 million in HAVA. Kevin Corbid, the director of elections and tax payer services in Washington County, said the remaining money would be left to accrue interest to increase funds for possible later use.

Sen. Linda Scheid (DFL-Brooklyn Park) offered an amendment requiring the voting machines to support firmware for cumulative and ranked order voting. The firmware would allow for run-off elections should Minnesota ever choose to conduct them. Sen. Warren Limmer (R-Maple Grove) said the measure was pushing the ball down the field toward run-off elections even though run-off elections are not in Minnesota's constitution. Sen. Sharon Marko (DFL-Cottage Grove) said the measure gives us the ability to address the issue in the future if we so choose. The amendment prevailed on a 6-3 roll call vote.

While Corbid said he hoped the measure would gain wide support, a representative from the Secretary of State's Office outlined some concerns about the bill. Among the concerns were that the measure does not call for a uniform state-wide voting system and does not appropriate funds to the Secretary of State for administrative costs. The bill needs greater detail, she said.

Senators approved the measure and advanced it to the Finance Committee.

Higgins' second bill, S.F. 359, allows campaign workers to enter multi-dwelling residences without their candidate for campaign purposes. Tom Lijewski, one of Higgins' constituents who had experienced trouble trying to campaign in a senior home, suggested that the bill also

allow entrance to those campaigning on ballot issues, registering voters, or conducting get-out-the-vote efforts. Senators adopted the language before approving S.F. 359 and sending it to the floor.

Sen. John Marty (DFL-Roseville) authored the next bill, S.F. 385. The measure, which has passed the Senate four times previously, said Marty, allows citizens to vote by absentee ballot for any reason, including convenience. Members approved S.F. 385 on a 5-3 roll call vote.

The final two bills, S.F. 153 and S.F. 289, were sponsored by Sen. Wes Skoglund (DFL-Mpls). The first, S.F. 153, modifies the protocol of Minnesota's presidential electors by providing for alternate electors and giving electors the chance to verify their ballots. The affirmation takes place by electors first affirming their ballots in a verbal or non-

verbal manner and then confirming their votes in writing. S.F. 289 requires electors to vote for the candidate under whose name they were elected. Senators approved both bills.

Environment, Agriculture and Economic Development Budget Division

Overviews heard

The Thurs., Jan. 27, meeting of the Environment, Agriculture and Economic Development Budget Division was devoted to hearing a variety of overviews on relevant topics.

The panel, chaired by Sen. Dallas Sams (DFL-Staples), heard first from Gary Fields on the Blandin Foundation's broadband telecommunications initiative.

Fields said the Blandin broadband initiative is designed to catalyze broadband investment and use, to raise awareness about the value of broadband in economic development and to encourage public and private investment in rural broadband capacity. The initiative is a statewide public-private partnership to help Minnesota communities seize the economic development opportunity made possible by broadband technology, he said. Fields said broadband has the potential to transform rural communities into centers of innovation and technology. He added that the usefulness of broadband is not confined to businesses, but is also valuable in health care, education and government.

Fields said that Minnesota underutilizes broadband technology and that a market must be built by educating consumers. He said the goal of the initiative is to increase broadband utilization rates from 15 percent to 50 percent by the end of this year.

Members also discussed the budget proposal for the Agricultural Utilization Research Institute (AURI). Edgar Olson, executive director, presented an overview of AURI and discussed the budget request. AURI efforts are focused on developing and increasing value added agriculture processing opportunities, Olson said. AURI provides project development services and applied scientific assistance in the development of new products and expanded uses for Minnesota agricultural commodities, he said.

Communications Director Dan Lemke said assistance is usually provided at the very early stages of product and process development with a strong emphasis placed on determining overall feasibility. Max Norris, senior scientist and director of intellectual



Department of Natural Resources Deputy Commissioner Mark Holsten displays a map depicting a state forest road and trail designation plan for Hubbard County to members of the Environment and Natural Resources Committee, Wed., Jan. 26.

Photo by David J. Oakes

Committee update

property, outlined AURI projects and programs. Norris said AURI delivered services to over 400 projects in the last biennium and presented over 60 producer/processor information sessions on value added opportunities including biodiesel, wheat/barley ethanol, oilseeds, meat processing and food safety.

Olson spoke on the budget. He said the organization has been cut 60 percent in recent years. He said the general fund appropriation of \$1.6 million each year is roughly 36 percent of AURI's revenues and is used to leverage federal and private grants of about \$2.85 million. Olson said AURI is stretched, but is moving forward.

Finally, the panel heard from Dr. William Hartmann of the Animal Health Board. He said the board was founded in

1903 to safeguard the health of animals in the state. Hartmann said the board has one of the largest and most successful programs for controlling John's Disease in cattle and has eradicated pseudorabies from the state's swine herds. The board also administers the federal scrapie eradication program for sheep and goats, oversees the chronic wasting disease surveillance program and is working in cooperation with the USDA to conduct surveillance, complete testing and educate producers and consumers about bovine spongiform encephalopathy (mad cow) disease, Hartmann said. He said another function of the board is to help keep diseases that arise outside the U.S. from spreading to Minnesota.

Hartmann said the current biennial budget is \$5.6 million and the governor has recommended the same amount. In addition, there is a slight increase to accommodate the board's move to a new facility. In addition, Hartmann said there is also some funding from the federal government for control of specific diseases. One project the board is working on, he said, is the national animal identification system in order to be able to track a disease outbreak.

Environment and Natural Resources

DNR conservation goals reviewed

The inaugural meeting of the Environment and Natural Resources Committee, Wed., Jan. 26, was devoted to a presentation on the Dept. of Natural Resource's conservation agenda. Commissioner Gene Merriam introduced members of the department, including Deputy Commissioner Mark Holsten, before giving an overview of the conservation agenda.

He said the conservation agenda is an on-going project to clearly state department-level priorities on specific and measurable terms, measure progress and document conservation results and clarify expectations with citizens and stakeholders. Merriam said the report is structured around the vision, challenges and indicators in six performance areas. The performance areas are fish and wildlife, forests, waters and watersheds, natural lands, outdoor recreations and natural resources stewardship education, he said.

Merriam said the vision for fish and wildlife include great fishing, hunting and wildlife viewing opportunities, stable and healthy fish and wildlife populations with high quality habitat and strong conservation partnerships with a strong stewardship ethic.

In the area of forest performance, the vision is for a substantial and protected forest that is healthy and resilient, Merriam said. In addition, part of the vision is for a sustainably managed forest that provides recreational opportunities and provides stable forest-based industries, he said. State forest land management, fire management, technology and science and private land management are the four core areas of the forests performance area, Merriam said.



Zelda Katz of St. Paul pleads with members of the Health and Family Security Committee to increase funding for senior nutrition programs at a Tues., Jan. 25, hearing. The 86-year-old Katz, who receives kosher meals through Meals on Wheels, said, "These meals are my lifeline to maintaining an independent, happy, healthy life."

Photo by David J. Oakes

Merriam said the vision for waters and watersheds include healthy, sustainable aquatic ecosystems, preserving the integrity of waterways and the conservation and allocation of water resources fairly. The six core areas, he said, are managing and protecting water supplies, reducing flood damage, conserving wetlands, conserving rivers and streams, conserving lakes and limiting the spread of harmful, invasive exotic species. Merriam encouraged members to read the full report on line to get a better idea of the scope of the conservation agenda.

He said the full report is available on the DNR's site at: <http://www.dnr.state.mn.us/conservationagenda/index/>

The panel, chaired by Sen. John Marty (DFL-Roseville), also heard an update on invasive species. Luke Skinner, of the DNR's invasive species program, said invasive species means a non-native species that can naturalize and cause economic or environmental harm, harm human health or threaten natural resources. Skinner said the invasive species program began with the purple loosestrife program. Other species, such as Eurasian watermilfoil and zebra mussels changed the emphasis of the program from reactive to proactive, Skinner said. He said the program's goals are to prevent the introduction of new invasive species, prevent the spread of invasive species and reduce the impact caused by invasive species to the state's ecology, society and economy.

Skinner spoke about the actions needed to prevent the introduction of new invasive species into the state. He used the example of the Asian carp, which he said was the top aquatic invasive species problem in the Mississippi River. He said the department is looking at both short and long-term strategies to stop the carp. Skinner also spoke on tactics to prevent the spread of invasive species and techniques for managing the impact of the species.

He said each species or situation needs to be evaluated separately. In addition, partnerships are critical, he said, in order to extend the breadth of effort and range of technical expertise, to bring in more resources and to take advantage of local interest. Finally, Skinner said that management of invasive exotic species is not static, but must change with time as

the knowledge of long-term effective strategies increases.

Finally, the panel also heard a presentation on the status of the off-highway vehicle forest and trail classification process. Holsten highlighted some of the complexities in the process and where the process is at this time. The department was directed to review each forest, on a forest by forest basis and classify each forest managed, limited or closed for recreational vehicle use, Holsten said. Holsten said the review and classification project is a major endeavor and that the department needs time to accomplish the project. The department has inventoried existing state forest roads and motorized and non-motorized trails, Holsten said. He said the process took 14 months and included 5.7 million acres of land. He added that nearly 200 employees conducted the inventory at a cost of \$2.3 million.

Finance

Governor's budget reviewed

Members of the Finance Committee, chaired by Sen. Richard Cohen (DFL-St. Paul), met Thurs., Jan. 27, to consider the governor's budget proposal. Finance Commissioner Peggy Ingison and Assistant Commissioner James Schowalter walked committee members through the plan's highlights.

Total FY 06-07 general fund spending under the plan is \$29.667 billion. The plan provides \$12.236 billion for K-12 education, \$2.89 billion for property tax aids and credits, \$2.774 billion for higher education, \$7.901 billion for health and human services programs, \$647 million for the environment, agriculture and economic development, \$159 million for transportation, \$1.668 billion for public safety efforts and \$555 million for state government.

Complete budget documents, including detailed breakdowns of recommendations for programs and agencies, are available from the Dept. of Finance: <http://www.budget.state.mn.us/>

Committee members also reviewed the November 2004 economic forecast and more recent data relating to projected state revenue and expenditures with Tom Stinson, state economist. The next economic forecast is required to be delivered to the Legislature by the end of February.

Health and Family Security

Minority health grants considered

A presentation on minority health grants was the first item on the agenda for the Health and Family Security Committee's Tues., Jan. 25, meeting. The panel, chaired by Sen. Becky Lourey (DFL-Kerrick), also heard three bills relating to senior programs.

Gloria Lewis from the Department of Health (MDH) spoke first on minority health grants. Part of the eliminate health disparities initiative (EHDI), the grants go to programs aimed at improving preventative health practices among the state's minority populations. Four grant recipients from Olmsted County, Hmong American Partnership, White Earth Medical Health, and the stair step initiative, addressed the committee. The representatives spoke on their groups' efforts, which ranged from creating local and church walking groups to providing support for mental health and domestic violence treatment.

Lewis said the grants were good for the state's economy. By investing in preventative health measures, she said, the state would address its rising health costs on the front end, not the back end. Additionally, Lewis said that grant recipients were going out of their way to do more with less as funding grows tight. She also said many grant recipients work with other organizations to stretch money and resources. Currently, the state provides 10.9 million from the general fund for the initiative.

Sen. Mee Moua (DFL-St. Paul) presented two bills, S.F. 210 and S.F. 211. The first, S.F. 210, increases the number of and funding to the living at home/block nurse program (LAH/BNP). The program provides care to seniors in their homes, allowing many to remain out of nursing homes. Eric Eoloff and Malcolm Mitchell, both of the Elderberry Institute, said the program, in addition to helping seniors directly, also built senior-friendly communities by allowing seniors to stay in their own neighborhoods. Margaret Magnuson and Charles "Chuck" Aguirre, two program participants from St. Paul, addressed Senators about how LAH/BNP has affected them. Aguirre said he appreciated the program so much that he now volunteers on its board. Magnuson

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also expressed her gratitude and said, "There's no place like home."

Members approved the measure and re-referred it to the Finance Committee.

Moua's second bill, S.F. 211, increases funding and grants for senior nutrition programs. Zelda Katz, a Meals on Wheels program participant, spoke to the committee on the measure, saying "When I get just one meal a day, I am really appreciative." Joking, she added, "I'm just not a cook." Members approved the measure and sent it to the Finance Committee.

S.F. 371, authored by Lourey, was the final bill of the meeting. The measure restores funding for senior companion, foster grandparent, and senior volunteer programs to their 2001 levels. The programs were cut by 15 percent in 2003. The measure was approved and will now go to the Finance Committee.

Medical Association task force report, GAMC overview heard

Presentations on healthcare reform and the General Assistance Medical Care (GAMC) program were the focus of the Health and Family Security Committee's Thurs., Jan. 27, meeting. The panel, chaired by Sen. Becky Lourey (DFL-Kerrick), listened to representatives from the Minnesota Medical Association (MMA) and the Department of Human Services (DHS).

Dr. Judy Shank, chair of the MMA healthcare reform task force, and MMA Executive Director Dr. Robert Meiches outlined the organization's report on healthcare reform. The report suggests a new healthcare model for Minnesota that focuses on a strong public health system, reform in the insurance market to deliver universal coverage, reform in the delivery market to create incentives for improving value, and systems that support the delivery of high quality care. Suggestions for enacting the new model include a \$1 tax increase on tobacco, a state mandate for all individuals to have health insurance, and improvement of medical infrastructure.

Both Shank and Meiches said that the plan emphasizes the benefits of preventative health practices and individual involvement in healthcare choices. Sen. Sheila Kiscaden (IP-Rochester) said we should focus on the preservation of health and personal responsibility. "You're

responsible for your health...and you're responsible for making decisions about your health," said Kiscaden.

Shank and Meiches added that additional work is needed to address specific issues such as defining essential services, rising long-term care and rising pharmaceutical costs.

Senators devoted the second half of the meeting to a presentation on GAMC from DHS officials. Vicki Kunerth, Karen Gibson, and George Hoffman provided an overview of the program which serves low-income adults without children under 18. Hoffman said GAMC is expected to grow in 2006 and 2007 when changes in Minnesota Care (MnCare) shift people into the program.

Randy Ulseth, CEO of Kanabec Hospital in Kanabec County, also addressed Senators regarding GAMC and the program's effect on hospitals.

Health and Human Services Budget Division

Human Services overview, uncompensated care discussed

Members of the Health and Human Services Budget Division, chaired by Sen. Linda Berglin (DFL-Mpls), heard two presentations at their Wed., Jan. 26, meeting.

Leading the agenda was the Department of Human Services (DHS) forecast overview. Director of Reports and Forecasts, George Hoffman addressed the panel, speaking on the projected growth of Medical Assistance (MA) and General Assistance Medical Care (GAMC). The forecast shows that without changes to Minnesota Care (MnCare), MA is projected to grow 3.8 percent in 2005 and 7.1 and 8.4 percent in 2006 and 2007 respectively. Hoffman said changes to MnCare would shift program participants from MnCare to MA. The report indicates that, with the shift from MnCare, MA child and parent enrollment would reach nearly 380,000 by the end of 2006. Hoffman also said that, because of a high turn-over rate, about twice as many people use MA each year as are listed in its enrollment figures. He attributed the difference between use and enrollment to participants whose enrollment is triggered by medical problems that prevent them from working and whose subsequent unemployment makes them sporadically eligible for the program.

Berglin said the growth may reflect that we simply have more uninsured people in our population. Sen. Brian LeClair (R-Woodbury) said the increases could also be due to a "non-healthy, non-vibrant" insurance market and that employers might be less inclined to offer insurance if state programs cover their workers.

Shawn Welch, also from DHS, spoke to the panel on forecasts of childcare programs. He focused on the Minnesota Family Investment Program (MFIP), a program that saw an unexpected 25 percent drop between June 2003 and February 2004. Welch said that cash assistance cases remained the same, but that participants were not utilizing subsidized childcare in the same way, perhaps, he said, because of a measure enacted in 2003. The measure froze the maximum amount that the childcare assistance program (CCAP) will pay. Welch also spoke on the fiscal effects of Medicare Part D on the state, saying that the program is essentially budget-neutral for Minnesota.

The second presentation focused on uncompensated care rates of Minnesota hospitals. James Hanko, president and CEO of North Country Health Services in Bemidji, spoke to Senators on a Minnesota Hospital Association (MHA) survey on the topic. The survey shows that hospitals reported a median increase of 24 percent for uncompensated care in 2003. Since 2002, the median increase was 63 percent. Hanko also said that Medicare reimbursed Minnesota hospitals at 13 percent less than cost, causing a \$376 million shortfall. The state's reimbursement rate was 11 percent less than cost and resulted in a \$67 million shortfall. Costs represent the cost of the service, not the usual fee the hospital charges, Hanko said.

Greg Klugherz, chief financial officer of Regions Hospital, and Lee Greenfield from Hennepin County Medical Center also addressed the committee. Both asked Senators to remember how healthcare legislation affects hospitals.

Higher Education Budget Division

MnSCU budget request heard

A plan to educate more nurses and teachers and to expand online learning in



At a Higher Education Budget Division meeting, Tues., Jan. 25, Senators David Tomassoni (DFL-Chisholm), left, and Claire Robling (R-Jordan) use calculation wheels, provided by the Minnesota State Colleges and Universities, to demonstrate the effects of various budget scenarios on the cost of student tuition.

Photo by David J. Oakes

Minnesota formed the centerpiece of the budget proposal put forward by the Minnesota State Colleges and Universities to members of the Higher Education Budget Division. The panel, chaired by Sen. Sandra Pappas (DFL-St. Paul), met Tues., Jan. 25.

Chancellor James McCormick said MnSCU faces an erosion of the understanding that higher education is a public good, that higher education benefits everyone, not just students. McCormick reviewed the system's structure, enrollment, annual graduates and budgetary history. As state support for MnSCU has fallen, he said, tuition has increased to bear the burden. Since 1999, tuition has grown from only 30 percent to 49 percent of the system's revenue, McCormick said. The tuition growth leaves MnSCU leaders, McCormick said, concerned most

about what cannot be seen or measured—lost opportunities. MnSCU's strategic plan, which is supported by its budget proposal, he said, focuses on increasing access, expanding learning programs, strengthening community development and fully integrating the system. McCormick said the proposal is the smallest requested increase in the system's history.

Vice Chancellor Laura King reviewed the details of the budget proposal. The proposal provides for an adjusted biennial base of \$1.236 billion, including a \$130.8 million enrollment adjustment, and requests \$66.5 million in additional state spending. The total state appropriation to MnSCU for FY 06-07 is just over \$1.3 billion, King said, and assumes a tuition increase of 4 percent, or \$62.9 million in additional tuition. The additional state

funds are targeted at six priorities: critical state needs, including educating additional nurses, teachers and small business owners, expanding online education opportunities, improving outreach to underserved students, funding innovative programs to meet the needs of the state's public and private sectors, repairing infrastructure and enhancing the system's competitive salary position.

Division members also heard from JoAnn Roche, vice president of the State College Faculty. Roche stressed the importance of faculty retention and competitive faculty compensation. Brad Krasaway of the State University Student Association and Justin Pahl of the State College Student Association also spoke to members of the panel. The two students directed their remarks at the impacts of recent steep tuition increases and the need to restrain tuition growth.

Committee update

First generation access reviewed

Efforts to increase access for, and improve the success of, first-generation higher education students were the focus of the Thurs., Jan. 27, meeting of the Higher Education Budget Division. The panel, chaired by Sen. Sandra Pappas (DFL-St. Paul), heard from representatives of several groups offering programs tailored to first-generation students. Division members also heard success stories from several students served by the programs.

Craig Schoenecker said the Minnesota State Colleges and Universities have recently started tracking information about entering students using a “neither parent has attended college” definition for first-generation students. In 2004, he said, one third of new MnSCU students were first-generation students. The proportion is slightly below the percentage reported by comparable institutions nationwide, Schoenecker said. Mike Lopez reviewed the many efforts employed by MnSCU to reach underserved populations, including first-generation students, in the areas of recruiting, academic and social support, programming and conferences. Bruce Vandal, associate executive director of the Minnesota Minority Education Partnership, discussed other states’ efforts in first-generation access. Vandal and Rep. Carlos Mariani (DFL-St. Paul), the partnership’s executive director, also highlighted the importance of access as an economic development tool for the state as a whole and the need to find innovative ways to leverage private dollars with public funds. Division members also heard from representatives of North Hennepin Community College, St. Paul College, the Higher Education Services Office and the Council on Asian-Pacific Minnesotans on programs tailored to underserved student populations.

K-12 Education Budget Division

Review of report heard

Members of the K-12 Education Budget Division met Tues., Jan. 25, to hear from John L. Myers of the JL Myers Group, an education finance consulting firm. He reviewed the report of the Education Finance Reform Task Force for the Schools for Equity in Education, an

association of school districts. The division is chaired by Sen. LeRoy Stumpf (DFL-Plummer).

Myers said the task force recommendations, which the division heard at its previous meeting, are a good first step in creating a new funding system for Minnesota schools. The attention to data and demographics are also a significant strength of the task force’s work, he said. Myers critiqued the consulting work prepared for the task force, and the recommendations based on the consulting work. He said the task force report lacked clarity on whether the recommended tier structure is based on revenues or expenditures and on the sources or destinations for revenues and expenditures. Myers said his firm’s recommendations for future activity include conducting a study to create funding levels for a base student cost and special needs adjustments, identifying revenue levels separately from expenditure levels for formula components, simulating a new formula to identify district revenues and expenditures, evaluating formula equity and working on a funding system that accommodates dramatic education reform.

Report discussion continued

Members of the K-12 Education Budget Division met Wed., Jan. 26, to continue their consideration of the Education Finance Reform Task Force report. The panel is chaired by Sen. LeRoy Stumpf (DFL-Plummer).

Division members heard from Jan Alswager of Education Minnesota, Grace Schwab of the Minnesota School Boards Association, Brad Lundell of Schools for Equity in Education and Vernae Hasbargen of the Minnesota Rural Education Association. The representatives all expressed their desire to move forward on improving school funding and indicated their concerns about delaying reform of the education funding system. The panel also heard from Tom Melcher, program finance director for the Dept. of Education, who clarified some of the technical information in the report, and task force member Bob Brown, who discussed his experiences on the task force. Brown also urged the division not to take any major action until more research can be done, pilot projects have run their course and funds are available for transition costs.

Rules and Administration

Rules changes considered

Two changes to the Senate Rules were approved by members of the Rules and Administration Subcommittee on Permanent and Joint Rules when the panel met Wed., Jan. 26. The subcommittee, chaired by Sen. Ann Rest (DFL-New Hope), is charged with proposing modifications to the rules in time for the Senate to adopt Permanent Rules by the end of February, as required by a resolution adopted on the opening day of the 84th Legislative Session.

One change, proposed by Sen. Richard Cohen (DFL-St. Paul), updates a rule providing for the various omnibus budget bills. The proposal reflects the new budget division structure adopted for the session. The other change, proposed by Rest, adds the Minnesota News Network to a list of news organizations granted access to a table reserved for reporters on the Senate floor. Rest said the reporter for MNN has been covering the Senate for over a decade and should be granted the courtesy. Both changes were adopted without discussion.

Sen. John Marty (DFL-Roseville) presented a proposal prohibiting closed door discussions of legislation between members and staff of conference committees. The change permits an exception for communications relating to setting meeting times and staff meetings devoted to drafting language already agreed to by conference committee members. Marty said current practice is for open, formal meetings of conference committees. Much of the discussion about legislation, he said, remains behind closed doors. Subcommittee members raised several concerns about enforcement of the ban and about other possible loopholes that members or staff may exploit. The proposal was indefinitely postponed. Rest indicated the subcommittee may return to the concept embraced by the proposal when the panel considers proposals for modifications to the Joint Rules.

State Government Budget Division

Tax compliance discussed

The State Government Budget Division, chaired by Sen. Sheila Kiscaden (IP-Rochester), devoted the Tues., Jan.

25, hearing to a discussion of tax compliance.

Dennis Erno, deputy commissioner, Dept. of Revenue, began by explaining the revenue gap, the initiatives launched to close the gap and the challenges involved in closing the revenue gap. The estimated annual revenue gap, Erno said, was about \$604 million in individual income tax in 1999 and \$451 million in sales and use tax in 2000. The amounts are roughly 11 percent of total tax due, Erno said. He said that voluntary tax collections amount to 89 percent of total tax due. Of the \$604 million gap in individual income tax, \$479 million is because of underreporting and \$124 million is because of nonfiling, he said. In addition, \$288 million of the sales tax gap is because of underreporting and \$163 million is because of nonfiling. The figures are from 1999 and 2000 because those were the landmark studies, Erno said.

Larry Wilkie, Dept. of Revenue, said the department conducted 71,923 audits in FY 2004, with 11, 930 audits done on-site. The audits are one method of increasing compliance, Wilkie said.

Representatives of the department all said key challenges involved in increasing compliance concern work force issues. There is an increased competition for the accounting professions, there is an aging work force and more training is needed, but there are fewer trainers, they said.

Erno said there is another element of tax compliance, that of delinquent tax debt. When the economy goes sour, we see the effects in rising delinquency, he said. In FY 2001 the delinquent tax debt was \$290 million, in FY 2002 the debt was \$370 million, in FY 2003 the amount was \$436 million and in FY 2004 the amount of delinquent tax debt was \$404 million, Erno said. He added that the longer the delinquency, the more difficult it is to collect the revenue.

Erno also spoke about the streamline sales tax project (SSTP). The project is a multi-state effort to simplify and modernize sales tax collection and administration. Erno said the project will help fairness for Minnesota based businesses facing competition from internet retailers. Members also discussed the sales tax, or lack of sales tax, on medical items.

Dan Ostdiek, directory of finance, Dept. of Revenue, spoke on tax compliance initiatives. He said, "In FY 2002-03, the department received an appropriation

of \$9.729 million with a revenue target of \$60.11 million. The actual revenue collected amounted to \$97.232 million." For FY 2004-05, through the end of November, the department received an appropriation of \$12.838 million, with a revenue target of \$59.838 million, and collected \$63.974 million in actual revenue, he said.

Erno outlined several additional challenges. He said an increasing number of citizens believe that cheating on taxes is okay. In addition, more and more, taxpayers are challenging state tax laws, he said. Also, as businesses move from paper to electronic records, employees need more skills and better tools to understand, access and audit various computer systems and transactions. It is also more difficult to determine who is responsible for paying a tax because of consolidations and mergers among businesses.

Kiscaden summed up the hearing by saying that there are opportunities for increased revenue through increased tax compliance and participation in the streamlined sales tax project, but that more attention must be paid to workforce issues.

Transportation

KBEM, charitable moving exemptions approved

The Transportation Committee, chaired by Sen. Steve Murphy (DFL-Red Wing), continued its consideration of S.F. 365 in its Tues., Jan. 25, meeting. Authored by Sen. Charles "Chuck" Wiger (DFL-North St. Paul), the bill requires the Commissioner of Transportation to continue its contract with KBEM radio to provide traffic reports.

Sen. Dick Day (R-Owatonna) said that in a time when we have a budget crunch we should not be spending this money on a radio station to which so few listen. He added "MnDOT is saying it's not worth it." Day offered an amendment that would allocate the funding instead to the Highway Helpers program and state patrol. Sen. Mee Moua (DFL-St. Paul) said she thought the two programs Day cited were important and that she'd like to coauthor a bill with him to allocate funding for them but that she wanted to vote for the contract with KBEM today. The measure failed on a 6-8 roll call vote.

Senators approved the original version of the bill.

Next on the agenda were two bills regarding exemptions for moving organizations performing charitable work. The measures, S.F. 75 and S.F. 236, were sponsored by Sen. Bill Belanger (R-Bloomington) and Sen. Geoff Michel (R-Edina) respectively. Belanger said his bill was the governor's bill and is designed to exempt moving organizations from geographic constraints when they are performing charitable work. Both bills arose after news surfaced that moving organizations had run into legal trouble while trying to use their services for charity. After clarifying that the two bills were similar, Michel said he was comfortable approving Belanger's bill of which he is a co-author. Senators approved the measure, placing it on the Consent Calendar.

Transferring jurisdiction of two trunk highways was the next item on the agenda. S.F. 225, authored by Sen. Jim Vickerman (DFL-Tracy), and S.F. 236, authored by Sen. Keith Langseth (DFL-Glyndon), both return portions of existing trunk highways to their respective counties. Both county boards had already given their consent. Both bills were approved and put on the Consent Calendar.

Finally, members heard a presentation on truck weight issues from the Minnesota Department of Transportation (MnDOT). Speakers included Dan Dorgan, a bridge engineer, Curt Turgeon, a pavement engineer, and Greg Hayes from the Center for Outreach and Innovation at Northland Community and Technical College. Sen. Sharon Marko (DFL-Cottage Grove) said the presentation should be a primer for any new Senator considering authoring a truck weight increase bill.

CTS reports heard

Members of the Transportation Committee met Thurs., Jan. 27, to hear several presentations from the University of Minnesota's Center for Transportation Studies. Robert Johns, director of the center, gave a brief overview of the center and presented the center's annual report. The center fosters the development of new ideas and knowledge through faculty-led research program and interdisciplinary teams the center administers and supports. The center focuses on four areas of

Committee update



State Economist Tom Stinson, far left, gives an overview of the November 2004 economic forecast to members of the Finance Committee, Thurs., Jan. 27. Senators pictured are, from left, Sean Nienow (R-Cambridge), Steve Murphy (DFL-Red Wing), Steve Dille (R-Dassel), Dallas Sams (DFL-Staples) and Bob Kierlin (R-Winona).

Photo by David J. Oakes

research emphasis, transportation and the economy, transportation safety and traffic flow, transportation infrastructure and transportation planning and the environment.

Max Donath, director, Intelligent Transportation Systems Institute, spoke to the panel about emerging technologies to enhance safety and mobility. His remarks centered on teen fatalities and technologies aimed at reducing the number of teen deaths. One effort involves financial incentives to drive safely by using devices that monitor the number of trips, distance driven, speed and trip frequency, he said. Another program uses global positioning system (GPS) technology in GPS enable cell phones to monitor phone location, speed, direction of travel and time of day every two minutes, Donath said. Another technology involves video monitoring via drivecam, a device that records both video and audio, he said. Donath also outlined the advantages and disadvantages of the various types of technology.

The committee, chaired by Sen. Steve Murphy (DFL-Red Wing), also

heard from Barry Ryan, Dept. of Applied Economic, University of Minnesota, on the adequacy of Minnesota road taxes in 2030.

In other action, the panel also heard several bills. S.F. 114, authored by Sen. Paul Koering (R-Fort Ripley), designates Trunk Highway 371 as the Purple Heart Memorial Highway. Koering said the bill is a way to honor all veterans, not only veterans awarded the Purple Heart. Further, he said there would be no cost to taxpayers. Bill Wroolie, past national commander, Order of the Purple Heart, also spoke in support of the measure. Betsy Parker, Dept. of Transportation, said the department appreciates the sacrifice made by veterans, but that there were concerns because the highway already carries four other designations. Members discussed an amendment that would remove a portion of the Paul Bunyan designation along the highway to Cass Lake. The bill was approved and re-referred to the Agriculture, Veterans and Gaming Committee with the understanding that the amendment would be offered in that committee.

S.F. 191, sponsored by Sen. Gary Kubly (DFL-Granite Falls), specifies that trailers registered at a gross vehicle weight of 3,000 pounds or less must display a numbered plate and lifetime registration sticker on the rear of the vehicle. Currently, only the plate is required to be displayed. Under the bill, a light-weight trailer with lifetime registration is required to display a numbered plate on the rear of the vehicle, in addition to the lifetime registration sticker adhered to the side of the trailer frame tongue. The measure was approved and re-referred to the Finance Committee.

The final two measures dealt with motorcycle license plates. S.F. 135, carried by Sen. Bob Kierlin (R-Winona), authorizes special motorcycle license plates for Persian Gulf War veterans. Kierlin said the measure is similar to language enacted for Vietnam veterans. S.F. 256, carried by Murphy, creates firefighter special motorcycle license plates.

Both measures were approved and re-referred to the Finance Committee.

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The few inches of snow on the front steps of the Capitol, Mon., Jan. 31, were short-lived as temperatures soared to 50 degrees by week's end.
Photo by Shelley Hawes



February 4, 2005

Senate Highlights

Forecast inflation inclusion ok'd

Much of the Mon., Jan. 31, floor session was devoted to discussion of a bill requiring disclosure of the impact of inflation on state expenditures. The measure, S.F. 2, was designated a Special Order for immediate consideration and final passage. The bill, sponsored by Sen. Richard Cohen (DFL-St. Paul), reinstates inflation as part of the budget forecast. An amendment in committee added deflation, as well, Cohen said. He said the discussion of the bill carried over a couple of hearings and that Paul Anton, of the Council of Economic Advisors, said that it was much more realistic to include inflation in the forecast.

Sen. Chris Gerlach (R-Apple Valley) said the decision two years ago to eliminate inflation was a step toward accountability in setting the budget. Adding inflation back in the budget places upward pressure on the budget to increase spending, he said. "Putting the budget back on auto-pilot in this time of budget deficits will lead to disaster for us," Gerlach said.

Cohen responded that the decision to remove inflation was a political decision in 2002 and did not tie into the 2003 shortfall. "If we put inflation back in the budget, it does not mean that we automatically increase spending, it simply is a more realistic portrayal of the budget," Cohen said. He said economists throughout the state said the absence of inflation is a significant drawback to establishing a realistic budget.

Sen. Michele Bachmann (R-Stillwater) said every family has to figure out how to make a budget work. "We deal with the revenue side of the equation first, we figure out how much we have to spend. We don't determine what we are going to spend first," she said. It does not

mean spending more money is bad, she said, it means we have to prioritize. The bill means there will be automatic increases because of inflation, whether or not it is needed, Bachmann said.

Cohen said economists all agree that inflation is an important outside factor to take into account when formulating budgets.

Several members also criticized reinstating inflation, arguing the inclusion inevitably leads to more spending. Sen. Thomas Neuville (R-Northfield) offered an amendment specifying that expenditures projected to occur as a result of deflation or inflation must be separately stated as a note, but not as a forecast adjustment. He said the amendment reflects the reality of inflation, but doesn't automatically increase the budget the governor is required to submit. As long as we have inflation reported to us, we can decide where to increase spending and where not to, Neuville said.

Cohen said "I have to remind members, this relates to the forecast, it doesn't require the governor to pass on the increase in his budget." The bill simply requires providing information, he said.

Sen. Steve Kelley (DFL-Hopkins) questioned whether inflation would be broken out by program or if it would be an overall note. In addition, Kelley said some spending is not under the state's control. "The federal government mandates a level of spending for special education," he said, "and we have no control over the mandate." Neuville sponsored amendment to his amendment specifying the inflation information be provided for each program. The amendment to the amendment was adopted. The Neuville amendment was adopted 57-8. The bill was granted final passage on a 57-8 roll call vote.

Members also granted final passage to one bill on the Consent Calendar. The Consent Calendar contains bills of a non-controversial nature that have been approved by one or more standing committees. S.F. 345, authored by Sen. Tom Saxhaug (DFL-Grand Rapids), authorizes school boards to establish and operate and employee recognition programs for district employees, including teachers.

Finally, the members adopted a resolution setting the mileage reimbursement for Senators.

Minimum wage bill passed

Members of the Senate devoted most of the floor session Thurs., Feb. 3, to debate on a bill to increase the minimum wage. S.F. 3, authored by Sen. Ellen Anderson, raises the minimum wage payable by large employers to \$6.10 on July 1, 2005, and to \$7 one year later. The minimum wage payable by small employers rises to \$5.85 and \$6.75 on the same dates, under the legislation. The measure also increases the so-called training wage, payable to employees younger than 20 during their first 90 days of work, from \$4.25 to \$5.15.

Anderson said, "The bill is long overdue in Minnesota, the minimum wage has been \$5.15 since 1997." She said there are really two Minnesota economies and that people in Greater Minnesota not only need jobs, but they need good jobs. "Most Minnesotans want us to strive for high quality jobs with high wages. This is an issue of basic fairness," Anderson said.

Sen. Mady Reiter (R-Shoreview) said that she applauded Anderson's tenacity for bringing up the bill again this year, but the measure didn't pass into law last year. She said the economy is improving and asked why the bill is needed.

Anderson agreed the economic recovery is gaining speed, but said, "The problem is we still have too many low wage jobs. The jobs that are being created are low wage jobs. What we need to do is set a floor that reflects the economy." She said a wage of \$5.15 per hour does not reflect the economy. "If the minimum wage had kept up with inflation it would be over \$8 per hour," she said.

"This is not a partisan issue; it is a philosophical issue," said Sen. Dave Kleis (R-St. Cloud), "whether or not you believe this is the proper role of government." Kleis offered an amendment

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Members of Robbinsdale Cooper High School's Chamber Strings fill the Capitol Rotunda with music during their performance, Tues., Feb. 1.

Photo by Shelley Hawes

specifying that if the federal government raises the minimum wage, Minnesota will follow suit. Speaking in support of the amendment, Kleis said, "If we make Minnesota an island by having a higher minimum wage, we will have more outsourcing of jobs and loss of jobs." He said, "The amendment places Minnesota on a level playing field, but if we pass Sen. Anderson's bill, we will not be." Anderson responded, "I hope Congress takes up the minimum wage and raises it this year, but until Congress does, we have to take action. The states have to lead." She said, "We have study after study that proves that raising the minimum wage not only does not cause job loss, but provides an immediate economic stimulus."

Sen. David Hann (R-Eden Prairie) said, "Raising the minimum wage will cause more unemployment, particularly among teenagers. There is no meaningful evidence that increasing the minimum wage reduces poverty." Sen. John Hottinger (DFL-St. Peter) argued against the amendment and said, "Whenever we try to improve the lives of the working poor, we hear the argument that we are

putting Minnesota at a competitive disadvantage, but there is no empirical data to support the idea that an increase puts us at a disadvantage."

The amendment failed on a 29-36 roll call vote.

Sen. Carrie Ruud (R-Breezy Point) offered an amendment creating a tip credit. She said the amendment conforms to federal law by recognizing tips are wages. "The amendment will guarantee that servers will never earn less than the minimum wage," Ruud said. Sen. Scott Dibble (DFL-Mpls.) argued against the amendment. "The effect of the amendment is turning the minimum wage into a ceiling, rather than a floor," he said. Servers must do all kinds of tasks that aren't tipped, Dibble said, and Senators should keep in mind that most servers share their tips with other nontipped employees. "These are employees who are usually not receiving health care or other benefits. This is about employers paying their employees for what they do," Dibble said.

The amendment failed on a 29-35 roll call vote.

Sen. Thomas Neuville (R-Northfield) questioned the impact an increase in the minimum wage will have on the wages of those who are paid more than the minimum wage. Anderson responded, "The economists I talked to agree, if there is an increase in the minimum wage, there is an upward pressure on other wages." She said hundreds of thousands of workers would benefit as the marketplace responds. Neuville said, "The minimum wage is not intended to be a living wage, it is an entry level wage. When wages start ratcheting up, it will be the manufacturing jobs we lose."

Sen. Thomas Bakk (DFL-Cook) said, "Economic prosperity is not everywhere in this state. The minimum wage has been losing buying power because of inflation." Sen. Linda Higgins (DFL-Mpls.) said, "There is no entry level price for a carton of milk." Anderson concluded by saying, "We have a responsibility to be fair to all Minnesotans."

The bill was granted final passage on a 37-28 roll call vote.

Members also debated a resolution, sponsored by Sen. Michele Bachmann (R-Stillwater), recognizing February 6, 2005, as Ronald Reagan's birthday in the state of Minnesota. The resolution listed a number of accomplishments of the late President Reagan and qualitative statements about the milestones of Reagan's presidency. Sen. Richard Cohen (DFL-St. Paul) said it was very unusual to honor birthdays of anyone from the Senate floor and made reference to the birthdates of other former presidents. He offered an amendment qualifying some of the statements in the original language of the resolution.

Bachmann argued against the amendment. She said it is the first anniversary of Reagan's birthday since his death and the resolution offers an opportunity for the people of the state to honor Reagan. Hottinger said, "There are many things to admire about President Reagan, but the resolution is too ideological."

The Cohen amendment was adopted. The resolution was approved on a 44-9 roll call vote.

Schedule available online

Next week's schedule is available online: <http://www.senate.mn/schedule/2005/0207.htm>

Committee update

Agriculture, Veterans and Gaming

Lottery Board creation okayed

The Agriculture, Veterans and Gaming Committee focused on several issues relating to the Minnesota State Lottery at the Mon., Jan. 31 hearing. The panel, chaired by Sen. Jim Vickerman (DFL-Tracy), began by hearing Clint Harris, director of the state lottery, present the Lottery Organization Task Force report. Harris said the 2004 Legislature created the task force to study and make recommendations regarding the future organization and profitability of the Minnesota State Lottery. The task force was charged with considering whether the lottery should be part of another state agency, be accountable to a new oversight board or commission, continue under its current structure or operate under some other structure, Harris said. In addition, the task force was asked to consider the

feasibility and desirability of measurable performance goals for the lottery, he said.

Harris said the task force recommends that the lottery not be merged with an existing state agency, that the lottery continue to be exempt from some of the restrictions imposed on other state agencies, and that the lottery and the Dept. of Finance continue to explore ways to improve the transparency and efficiency of the lottery's financial records and reporting. Harris said the task force also recommended the lottery continue its effort to be more accountable and fiscally responsible and that the Legislature establish a board to oversee the activities of the Minnesota State Lottery. Finally, Harris said the task force found that the Legislature should not establish performance goals for lottery proceeds and operations, but that the director of the lottery, in consultation with the Lottery Board, should include measurable performance goals in the lottery's annual strategic plan. The task force also pro-

vided recommendations on the proposed Lottery Board's membership, responsibilities and the powers and duties of the director, Harris said.

Members then turned their attention to S.F. 406. The bill, sponsored by Sen. Ann Rest (DFL-New Hope), is a response to the recommendations of the task force and establishes a State Lottery Board. Under the bill, a State Lottery Board consisting of seven members, appointed by the governor, is established to oversee the lottery. The bill specifies that one member be an attorney, one member have experience in marketing or advertising, one member be a licensed certified public accountant, one member have management experience in retail and three members have experience managing complex business enterprises or policy making experience in the public sector.

The bill requires the board to meet at least quarterly and allows meetings that relate to security, information security or evaluation of the director to be closed.



Senators Steve Kelley (DFL-Hopkins), left, and Mark Ourada (R-Buffalo) chat in the Senate Chamber. Photo by David J. Oakes

The bill outlines the responsibilities of the board and specifies the board make recommendations regarding the annual budget and proposed lottery rules, conduct annual performance reviews of the lottery director and make recommendations regarding the financial affairs of the lottery.

The measure also spells out conflict of interest provisions for board members. The measure also requires the board to contract for an annual audit of the lottery.

The bill was approved and advanced to the State and Local Government Operations Committee.

The final order of business was to approve the appointment of Harris as director of the Minnesota State Lottery. Harris was appointed in October, 2004, to replace acting Director Mike Vekich. Harris had been the director of the South Dakota Lottery. The appointment was approved and forwarded to the full Senate.

Animal agriculture report debated

Members of the Agriculture, Veterans and Gaming Committee devoted the Wed., Feb 2, meeting to a discussion of the governor's Livestock Advisory Task Force report on Minnesota's Animal Agriculture Industry Report. Perry Aasness, deputy commissioner, Dept. of Agriculture, reviewed the findings and recommendations of the task force. He said the task force found that a significant impediment to modernization and new investment in livestock operations is the lack of predictability and uniformity in the siting process at the local level. He said the task force recommends continuing the task force for the purpose of developing recommendations on ways to increase predictability and uniformity, while at the same time recognizing the role of local land use planning. The task force also recommends steps to improve the consistency, scientific basis, predictability and timeliness of the state's permitting and environmental review process for livestock operations while continuing Minnesota's leadership in protecting the state's natural resources, Aasness said. A third recommendation involves developing initiatives to provide tax credits and other financial incentives to assist livestock operations in modernizing and reinvesting in existing facilities, he said. He said the task force also recommends prioritizing resources and

increasing funding for research and education projects to improve the competitiveness of the livestock industry in the state. Finally, the task force recommended supporting legislation that strengthens Minnesota's Right-to-Farm Law and to support education and communication programs on the importance of animal agriculture to rural communities, he said.

The complete report may be found at: www.governor.state.mn.us/documents/MNAgricultureReport.pdf

The committee, chaired by Sen. Jim Vickerman (DFL-Tracy), also heard a presentation on a report by the Citizen Task Force on Livestock Farmers and Rural Communities. Paul Sobocinski, Land Stewardship Project, reviewed the findings of the report, "Creating a Bright Future for Livestock Farmers in Minnesota." Sobocinski said the recommendations concern ensuring fair prices and open markets, creating the next generation of livestock farmers, promoting livestock farming that benefits the environment and protecting rural democracy.

The complete report may be found at: http://www.landstewardshipproject.org/pdf/citiz_task_report.pdf

Commerce

SSN privacy measure advances

A bill prohibiting businesses from requiring consumers to disclose their Social Security numbers gained the approval of members of the Commerce Committee, Mon., Jan. 31. The panel, chaired by Sen. Linda Scheid (DFL-Brooklyn Park), sent the bill to the Judiciary Committee.

S.F. 204, carried by Sen. Mady Reiter (R-Shoreview), provides exceptions to the prohibition for businesses in the financial services industry, businesses providing credit to consumers and other businesses required by state or federal law to collect Social Security numbers. Deputy Sheriff Dan Ruettimann, Ramsey County, discussed the unique nature of identity theft and the threats identity theft poses to Minnesotans.

In other action, committee members also received an update on Dept. of Commerce operations from Commissioner Glenn Wilson.

Crime Prevention and Public Safety

CriMNet reviewed

Members of the Crime Prevention and Public Safety Committee and Public Safety Budget Division met Mon., Jan. 31, to receive an overview of the CriMNet system. The panels are chaired by Sen. Leo Foley (DFL-Coon Rapids) and Sen. Jane Ranum (DFL-Mpls.), respectively. CriMNet is an integration effort focused on providing accurate, comprehensive data to the state's criminal justice community.

Michael Campion, commissioner of public safety and chair of the CriMNet Policy Group said CriMNet has made some wonderful strides and there are many projects going on throughout Minnesota. "The partnership between the local law enforcement agencies and the state has never been stronger," Campion said.

Bob Johnson, executive director of CriMNet, said, "The Legislative Auditor's report noted that in 2003 and 2004 we had already made changes. We have taken the auditor's recommendations to heart," he said. We have developed the programs scope and we have developed a strategic program plan, he said.

A representative of CriMNet outlined past accomplishments, current status and future plans. He said good CriMNet results means the right information is in the hands of the right individuals in the right place at the right time.

More information about the program is available online:

<http://www.crimnet.state.mn.us>

Fire Marshal overview heard

Members of the Crime Prevention and Public Safety Committee and Public Safety Budget Division continued their series of joint hearings, Tues., Feb. 1, with an overview of operations in the State Fire Marshal Division, a unit of the Dept. of Public Safety. The panels are chaired by Sen. Leo Foley (DFL-Coon Rapids) and Sen. Jane Ranum (DFL-Mpls.), respectively.

The State Fire Marshal Division (SFMD) engages in statewide investigation, enforcement, regulation, emergency response, data collection and public education activities designed to promote fire safety, said Jerry Rosendahl, state fire

Committee update

marshal. Rosendahl reviewed the division's history and the governor's proposal to require tri-annual inspection of resorts, dormitories, bed and breakfasts and other facilities determined by the attorney general not to fall under current requirements. The proposal also involves establishing an inspection fee for the facilities and removing an exemption from inspection fees for hotels with fewer than 35 rooms and certain small resorts. Representatives of several fire-related groups spoke in support of additional SFMD funding. Bob James, Fire Marshals Association of Minnesota, said that as SFMD funding and services have declined, local agencies have either had to pick up the slack or let the services go unprovided.

Dave Thompson said small resort owners oppose the funding portion of the governor's proposal. We want to be inspected, he said, but it is unfair to ask us to pay twice for the services. Thompson, representing the Congress of Minnesota Resorts, said that when the SFMD was first established in 1905, one half of one percent of fire insurance premiums were required to be submitted to the state for the division's operations. State budget problems in the 1980s, Thompson said, shifted the revenue stream to the general fund and required SFMD to compete with other agencies for funding. If the premium percentage remained dedicated, he said, about \$6 million would be available for SFMD operations, while the current budget is just under \$4 million.

Members of the joint panel also heard an update on federal funds available for Minnesota's public safety efforts from Al Bataglia and Dan Johnson, both of the Division of Homeland Security and Emergency Management in the Dept. of Public Safety.

Sex offender sentencing reviewed

The Wed., Feb. 2, joint meeting of the Crime Prevention and Public Safety Committee and the Public Safety Budget Division was devoted to reviewing proposals concerning sex offender sentencing.

The panel, chaired by Sen. Leo Foley (DFL-Coon Rapids) and Sen. Jane Ranum (DFL-Mpls.) respectively, heard first from Senate Counsel Ken Backhus on the similarities and differences between House and Senate proposals from last year. He said both bodies developed comprehen-

sive sex offender legislation, but that nothing was enacted into law. Proposals from both bodies contained provisions requiring indeterminate sentences for certain sex offenders, created a new sexual conduct crime for predatory repeat offenders and increased statutory maximum sentences. The Senate proposal, unlike the House proposal, did not contain provisions for mandatory life without release sentences, did not provide for indeterminate sentences for first time offenders, did not create a separate entity to make release decisions for sex offenders and did not direct the Sentencing Guidelines Commission to make changes to the guidelines based on the changes in the bill.

Barbara Tombs, executive director of the Sentencing Guidelines Commission, reviewed sex offender sentencing trends. She said there were 607 offenders sentenced for criminal sexual conduct offenses in 2003. Tombs said there is a trend of fewer sex offenders being sentenced in recent years than in the early 1990s. In 2003, 93 percent of offenders sentenced for criminal sexual conduct offenses received sentences that included incarceration in state prison or local jail, Tombs said.

The commission recommendations recognize the public safety issue posed by sex offenders, strive to maintain the determinate sentencing structure, preserve truth in sentencing and base sentence lengths on a combination of presumptive sentences and statutory mandatory minimums, Tombs said. She said the recommendations include a new grid structure, propose increased weights for prior sex offenses when the current offense is a sex offense and make all failure to register offenses presumptive prison sentences due the mandatory minimum sentence of the offense.

Members also heard from members of the Governor's Commission on Sex Offender Policy. Eric Lipman, executive director, said the commission made recommendations regarding sentencing practices, supervision practices, civil commitment practices, offender health care practices, conditional medical release practices, variance and set-aside practices and funding issues.

In the area of sentencing practices, the commission recommends developing a blended determinate-indeterminate system for sex offenders, creating a Sex

Offender Release Board to determine when sex offenders should be released from prison, increasing the statutory maximum indeterminate sentence to life for those offenders with a prior history of criminal sexual conduct and increasing the penalty for indecent exposure to an unaccompanied minor from a misdemeanor to a felony. Esther Tomljanovich, commissioner chair, and members Jerry Soma, Gerald Kaplan and James Backstrom were on hand to answer question about the recommendations made by the commission. Backstrom said, "We believe this is a comprehensive approach to dealing with sex offenders and insuring the proper level of supervision throughout the state."

Early Childhood Policy and Budget Division

Budget overview

The Early Childhood Policy and Budget Division, chaired by Sen. John Hottinger (DFL-St. Peter), devoted its Tues., Feb. 1, meeting to a presentation on the governor's budget recommendations for early childhood education programs. Various Department of Education (DOE) officials spoke on how the recommendations affected certain areas of the department.

Under the budget plan, changes are proposed to four programs: early childhood health and development screening, school readiness, intensive English for refugees, and Adult Basic Education (ABE).

Karen Carlson spoke on changes to the first two programs. With regard to early childhood health and development screening, Carlson said, changes would lower the screening age to 3 so that there would be more time for intervention, if necessary, before kindergarten. Screeners would be reimbursed at the highest rate for 3 year olds, and a lower rate for 4- and 5- year olds. Carlson said she could not provide detailed comments on changes to school readiness because the department is still looking at language affecting the program.

A one-time allocation to intensive English for refugees is also in the budget. A DOE official said that \$2 million over the next two years would go to a competitive grant program to help non-English speakers. ABE, the final program targeted



Megan Multhaup (left), a senior biology major at St. Mary's University, Winona, explains the results of her research into oat-maize chromosome transgenics to Sen. Sandra Pappas (DFL-St. Paul). Multhaup was part of Minnesota Private College Scholars at the Capitol Day, Thurs., Feb. 3.

Photo by David J. Oakes

for changes, is set to lose money because of a reallocation of capped funds, said the same DOE official.

Child care assistance discussed

The governor's proposals for child care assistance funding were the focus of the Thurs., Feb. 3, meeting of the Early Childhood Policy and Budget Division. The panel, chaired by Sen. John Hottinger (DFL-St. Peter), reviewed the governor's recommendations and heard from representatives of various groups responding to the recommendations.

Commissioner Kevin Goodno, Dept. of Human Services, said the governor sought to contain costs while preserving a safety net. The governor and the agency, he said, kept an eye on making key

investments. Assistant Commissioner Chuck Johnson walked division members through the details of the governor's two budget proposals relating to child care assistance. One of the proposals is budget neutral and simplifies the financing of a small component of the Basic Sliding Fee Child Care Assistance Program. The main budget proposal freezes the maximum rate for child care assistance reimbursement for FY 06-07. Growth rates under current law are not sustainable, Johnson said, and the proposal seeks to rein in future growth by using a general inflator, rather than a market inflator, starting in FY 08. Ann Sessoms and Cherie Kotilnek, both department staff, provided a general overview of department child care basic sliding fee programs.

The interest group representatives who addressed the panel urged rejection of the governor's proposal. Ann Kaner-Roth, Child Care WORKS, said many families will forego child care because they cannot afford both the co-pay required under the child care assistance program and the rate differential required by many providers. The governor's budget makes the program less accessible and provides few incentives for providers to continue serving program beneficiaries, she said. Kaner-Roth said the state is containing its costs, but cannot contain the costs of the child care business. Tarryl Clark, Minnesota Community Action Association, said the proposal imposes long-term costs on parents, children, businesses and communities.

Committee update



Libby Rupp (left), her daughter, Isabella, and her husband, Chris, appear before the Health and Family Security Committee, Tues., Feb. 1, to share their story of the debilitating effect a vaccine containing mercury has had on their daughter. The committee was hearing proposed legislation banning the use of mercury as a preservative in vaccines, which, according to Rupp, continues to be a problem despite a federal ban.

Photo by David J. Oakes

Education

College credit programs discussed

Members of the Education Committee, chaired by Sen. Steve Kelley (DFL-Hopkins), devoted their Thurs., Feb. 3, meeting to an examination of programs providing college credit opportunities for high school students.

Joe Nathan, who directs the Center for School Change at the Humphrey Institute, spoke about the Post-Secondary Enrollment Options Program (PSEO). PSEO, which began 20 years ago, represents the Minnesota Legislature at its best, he said. Nathan cited a poll of students who have enrolled in PSEO that showed that more than 96 percent of participating students said they would choose the program again. The best way for PSEO to improve, said Nathan, is to increase public knowledge of the program.

Sen. Gen Olson (R-Minnetrasta) asked if college credit programs matched up with Minnesota's high school standards. Cyndy Crist, system director for P-

16 collaboration with MnSCU, said programs were still looking into that subject. Crist also said that MnSCU is discussing a dual-aligned mathematics test to match the PSEO classes with high school standards.

Susan Henderson and William Van Essendelft, both from the University of Minnesota, spoke on College in the Schools (CIS). There are no special funds earmarked for the program, said Henderson, so CIS is supported by the schools and a per course fee to students. Henderson said that schools, teachers, and students like the program because it provides a low-cost way for students to earn college credit in high school and offers professional development to teachers. Kelley said most of the classes offered were in language, and that there were none in math or science. Henderson said that labs and longer class times made it difficult to schedule science and arts courses.

Representatives from the Department of Education also spoke on advanced

placement (AP) course and the International Baccalaureate (IB) program.

Environment and Natural Resources

Land bills heard

Members of the Environment and Natural Resources Subcommittee on Public Lands and Waters met Mon., Jan. 31, to consider two bills for inclusion in the panel's omnibus bill later in the session.

The subcommittee, chaired by Sen. Tom Saxhaug (DFL-Grand Rapids) also heard a bill authorizing alternative investments of St. Louis County's environmental trust fund deposits. S.F. 418, authored by Sen. David Tomassoni (DFL-Chisholm), allows the county board to enter into an agreement with the State Board of Investment to invest all or part of the money in the fund. Tomassoni said the bill will allow a better return on the fund. Members advanced the measure to

the full Environment and Natural Resources Committee.

In other action, the subcommittee heard two additional bills. S.F. 182, sponsored by Sen. Don Betzold (DFL-Fridley), authorizes the transfer of property interest in Ramsey County. S.F. 390, authored by Sen. Brian LeClair (R-Woodbury), authorizes the private sale of surplus state land in Washington County. Both measures were laid on the table.

Ethanol bill approved

Postponing discussion on two other measures, the Environment and Natural Resources Committee, chaired by Sen. John Marty (DFL-Roseville), devoted its entire Wed., Feb. 2, meeting to consideration of S.F. 4. The measure, authored by Sen. Dallas Sams (DFL-Staples), increases the minimum ethanol requirement in gasoline to 20 percent by the year 2012.

There was extensive testimony on the bill, starting with officials from the Department of Agriculture (DOA) and the Minnesota Pollution Control Agency (MPCA). Early on, Senators posed questions about the impact of the legislation on energy and the environment. Sen. Sean Nienow (R-Cambridge) asked if increasing more ethanol would require more energy than the process created. A DOA official answered that the resulting ethanol would represent more BTUs (British thermal units) than those expended to produce it, thus making the process energy efficient. Nienow also asked if there would be an environmental impact if new ethanol plants burned other energy sources, such as coal, instead of gas to produce ethanol. David Thornton of MPCA said there would not be much difference to the environment.

Several individuals involved in ethanol production spoke in support of the bill. Bill Lee, general manager of Chippewa Valley Ethanol Company, told members that even though it would be expensive to build infrastructure and to educate consumers, E20 (the 20 percent minimum) was the proper model to adopt.

The Executive Vice-President of the American Coalition for Ethanol, Brian Jennings, said that Minnesota is a leader on the issue. Seven other states, he said, are looking to replicate Minnesota's 10 percent minimum plan. Jennings also said that S.F. 4 has plenty of time for automobile manufacturers and others who will be affected by the legislation to comply.

Dr. Joel Schwartz of the American Enterprise Institute was the first speaker who said he had concerns about the legislation. Schwartz, who holds a masters degree in planetary sciences, said ethanol increases ozone-forming emissions thereby harming air quality. "There's nothing in ethanol's chemistry that makes it some magical clean fuel," said Schwartz. He also said that ethanol is costlier than gasoline both to taxpayers because of ethanol subsidies and to consumers because of ethanol's lower fuel economy.

Representatives of several gas stations said they opposed the measure because the bill is a mandate that takes away choice from customers. Other groups said they opposed the warranty implications of the legislation. Representatives from the Alliance of Automobile Manufacturers and Flint Hills Resources said it would be costly to extend car warranties from E10 to E20, but Sams said the EPA was not going to let Minnesota have E20 without knowing that vehicles had the proper warranty for the fuel.

Senators approved the measure and sent it to the floor.

Environment, Agriculture and Economic Development Budget Division

DNR budget proposal examined

Deputy Commissioner Mark Holsten updated members of the Environment, Agriculture and Economic Development Budget Division on the governor's budget proposal at the Tues., Feb. 1, division hearing.

Holsten said the budget provides for a biennial general fund reduction of roughly \$11.6 million. He detailed the various program areas where the reduction will be made and the effects the reductions will have. He said the governor asked agencies to develop priority based budgets focused on the agencies' key missions. The mission of the DNR is to work with the citizens of the state to conserve out natural resource heritage and to provide for sustainable recreation and economic opportunities, Holsten said.

He said direct appropriation reductions include \$104,000 from the waters program area, \$2.374 million from forestry program areas, \$218,000 from fish and wildlife program areas, \$62,000 from ecological services program areas, \$1.282

million from enforcement programs and \$2.302 million in operations support program areas. Other reductions occur in open appropriations for lands and minerals programs and forestry programs, he said.

Holsten said the DNR is making changes to enhance its administrative efficiency and increase program accountability. Reductions are proposed, he said, in the areas of attorney fees, departmental fleet expenditures and office space operations. He said some of the reductions in the forestry program areas will be caused by the U.S. Forest Service taking the lead in wildfire response in the northeast blowdown area. In addition forestry assistance will no longer be provided to some local communities.

In addition, Holsten reviewed some of the projects under the Legislative Commission on Minnesota Resources.

Holsten also spoke on other budget items. One topic that generated discussion by division members was a recommendation that the appropriations from the general fund, natural resources fund and the game and fish fund used to fund administrative support services be redirected to the operating divisions of the agency. A total of \$10.9 million will be redistributed under the proposal. The panel, chaired by Sen. Dallas Sams (DFL-Staples), also discussed a recommendation providing increased appropriations from the game and fish fund to accelerate protection and restoration of prairie wetland habitat complexes and begin implementation of a comprehensive wetland monitoring program.

Holsten outlined a recommendation relating to water recreation funding levels and programs to manage invasive aquatic plants. He detailed the appropriation by fund to address the growing problems caused by invasive species and increased costs of public water access facility management.

The panel also discussed nongame wildlife education, information and promotion. Holsten said the budget contains many different change items to take advantage of increased education and information opportunities. He said more and more people are becoming interested in wildlife tourism, bird watching and wildlife photography and it is an opportunity to expand promotion of the Minnesota income tax non-game wildlife check-off. Also under the umbrella of ecological

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services, there is a request for a field position to provide technical assistance and analyze data for stream restoration projects.

Another initiative Holsten described involves establishing Critical Habitat Match license plates for recreational vehicles and recreation trailer owners. The existing program generates funds to protect critical habitat through a \$30 per plate contribution, Holsten said.

DNR budget review completed

Members of the Environment, Agriculture and Economic Development Budget Division wrapped up their examination of the governor's recommended budget for the Dept. of Natural Resources, Thurs., Feb. 3. Division Chair Dallas Sams (DFL-Staples) said the panel will take public comments on the budget after it has completed the overviews of all agencies under its jurisdiction.

Deputy Commissioner Mark Holsten and department staff reviewed the remaining change items in the budget proposal. Among the proposals gaining the most attention from division members was a proposal to capture 20 percent of revenue produced from the mining of state-owned metallic minerals to fund the cost of mineral management activities. The captured dollars are placed in a new fund, under the proposal, and the fund's balance is capped at \$3 million. Sen. Thomas Bakk (DFL-Cook) said he would be more comfortable with the concept if the funds were targeted at specific projects. Bakk also raised concerns about taking money from other dedicated funds.

A proposal to charge a \$2,000 application fee to individuals seeking a private easement on public lands also caught Senators' attention. William Brice, DNR Lands and Minerals Division, said the easements have no public value, but are useful only to the individual requesting the easement. He said certain costs included in inspecting public land before an easement is granted are fixed, and thus a progressive schedule is not appropriate. The department only receives about 10 requests for private easements each year, Brice said.

The governor also recommends a new fee of \$20 per million gallons of water used per month in the summer months, beyond what a municipality uses in the winter months. The fee is used to evaluate the effects of increased water costs and to

enhance departmental programs focused on water sustainability and conservation planning, said Joe Gibson, DNR Waters Division. Several Senators, however, said it seemed unfair to communities and property owners, who will likely see the fee passed on to them as property tax increases.

Complete budget documents for the department are available online: http://www.budget.state.mn.us/budget/operating/200607/gov_rec/dnr.pdf

Health and Family Security

Mercury effects discussed

The Health and Family Security Committee, chaired by Sen. Becky Lourey (DFL-Kerrick), and the Environment and Natural Resources Committee, chaired by Sen. John Marty (DFL-Roseville), held a joint meeting Tues., Feb. 1. The committees heard testimony on the effects of mercury in the environment. Afterwards, the Health and Family Security Committee met independently to consider a bill on mercury in vaccinations.

Dr. David Wallinga of the Institute on Agriculture and Trade Policy began the meeting with a presentation on mercury and the substance's health effects. Mercury, a toxin found in human blood, poses the greatest health risk to pregnant women and children, he said. Most people are exposed through fish consumption, but, Wallinga noted, exposure can also result from working with wastewater, handling materials in school labs, breathing elemental mercury, or using certain products that contain mercury. Rita Messing of the environmental health division also spoke and presented the method MDH uses to calculate its recommendations for "safe" mercury doses.

Following Wallinga and Messing, the joint meeting adjourned and the Health and Family Security Committee reconvened. Lourey then presented S.F. 639, a bill eliminating mercury from vaccinations in Minnesota. The measure requires immunizations administered in Minnesota not to contain mercury or, if no mercury-free immunizations are available, then to administer those with the least amount of mercury. The bill also requires an annual status report on the availability of mercury-free vaccines.

Dr. Boyd Haley, University of Kentucky, spoke in support of the bill. He

said mercury exposure can have a variety of effects depending on the length of exposure, the type of mercury, and the genetic composition of the individual. However, the level of mercury in immunizations children receive, said Haley, could harm them.

Several parents of children with medical problems due to mercury exposure through vaccinations also testified in support of the bill. A.J. Paron-Wildes, a mother whose son was exposed, summarized her purpose in speaking. "We're not here because we want you to help us," she said, "We're here because we want you to help us stop what's happening."

Kris Ehresmann from the Minnesota Department of Health (MDH) spoke for the department regarding the bill. Ehresmann said she sympathized with the parents but stated that MDH had serious concerns about S.F. 639. Diane Peterson of the Immunization Action Coalition also testified in opposition to the measure. She said there was a lack of epidemiological studies showing that vaccines with mercury posed a serious threat and asked Senators not to make the vaccination process more complicated by including this requirement on a non-issue. Anne Hoxie, a public school nurse from St. Paul, said she was worried that additional barriers to immunization could negatively affect students.

Sen. Brian LeClair (R-Woodbury) said he was not sure there was enough evidence to warrant any action. He also cited a CDC report saying that thimerosal, a preservative containing mercury, had already been eliminated from childhood vaccines. Sen. Linda Berglin (DFL-Mpls) inquired as to the fiscal impact of the legislation on MDH. Ehresmann responded that while the department already does much of what is requested in the bill, current funding would not cover all the costs of the bill.

As time ran short, Lourey proposed to lay the bill on the table to provide time for further discussion.

Bills eliminating liens approved

Three bills regarding estate recovery from Medical Assistance (MA) recipients provided the focal point for the Health and Family Security Committee's Thurs., Feb. 3, meeting. The panel, chaired by Sen. Becky Lourey (DFL-Kerrick), approved all three measures.

S.F. 175, authored by Sen. Rod Skoe (DFL-Clearbrook), and S.F. 154, authored by Sen. Dennis Frederickson (R-New Ulm), are identical bills. Both specify the repeal policy enacted in 2003 that extends a deceased's interests to life estates or joint tenancies for the purpose of MA costs recovery. Many farm families have been adversely affected by the legislation, said Skoe. He also said that the 2003 legislation was made retroactive, establishing a 20 year look-back period for farms while stocks only have a 3 year look-back. Sen. Linda Higgins (DFL-Mpls) said, "Because this business is somehow related to land, it's treated differently."

Sen. Brian LeClair (R-Woodbury) said that if the state can recover the costs paid for those who have assets, then the state should look into doing so. LeClair also said he would be interested in looking into equalizing recovery to include all recipients with assets to make the system fairer.

Senators approved S.F. 175 and re-referred it to the Finance Committee.

Frederickson then presented S.F. 154, identical to S.F. 175. Although Frederickson said he was happy the legislation would continue and was fine with having Skoe's bill move on, members approved S.F. 154, too, and sent it to the Finance Committee.

Sen. Linda Berglin (DFL-Mpls) presented the final bill. S.F. 254 does three things, said Berglin. The first two provisions restore funding cut in the 2003 legislative session to recipients in MFIP and public housing programs, she said. The final part of the bill, Berglin continued, is similar to Skoe and Frederickson's bills, but includes Alternative Care (AC) recipients along with MA recipients. Berglin said the funding mechanism for the bill is closing a corporate tax loop-hole.

Senators approved the measure and re-referred it to the Taxes Committee.

Health and Human Services Budget Division

Budget proposal examined

The Health and Human Services Budget Division, chaired by Sen. Linda Berglin (DFL-Mpls) met Mon., Jan. 31, to hold the first in a series of discussions regarding the governor's budget proposal.

Department of Human Services Commissioner Kevin Goodno presented the overview. He said that health and human services costs are projected to increase by 19 percent, or \$1.4 billion, over the next biennium, and that the governor's budget provides an increase of 15 percent, or \$1.1 billion. Approximately 25 percent of the \$1.1 billion comes from the general fund, said Goodno. He said the budget reflects the priorities of protecting vulnerable populations in the state, meeting statutory requirements, providing core services, and reducing growth in costs.

Goodno said the proposal saves money in certain areas. According to Goodno, budget savings arise from a 5 percent decrease in hospital rates, a reduction in eligibility for adults on

MinnesotaCare (MnCare), and a cap on existing maximum rates for childcare. Goodno also highlighted new initiatives in the budget to combat homelessness, improve forensic care, and invest in infrastructure.

In many instances, said the commissioner, increased costs are offset by increased fees. The budget also appropriates money from the health care access fund, said Goodno. Sen. Becky Lourey (DFL-Kerrick) said that the revenue in the fund was generated by a tax on providers who originally went along with the tax thinking that it would be used to fill gaps in Minnesota healthcare. Sen. Yvonne Prettner-Solon (DFL-Duluth) said that the money should be used for its intended purpose.



Allan Jarchow, of Harris, expresses his concerns about potentially losing his family farm due to recent changes in law. Jarchow, addressing members of the Health and Family Security Committee, Thurs., Feb. 3, said legislation enacted in 2003 might lead to having a lien placed on his property should he require alternative care.

Photo by David J. Oakes

Committee update

Budget overview continues

The Health and Human Services Budget Division, chaired by Sen. Linda Berglin (DFL-Mpls), continued consideration of the Department of Human Services (DHS) budget at its Tues., Feb. 1, meeting.

Senators began by taking a more in-depth look at savings measures. Chuck Johnson of Children and Family Services provided an overview of two of the proposals. The first is a two-year delay in regional projects of the Children and Community Services Act grant program. The delay, which accompanies a reduced appropriation, will save the state \$50 million over the next biennium, said Johnson. Johnson also spoke on a freeze on the maximum rates paid to child care providers under the Child Care Assistance Program (CCAP). The rate freeze maintains rates effective from July 1, 2003 until July 1, 2007.

Loren Coleman, assistant commissioner for continued care, presented a funding increase for nursing facilities. The budget contains a 2 percent increase in nursing facility care and proposes more increases over the next decade, he said. Coleman also said that there will be a transition to a new reimbursement system, the details of which will be refined by a development committee.

Assistant Commissioner Brian Osberg addressed how the Medicare Modernization Act (MMA) and Medicare Part D will affect the state's budget. According to Osberg, states will play a significant role in MMA because the program includes much higher co-pays and does not cover certain over-the-counter medications. In terms of integrating the federal initiative with state programs, Osberg said Minnesota will eliminate Medical Assistance (MA) coverage for those covered by Part D, will provide assistance to those not covered by Part D, and will automatically enroll citizens who are dually eligible in the appropriate program.

DHS officials said they were concerned about the influx of calls the department will likely receive as a result of confusion regarding the new program. The department expects more than 100,000 callers and anticipates that each will need approximately 2 hours of service. Osberg said DHS would need to recruit about 250 volunteers to help with the volume of calls.

Osberg explained that four priorities helped to shape the budget: the reduction and elimination of healthcare disparities, the improvement of program integrity, the improvement of program efficiency, and the better management of healthcare expenses. "We want a single Minnesota healthcare program with different levels of eligibility," Osberg said.

Jobs, Energy and Community Development

Conservation report examined

The Jobs, Energy and Community Development Committee, chaired by Sen. Ellen Anderson (DFL-St. Paul), devoted its Mon., Jan. 31, meeting to hearing a report on the Conservation Improvement Program (CIP).

The report, presented by John Patterson of the Legislative Auditor's Office, examined four aspects of the program: cost effectiveness, the further potential of CIP, the effect of state law on conservation, and the quality of the Department of Commerce's (DOC) oversight of the program. Patterson also provided an overview of how CIP functions. He said utilities contribute a percentage of their revenue to the program, an amount that was roughly \$91 million in 2003. The utilities then submit biennial plans funding cost-effective conservation projects for approval by the department.

Patterson said the report showed that CIP was a cost-effective program that could still be improved. Some potential improvements, he continued, could include switching from a two-year to a four-year filing plan, increasing departmental scrutiny of the program, and addressing problems in benefit-cost calculations used in program evaluation. Patterson said that CIP has the potential to reduce Minnesota's electricity needs by 10 to 20 percent and Minnesota's natural gas needs by 15 to 30 percent over the next decade.

Deputy Commissioner Edward Garvy praised the report as thorough, effective, and useful, calling it "very good feedback." He further said that as a result of the report, the department will probably seek authorization to shift CIP filings from every two years to every four years, as well as looking into the report's other recommendations.

Before the end of the meeting, Anderson announced the formation of four subcommittees. They will address economic development and tourism, energy, housing, and telecommunications and technology and will be chaired by Sen. Thomas Bakk (DFL-Cook), Sen. Gary Kubly (DFL-Granite Falls), Sen. Scott Dibble (DFL-Mpls), and Sen. Steve Kelley (DFL-Hopkins) respectively.

Energy, telecom discussed

Members of the Jobs, Energy and Community Development Committee met Wed., Feb. 2, to discuss energy and telecommunications issues with members of the Public Utilities Commission. The commission resolves party-to-party disputes, establishes broad industry rules and policies, provides a public forum to examine regulatory policies and mediates consumer complaints about regulated telecommunications and energy service providers.

PUC Chair Leroy Koppendrayner and Commissioner Phyllis Reha discussed recent commission activity and future challenges with committee members, chaired by Sen. Ellen Anderson (DFL-St. Paul). Among the issues discussed were energy transmission and production and the rapid pace of technological changes in regulated industries.

Judiciary

Mental health court reviewed

Hennepin County's innovative mental health court was the focus of the Tues., Feb. 1, meeting of the Judiciary Committee. Chair Don Betzold (DFL-Fridley) noted that while the court deals with criminal offenders, the mental health court concept involves many cross-jurisdictional issues, including civil commitment.

County Attorney Amy Klobuchar said prosecutors, judges and public defenders noted a trend of many low-level criminal offenders cycling in and out of court. A team of interested parties, including criminal justice and human services agencies, worked together to develop the mental health court concept, she said. Mental health court saves system costs, helps defendants improve their lives and break the criminal cycle and protects public safety, Klobuchar said. She said the court is limited to non-violent offenders,

usually ones accused of committing property crimes.

The mental health court's presiding judge, Richard Hopper, said the court uses a three step process: evaluating a defendant's condition, developing a plan for the defendant, with a mental health screener and a case manager, and implementing the plan. He said defendants are referred to mental health court from criminal court only after the prosecutor and defense attorney agree to the referral. The court has been operating for just over 18 months, he said, and has handled 274 cases. Hopper said interested parties are evaluating the court's results. An initial study shows a 70 percent success rate, but a long-term study is focused on finding ways to improve results, he said. Court and county officials are seeking to take the mental health court from a pilot project to a permanent institution, he said. Hopper said Hennepin County also works closely with other counties to process cases, because many mental health court defendants have histories or pending cases in other counties.

K-12 Education Budget Division

Reform discussion continues

Members of the K-12 Education Budget Division, chaired by Sen. LeRoy Stumpf (DFL-Plummer), continued their examination of the Education Finance Reform Task Force report, Tues., Feb. 1, with a discussion with members of the professional judgment panel used by the task force.

Budget proposal reviewed

Members of the K-12 Education Budget Division devoted the Wed., Feb. 2, meeting to a review of the governor's budget proposal. Commissioner Alice Seagren outlined some of the policy provisions and Tom Melcher, Dept. of Education, guided members through some of the details of the proposal.

Seagren said the budget plan provides a 2 percent formula allowance—from \$4,601 to \$4,693 per pupil. In addition, the plan details alternative compensation revenue or "Q Comp," Seagren said. She also outlined a high school initiative that includes an education planning and assessment system and a college level examination program.

Melcher provided more detail on the overall 2 percent formula allowance. The total cost is \$72 million, Melcher said. He also said the plan provides a transition levy for pre-K programs such as the High 5 program and provides compensatory revenue for Hmong refugees arriving after Oct. 1, 2004. Other changes include delinking compensatory, sparsity and transportation sparsity from the formula allowance, but funding the aids as if they were not delinked with the 2 percent inflation adjustment, Melcher said. He also said the proposal also provides for a repeal of the January 15 contract deadline and associated penalties.

Seagren outlined the alternative compensation revenue proposal or "Q comp." The requirements include multiple career paths, instructionally-based accountability, professional compensation, ongoing professional growth and the alignment of staff development plan and set aside, she said. Melcher said the funding formula is \$225 times the prior fiscal year October 1 enrollment with a statewide limit of \$16.7 million.

Melcher said the governor is recommending some changes to make the general education revenue more transparent. The recommendations include eliminating the grade level pupil weights, eliminating marginal cost pupil units, funding based on unweighted current year ADM and eliminating and adjusting for changes in pension contribution rates. He said the proposal establishes separate formulas for cost factors such as declining enrollment aid and secondary education aid. Melcher said the 2 percent increase in the first year and 2 percent the second year in the basic formula provides a \$100 increase in the first year and \$102 the second year. The formula allowance is \$4,986 the first year and \$5,188 the second year.

The governor's proposal also recommends replacing miscellaneous levies with a \$150 per pupil discretionary levy, Melcher said. He said the governor's instructions were to simplify the revenue process. The proposal also makes recommendations regarding referenda. Under the plan, referendum allowances would be adjusted for changes in pupil unit calculations, the standard referendum cap would increase from 18.6 percent to 28 percent of the formula allowance, the cap for 1994 grandfather districts would continue to increase and the tier 2 equalization would

be extended to 28 percent of the formula allowance. Equity revenue changes include a single statewide formula, no flat allowance and allocation of fund on a sliding scale, up to \$101 per pupil, Melcher said.

Other general education revenue changes, Melcher said, include an update of the transportation sparsity formula for FY 03 data, the addition of 2 percent inflation on delinked formulas, recalculation of transition revenue to guarantee a minimum increase of \$199 per pupil over the amount the district would have received in FY 07 from formulas in effect for FY 06. He said the changes in reserve requirements eliminate the requirement to reserve revenue for learning and development and allow districts to count expenditures from staff development reserve balances to the 2 percent staff development set aside requirement. Finally, special education funding provides an increase by 4 percent in FY 07 and 4 percent in FY 08 that is funded with equalized levy, which is subject to a reverse referendum, Melcher said. In addition, the plan provides for simplified and standardized special education tuition billing, he said.

State and Local Government Operations

Two bills advanced

Two bills gained approval when the State and Local Government Operations Committee, chaired by Sen. Linda Higgins (DFL-Mpls), met Mon., Jan. 31.

Sen. Jim Vickerman (DFL-Tracy) carried the first bill, S.F. 482. The measure appropriates \$1.2 million, \$600,000 in FY 2006 and FY 2007 respectively, for local planning by regional associations. The bill specifies that funds will be distributed through grants of \$50,000 to regional development commissions or, if the area does not have a commission, to regional organizations as selected by the commissioner of the Department of Administration. Under the bill, the grants will not be available until they are matched on a dollar-for-dollar basis from non-state funds.

Sen. Gary Kubly (DFL-Granite Falls) said the regional development commission model works well in deep rural areas. The bill also has bipartisan support, said Sen. David Tomassoni (DFL-Chisholm).

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The committee approved the measure and re-referred it to the Finance Committee.

The second bill to advance was S.F. 310, authored by Tomassoni. A clarification of statutory language, S.F. 310 allows townships not to spend more than they have, said Tomassoni. Senators quickly approved the bill, which had passed the floor 61-0 in the previous session, and sent it to the Tax Committee.

Annexation issues discussed

Members of the State and Local Government Operations Committee met Wed., Feb. 2, to review issues related to annexation. Committee Chair Linda Higgins (DFL-Mpls.) said the panel should prepare to hear several annexation-related bills throughout the session. Many of the issues related to annexation include environmental concerns, services provided to residents, development and taxation.

Sara Erickson, Minnesota Association of Small Cities, and Kent Sulem, Minnesota Association of Townships, reviewed the activities of interested parties after the end of last year's session. Sulem said the

various associations representing cities and townships agreed to meet with a mediator to seek a solution. Unfortunately, he said, the parties reached an impasse and have decided to seek resolution through legislation. Kari Thurlow, representing the Coalition of Greater Minnesota Cities, and Craig Johnson of the League of Minnesota Cities provided committee members with the city perspective on annexation, while Sulem provided the township perspective.

State Government Budget Division

Gambling topics reviewed

Members of the State Government Budget Division met Tues., Feb. 1, to review the operations and budgets of several gambling programs. The panel, chaired by Sen. Sheila Kiscaden (IP-Rochester), heard from representatives of the Minnesota State Lottery, the Minnesota Racing Commission and the Gambling Control Board. In addition, the division heard from Paul Erickson,

executive director, Amateur Sports Commission.

Newly appointed Executive Director Clint Harris began by outlining the operations of the Minnesota State Lottery. Harris said the Minnesota State Lottery oversees several types of lottery games ranging from scratch games to the multi-state Powerball. Harris said total sales in FY 2004 amounted to \$387 million. He said the state received \$100.7 million, retailers received \$22.9 million, prizes amounted to \$225.5 million and administration and the costs of goods amounted to \$38.1 million of the total revenue. Of the net proceeds of lottery contributions to the state, 60 percent goes to the general fund and 40 percent goes to the environment and natural resources trust fund.

Harris also highlighted some of the events of the last year, including a legislative audit, creation of strategic and marketing plans and a record \$101 million in proceeds to the state. The lottery has 144 permanent employees, which is down 25 percent since 2000, Harris said. He said there are four regional offices and



Fourth grade students from Snail Lake Elementary School in Shoreview wave American flags as they sing "You're a Grand Old Flag" during their performance in the Capitol Rotunda, Wed., Feb. 2.

Photo by David J. Oakes

that the lottery has an operating budget of \$27.4 million.

Kiscaden asked Harris to review the recommendations of the Lottery Task Force, created last year in response to the Legislative Auditor's report. Harris said one of the main recommendations is that the Legislature establish a board to oversee the activities of the Minnesota State Lottery. The task force also provided recommendations on the proposed Lottery Board's membership and responsibilities and the powers and duties of the director, Harris said.

Members also heard from Richard Krueger, executive director of the Minnesota Racing Commission. Krueger said the commission regulates horse racing in Minnesota, supervises pari-mutuel betting on horse racing, issues licenses, sets the number of racing days and enforces all laws and rules governing horse racing. Krueger also spoke about the revenue raised by Canterbury Park's Card Club.

Tom Barrett, executive director, Gambling Control Board, also spoke to the panel. Barrett said the mission of the board is to educate and regulate the lawful gambling industry to ensure the integrity of operations and provide for the lawful use of net profits. He also clarified what is included under the Gambling Control Board. He said the five forms of lawful gambling are pull-tabs, raffles, bingo, paddlewheels and tipboards.

Finally, the board heard from Paul Erickson of the Amateur Sports Commission. He said the governor is recommending a 40 percent cut of the agency's budget and a reduction of the complement from six to three. However, he said the agency has already undertaken changes to allow the commission to operate within the governor's recommendation. Erickson said the National Sports Center in Blaine is entirely self-supporting. The commission also oversees the Star of the North Games, which attracts 9,000 athletes from all over the state, he said. The commission's goals, Erickson said, are to create economic impact development through amateur sport by developing annual sport events, camps and programs, by attracting major sporting events to Minnesota and by assisting Minnesota communities in developing local sports tourism. In addition, the commission also seeks to create the maximum opportunity for sport

participation for all Minnesotans, Erickson said.

State pension funds reviewed

State pension funds were the subject of the State Government Budget Division Wed., Feb. 2, meeting. Chaired by Sen. Sheila Kiscaden (IP-Rochester), members heard presentations on the history of the state's pension funds as well as overviews of three funds from their respective executive directors.

Larry Martin, of the Pension Commission, began with an outline of the role of his organization. The commission, which provides recommendations on pension legislation, is comprised of five Representatives and five Senators. He said committee members Sen. Geoff Michel (R-Edina) and Sen. Cal Larson (R-Fergus Falls) both currently serve on the commission.

Minnesota has the second highest number of public pension plans in the country, Martin said. Most of the plans, he continued, are derived benefit plans, in which a formula utilizing years of service and salary determines payment, as opposed to derived contribution plans such as 401Ks. According to Martin, Minnesota uses derived benefit plans to appeal to new employees, retain current employees, and transition out employees near the end of their careers.

He introduced three funds under which pensions are administered: the Minnesota State Retirement System (MSRS), the Public Employees Retirement Association (PERA), and the Teacher Retirement Association (TRA).

Mary Vanek, PERA executive director, said PERA covers about 151,000 workers in city, county and non-teaching school district positions. The fund is the only one of the three not to reach 100 percent funding, but, said Vanek, contributions rates are still good. David Bergstrom and Gary Austin, executive directors of MSRS and TRA respectively, both said their funds had reached 100 percent funding levels in the past but were currently just under that figure. All three speakers presented proposals for their corresponding pension programs that increased both employee and employer contributions.

The three also presented a joint proposal for the three plans that guarantees a 2.5 percent inflation increase and implements a 5 percent cap on increase

for payments from the Post Retirement Fund. Austin said the idea received positive responses from the governor, many members of the Legislature, and those participating in the program. The minimum and cap would control unusually high or low payment adjustments that were seen in the late 1990s and early 2000s, said Austin.

Tax

Property tax freeze discussed

Members of the Tax Committee met Tues., Feb. 1, to consider a proposal freezing property taxes until the state increases the amount of aid it provides to local taxing jurisdictions, including counties, cities and school districts. The panel took no action on the measure, S.F. 318, carried by Committee Chair Lawrence Pogemiller (DFL-Mpls.).

This is not a real no new taxes state, Pogemiller said. Property taxes are going up, he said, when valuations rise, when a new building is built and when rates go up. Pogemiller said the bill represents an issue of fairness. The state must decide who is going to pay when taxes go up, he said. The last few years have shown a shifting of the burden onto homesteads and off of commercial property, Pogemiller said. There is a relationship between state decisions and local taxes, he said, though it is not a one-to-one relationship. Some portion of local property tax increases are due to state action, he said.

Committee members heard from several representatives of local governments and government associations. Jeff Van Wychen, Property Tax Study Group, said local property taxes are rising because of cuts in state aid. Steve Larson, mayor of New Brighton, said he has mixed feelings about S.F. 318. "I agree with the point, but I am concerned about the mechanism," he said. The League of Minnesota Cities opposes the bill, said Gary Carlson. The League supports restoration of local government aid, but opposes a property tax freeze, he said. Carlson suggested giving cities broader access to fees and local sales taxes, increasing state aid paid to cities and modifying property tax relief programs, such as the circuit breaker and renter's credit. Cities have to make very hard decisions without more revenue, Carlson said, and face many of the same cost drivers as the state, including growing

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methamphetamine abuse, rising fuel costs and escalating health premiums for employees.

Keith Carlson, Metro Inter-County Association, said the state requires counties to provide certain services, either by direct mandates or as the result of state policy decisions, such as lowering the per se limit for DWI offenses to 0.08. At the same time, he said, the state has reduced the funds available for counties to provide the full range of services they must. The counties view the bill as more of the same, he said, more micro-management, more meddling by the state and more restrictions on the counties' revenue raising ability.

Grace Schwab and Tom Deans, both of the Minnesota School Boards Association, discussed the unique revenue-raising challenges faced by school districts. School boards cannot raise revenue without going to the voters, they said, and already-approved referenda may not be allowed to take effect under the bill. Homeowners will be disappointed that they do not have the option to increase their own taxes to support schools, Deans said.

Compliance efforts considered

Activities of the Dept. of Revenue focused on improving tax compliance were the focus of the Wed., Feb. 2, meeting of the Tax Committee. The panel is chaired by Sen. Lawrence Pogemiller (DFL-Mpls.).

Commissioner Dan Salomone said the department places a high premium on compliance. More than half of the department's resources are focused on direct compliance activities, while the remainder of the department's work has compliance woven into its fabric, he said. Salomone and Deputy Commissioner Dennis Erno reviewed the latest compliance gap study, an effort undertaken by no other state so far. The study shows an 11 percent gap in compliance in both the individual income tax and sales and use tax areas, Salomone said. The bulk of the income tax gap is found in non-wage income, he said. Erno noted that non-wage income cannot be verified by checking filings from other parties, making enforcement more difficult.

A large portion of the sales and use tax gap, according to the study, is from non-filers, especially Internet and catalog purchases by individuals. Any time the

responsibility for a tax moves away from retailers to buyers, Erno said, noncompliance increases. The main point of the streamlined sales tax project, he said, is to provide a convenient, efficient way for retailers without a physical presence in Minnesota to collect sales and use taxes owed in the state. Erno said estimates indicate the tax gap attributable to Internet and catalog purchases will grow to \$334 million in 2007, from \$75 million in 2000.

Three tax compliance efforts in FY 02-03 brought in over \$97 million in revenues, said Director of Financial Report Dan Ostdiek, a return on investment of about 10 to 1. An ongoing effort for FY 04-05 has seen a return of about 8 to 1 so far, he said, with only half the appropriation expended. Ostdiek said Iowa is engaging in a similar compliance initiative and is seeing similar results. Sen. William Belanger (R-Bloomington) said the compliance initiatives have been significant revenue producers. However, he expressed concerns that the department faces a revolving door of staff. Auditors in the State Auditor's Office earn more than revenue auditors, Belanger said, but create no revenue for the state. Salomone and Erno said the problem is being addressed. The department's salaries are quickly being proved obsolete, Salomone said, especially for entry-level accountant positions. Erno said the department is taking a four-pronged approach to employee retention, including providing competitive compensation, recognizing and rewarding staff, providing growth opportunities and ensuring a high-quality work environment.

Transportation

Funding plans discussed

Members of the Transportation Committee met Tues., Feb. 1, to review transportation funding proposals put forth by the Association of Minnesota Counties and the Minnesota Chamber of Commerce. The panel, chaired by Sen. Steve Murphy (DFL-Red Wing), heard the presentations then asked questions about the details involved in raising revenues under the two proposals.

Carol Lovro and Commissioner Dennis Fink, representing the Association of Minnesota Counties (AMC), began the discussion. Fink said the association is

proposing a transportation funding package that increases revenue resources for transportation and transit to meet the association's target of \$1 billion new federal/state/local dollars. The elements used in the AMC plan include both hard and soft dollar amounts, Lovro said. In addition, she said many recent proposals indicate that the cost of unmet state and local transportation and transit needs range from \$650 million to \$2 billion per year for 10 years. The AMC funding package proposes a five cent per gallon gas tax increase in the first year, another five cent increase in the second year and an indexing of the gasoline tax thereafter, she said. The proposal also includes a half-cent regional transit district sales tax. Under the plan, there would also be a combination of a local county option wheelage fee and registration fee increases. The plan calls for a renewed commitment to the state bridge bonding program, authority for local governments to use road impact fees, new state bond appropriations, greater efficiency in current operations and leveraging new federal funds.

Carolyn Jones presented the funding proposal from the Minnesota Chamber of Commerce. Minnesota Moves is a proposal of the chamber and reflects a business vision for the future of transportation in the state, Jones said. She said the economic vitality of all Minnesotans depends on an integrated and well-funded transportation/transit network. Minnesota Moves proposes to accomplish an integrated, well-funded network by targeting priority projects across the state, she said.

Jones said numerous studies have documented the shortcomings in Minnesota's transportation network, but Minnesota Moves seeks to accelerate major transportation projects that remain unfunded in both the Metro Area and Greater Minnesota by raising approximately \$6 billion in the next 10 years. Jones said the plan will cost the average Minnesota driver about \$24 more annually in gasoline taxes. A key part of the plan is a constitutional amendment to dedicate 80 percent of the motor vehicle sales tax (MVST) for transportation and to increase the fuel tax by five cents, Jones said. In addition, the plan provides for the issuance of \$150 million in trunk highway bonds, dedication of the first \$160 million of new federal funding under the Transportation Equity Act Reauthori-

zation bill and use of the first \$130 million of the bonding bills in FY 2010, FY 2012, FY 2014 and FY 2016 for transportation, she said.

Several members said it was not necessary to use a constitutional amendment as a vehicle for increasing the gasoline tax. Murphy said he thought there were items in all the proposals that will be in the final transportation funding bill.

Funding proposals discussed

Two transportation funding proposals were the focus of discussion at the Thurs., Feb. 3, meeting of the Transportation Committee.

Margaret Donahoe, representing the Minnesota Transportation Alliance, presenting the alliance's funding proposal. Donahoe said the Minnesota Transportation Alliance estimates \$1.44 billion per year in unfunded transportation needs. She said major needs include Metro Area bottlenecks and major river crossings, Greater Minnesota interregional corridors and maintenance. Other needs include transit, local roads and bridges and ports and waterways, Donahoe said.

The alliance recommends a 6 cent per gallon motor fuels tax and the indexing of the tax, Donahoe said. She said the alliance also recommends increasing the license tab fees, authorizing local fees and taxes, increasing bonding and supporting FAST lanes. The proposal would raise \$948 million annually, depending on local option revenues, Donahoe said. She said the proposal also incorporates a new county/state aid highway formula for new money. The proposal funds the local road improvement program and the local bridge program and creates a right-of-way acquisition fund for Greater Minnesota.

Cindy Shore, a resident of Monticello whose daughter was killed in a car accident also spoke to the panel. "I come before you to increase your awareness of the need for improved roads, particularly the county roads," Shore said. She said there was a significant drop-off between the roadway and the gravel alongside the roadway that made it difficult to maintain control of the car her daughter was driving. The conditions of the roadway contributed to the accident, Shore said.

The committee, chaired by Sen. Steve Murphy (DFL-Red Wing), also heard from a representative of the Itasca

Project, an employer-led project to drive regional efforts to keep the Twin Cities' economy and quality of life competitive with other regions. Jay Cowles said the Itasca Project is comprised of more than 40 community leaders, including CEOs, elected officials and education leaders, who identify priority economic and quality of life issues for the region.

Cowles said "Transportation is one of six Itasca Project priorities. We support creation and implementation of a broadly supported, comprehensive regional transportation plan." He said the organization collected information and engaged the public in dialogue about transportation strategy. "We are not going to present an entire funding proposal," Cowles said, "Instead we want to focus on a broad set of criteria for transportation options." He said the organization created "goMinnesota," which is a public engagement campaign to accelerate the state into action for better transportation options.

He said the Itasca Project members believe a strong transportation bill should include maximum efficiency and innovation within the current system to ensure any new investments are as cost-effective as possible. In addition, the bill should include an aggressive investment program for roads and transit to meet congestion growth head on and support continued economic development, Cowles said. Finally, the bill should include a funding solution that is adequate, responsible and taps transportation related sources.

Sen. Dean Johnson (DFL-Willmar) said the ideas were valuable, but the issue comes down to lack of resources. He said the Legislature and the governor must be able to adequately fund the transportation system in the state. Johnson called upon Cowles and his organization to encourage the House, the governor and the Senate to come up with the resources to fund transportation. "I can think of no other issue, other than balancing the budget, that is more important," Johnson said.

Sen. David Senjem (R-Rochester) said the governor has made a good start on the transportation problem. He said the most recent budget proposal is a good step and that the governor should be given credit for moving forward during some of the worst economic times in recent years.

MyBills system available

The MyBills personalized bill tracking system is now available. Users can add House and Senate bills to their lists by bill number, subject, or author, and view the legislative status of their bills, with items with significant current floor action highlighted. Users can modify their lists at any time. The MyBills system is available from the Legislative website at: <http://www.house.mn/leg/billslogin.asp>

Frequently called numbers

Senate

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Voice mail/order bills	(651) 296-2343
Senate Index	
110 Capitol	(651) 296-2887
Senate Information	
231 Capitol	(651) 296-0504
Toll free	1-888-234-1112
Senate Committee Hotline	(651) 296-8088
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
Toll free	1-888-234-1216

House

Chief Clerk of the House	
211 Capitol	(651) 296-2314
House Index	
211 Capitol	(651) 296-6646
House Public Information	
175 State Office Building	(651) 296-2146
Toll free	1-800-657-3550
House Committee Hotline	(651) 296-9283
House Sergeant at Arms	
45 State Office Building	(651) 296-4860
House Research	
600 State Office Building	(651) 296-6753
TTY, House	(651) 296-9896
Toll free	1-800-657-3550

Joint

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Revisor of Statutes	
700 State Office Building	(651) 296-2868
Capitol Information Desk	
1st Floor Capitol	(651) 296-3962
Capitol Historic Site Tours	
B-59 Capitol	(651) 296-2881
Capitol Security	
B-5 Capitol	(651) 296-6741

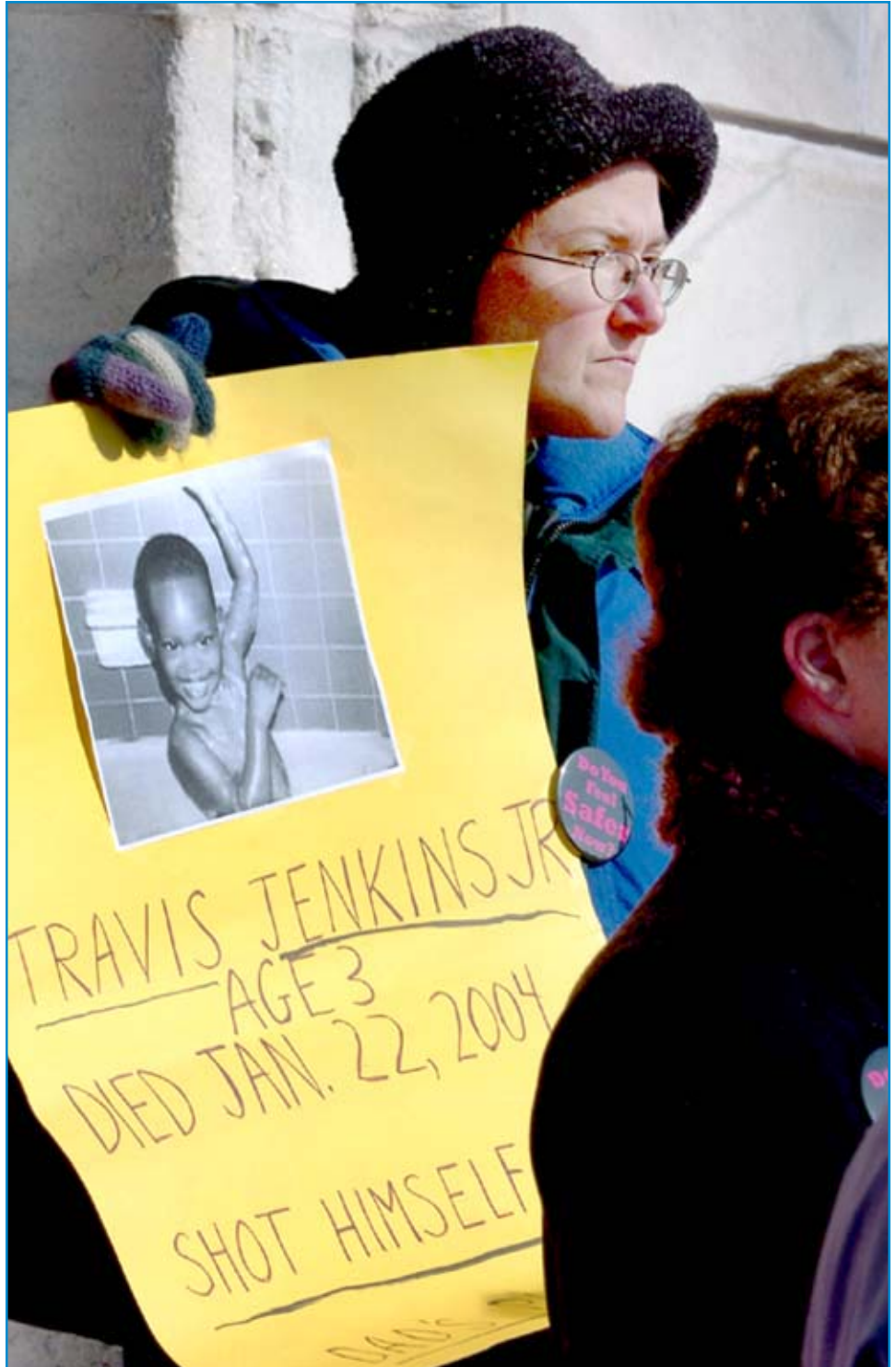
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Participating in a rally sponsored by Twin Cities Million Moms, Mon., Feb. 7, Heather Martens of Minneapolis stands on the front steps of the Capitol holding a sign depicting one of Minnesota's gun fatalities in 2004.

Photo by Shelley Hawes



February 11, 2005

Senate Highlights

Freedom to Breathe Act advances

Members of the Health and Family Security Committee, chaired by Sen. Becky Lourey (DFL-Kerrick), met Tues., Feb. 8, to consider the controversial Freedom to Breathe Act. Senators approved the measure and sent it to the Commerce Committee.

The bill, S.F. 404, authored by Sen. Scott Dibble (DFL-Mpls.), establishes a statewide smoking ban under which smoking is prohibited in public places, public transportation areas and workplaces. The legislation also specifies the creation of smoke-free sections in outdoor seating at restaurants and bars. Another provision in the bill requires daycare providers to disclose whether or not smoking is permitted in the facility during non-operational hours.

"This bill is about freedoms, rights and responsibilities," said Dibble. He also said the bill enjoys overwhelming public support.

Representatives from a plethora of organizations testified in support of the measure, saying it would improve public health. Dr. Brian Rank, a medical oncologist and chair of the Cancer Plan Minnesota Steering Committee, argued that secondhand smoke has devastating health effects. Rank said exposure to secondhand smoke was the third leading cause of death in the United States and that the smoke releases 200 poisonous chemicals, 60 of which are carcinogenic, into the surrounding air. Commissioner Gail Dorfman of Hennepin County said, "There is no safe level of exposure to tobacco smoke." Representatives from the Minnesota Medical Association, the Minnesota Nurses Association and the Minnesota Public Health Association also spoke about the health risks posed by secondhand smoke. Providing a business perspective, Romelle Jones, who owns the

smoke-free Arts Café in Moose Lake, said, "If I took the ingredients in the smoke and put them in my food, I would be shut down immediately."

Fairness to patrons and businesses was another issue for supporters. Carol Mahan, a Minnesotan who suffers from respiratory and vascular illnesses, said she could not go to many restaurants because of the smoky conditions. Citing uneven local ordinances regarding smoking, Moorhead City Council member Nancy Otto said, "Don't pit businesses against one another. The only way to place our businesses on a level playing field is to allow no exemptions."

Ventilation engineer Bruce Nelson said that many opponents of the legislation argue secondhand smoke problems can be alleviated by better ventilation. That is not the case, said Nelson. While the odor and haze from smoke can be removed by proper ventilation, carcinogens in secondhand smoke will still linger, he said.

Opponents of S.F. 404 focused on the philosophical implications of the bill. Sue Jeffers, owner of Stub and Herb's Bar, said her bar is private property that no one is forced to work in or to patronize. Ryan Pacyga, attorney for Minnesotans Against Smoking Bans, said the bill imposed the wishes of the majority upon the minority. S.F. 404, he said, is not about health, otherwise the bill would not include exemptions for hotels and daycare centers. Pacyga also said he agreed that bars and restaurants are not public places. Kenn Rockler of the Minnesota Wine, Beer and Spirits Association said, "Smoking is not illegal and when you start regulating peoples' lives on products that are legal, you are going down a treacherous path." Minnesota Hospitality Association representative Tom Day asked, "Where do

you draw the line?" He said enforcement of the bill was also a problem because it blames proprietors instead of smokers for violations.

Colin Minehart of the Minnesota Licensed Beverage Association spoke on the economic ramifications of the legislation. Minehart, a fourth-generation restaurant owner in a small, southern Minnesota town, said his business operates on a 7 to 10 percent profit margin, meaning that the loss of smoking customers could destroy the business. "Please do not consider the smoking ban in a vacuum," he said, "because our businesses do not operate in a vacuum."

Sen. Sean Nienow (R-Cambridge) asked if it was possible to go too far with the ban. Dibble responded that the ban creates a reasonable floor and allows local governments to decide if they want to impose stricter requirements. Sen. Michelle Fischbach (R-Paynesville) said we have a floor and that we should let people vote with their dollars.

The committee advanced the bill on a divided voice vote.

E-20 mandate approved

The required blend of ethanol in gasoline jumps from 10 percent to 20 percent under a bill approved by Senators at their Mon., Feb. 7, meeting. S.F. 4, carried by Sen. Dallas Sams (DFL-Staples), increases the blend requirement in 2012. The bill was granted final passage, 54-12.

Minnesotans consume about 275 million gallons of ethanol every year, Sams said. Ethanol has been an economic boon to Greater Minnesota and has helped the entire state's environment, he said. Sams noted that 120,000 vehicles in Minnesota operate on an 85 percent ethanol blend. Minnesota has been very forward-looking for renewable energy, he said, in many ways, including the current 10 percent ethanol blend mandate. Without the mandate, Minnesotans would not be using a 10 percent blend, Sams said. Other states marvel at how Minnesota achieved 10 percent ethanol usage, he said. Sams noted that Brazil leads the way, with the bulk of the nation's cars using an E-22 blend and many using pure ethanol. The technology is available for every car to use an E-20 blend, Sams said, but the state must put pressure on auto manufacturers and others.

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Using a fishnet and water, ventilation engineer Bruce Nelson, left, demonstrates that air filtration systems cannot remove the more harmful microscopic particles of tobacco smoke. Sen. Scott Dibble (DFL-Mpls.), right, presented a bill to members of the Health and Family Security Committee, Wed., Feb. 9, instituting a statewide smoking ban in bars and restaurants.

Photo by David J. Oakes

Sen. Ellen Anderson (DFL-St. Paul) spoke in support of the bill, but said Minnesota should seek to get 20 percent of its electricity from renewable sources. We need to be leaders of all sorts of renewable energy, she said. Sen. Steve Dille (R-Dassel) reminded members that new ethanol plants being built are not eligible for the state subsidy offered to smaller, start-up ethanol plants. The market for ethanol is growing and is creating economic development in Greater Minnesota, he said.

In other action, Senators approved three bills on the Consent Calendar. S.F. 75, sponsored by Sen. William Belanger (R-Bloomington), permits moving companies to do charitable work without charging. A recent newspaper article related the tale of a moving company

trying to do good by providing free moving services to persons receiving help from a charity, Belanger said. He said the charity often provides people with large items that they are unable to transport on their own. The moving company was cited by the Dept. of Transportation, Belanger said, for violating a statute requiring movers to charge rates on file with the commissioner of transportation. Sen. Mee Moua (DFL-St. Paul) spoke in support of the measure. The charity the movers were attempting to help, she said, gives opportunities to families trying to establish new homes, often as a result of losing a previous home or being a new arrival to Minnesota. S.F. 75 was granted final passage, 62-0.

S.F. 234, carried by Sen. Keith Langseth (DFL-Glyndon), provides for

the turnback of Legislative Route 224 to Becker County. S.F. 225, authored by Sen. Jim Vickerman, authorizes the turnback of Legislative Route 268 to Pipestone County. Both bills were granted final passage.

Liquor bill passed

The Senate floor session Thurs., Feb. 10, was marked by the final passage of an omnibus liquor bill. Sen. Sandra Pappas (DFL-St. Paul) said the bill, S.F. 171, is the same bill the body passed last year except for the provision that caused a gubernatorial veto. She said the provision, which dealt with liquor licenses within a certain distance of correctional institutions, had been removed. Pappas indicated that there will be an

omnibus liquor bill for this year and urged members to bring bills before the Commerce Subcommittee on Liquor rather than offer amendments. She said the bill provides for conformity in license fees and production levels for brewpubs and small brewers, authorizes the issuance of temporary licenses to small brewers, modifies sampling provisions, provides that the on-sale license for Elko Speedway authorizes sales on all days of the week, authorizes the city of Duluth to issue a liquor license for Wade Municipal Stadium and authorizes the city of St. Paul to issue a liquor license for special events at the State Capitol. Pappas offered an amendment removing a provision relating to malt liquor samples. The amendment was adopted and the bill granted final passage on a 60-1 roll call vote.

Committee update

Agriculture, Veterans and Gaming

Three bills discussed

A discussion of S.F. 554, a bill excluding noninvasive floating of horse teeth from the definition of veterinary medicine, provided the centerpiece for the Mon., Feb. 7, meeting of the Agriculture, Veterans and Gaming Committee.

Passionate testimony from both those in support of and opposed to the measure defined the bill's hearing. Jim Johnson, an equine dentist who has practiced in Minnesota for over fifteen years, said he had to tell his clients he was no longer allowed to serve them because only a veterinarian could float a horse's teeth. Floating teeth, Johnson explained, is the process of grinding down a horse's teeth so that the teeth do not cause oral problems to the animal through unmitigated growth.

Several horse owners spoke in favor of S.F. 554, citing freedom of choice as their main reason for supporting the measure. "I like to be in control of who performs dentistry on my horses," said horse-owner Jean Liestman. Sen. Betsy Wergin (R-Princeton) said that owners who care enough to float their horses' teeth will care enough to make good choices as to who performs that service.

Veterinary groups strongly opposed the measure. John King of the Minnesota Board of Veterinary Medicine said that floating teeth is more than just rasping off points and that S.F. 554 gives free reign to anybody wishing to perform the practice regardless of experience. "Our primary concern is the welfare of the horse," said King.

Committee Chair Jim Vickerman (DFL-Tracy) said he thought the two sides could find a compromise if they worked further on the issue together. Senators laid the bill, carried by Sen. Gary Kubly (DFL-Granite Falls), on the table.

S.F. 550, sponsored by Vickerman, extends the expiration date of the Farmer Lender Mediation Act through June 2009. Mary Preisler, director of the farmer lender mediation program, said the act, which was passed during the farm crises of the mid 1980s, provides a neutral mediator between creditors and farmers. The program also defines the rights and responsibilities of its respective participants, said Preisler. Thom Petersen,

director of government relations for the Minnesota Farmers Union, said he would like to see the program become permanent.

Members approved S.F. 550 and sent it to the floor.

The panel also approved S.F. 296, authored by Sen. Becky Lourey (DFL-Kerrick). The measure authorizes a beginning milk producers payment program. Members re-referred the bill to the Finance Committee.

Gambling oversight report heard

A report critical of gambling regulation in Minnesota captured the attention of members of the Agriculture, Veterans and Gaming Committee at their Wed., Feb. 9, meeting. The panel, chaired by Sen. Jim Vickerman (DFL-Tracy), reviewed the Legislative Auditor's

evaluation of gambling regulation and oversight.

Senior Program Evaluation Specialist Judy Randall presented the report to the panel. Evaluators found strengths and weaknesses in gambling regulation, Randall said. The report examined the activities and missions of the four agencies responsible for gambling oversight. The Gambling Control Board does an inadequate job of detecting and deterring charitable gambling noncompliance, according to the report, so that some charitable gambling enterprises have a significant imbalance of expenses and contributions. According to the report, only 4 cents of every dollar wagered in charitable gaming goes to charity. The report indicates that the Racing Commission sufficiently oversees horse racing, but falls short of the mark on oversight of the



John King, executive director of the Minnesota Board of Veterinary Medicine holds up a horse's tooth to members of the Agriculture, Veterans and Gaming Committee, Mon., Feb. 7, as he explains his opposition to proposed legislation allowing noninvasive floating of horse teeth by non-veterinarians.

Photo by David J. Oakes

Canterbury Park card club. The State Lottery ensures the protection of its games adequately, according to the report, and uses technology effectively. The Alcohol and Gambling Enforcement Division (AGED), a unit of the Department of Public Safety, has the authority to inspect gambling operations at tribal casinos, but fails to use the authority fully. Evaluators found that many problems at the agencies stem from insufficient staff expertise in specific types of gambling and underutilization of technology for regulation.

The report included many recommendations. Among them are stepped up regulation of charitable gambling by the Gambling Control Board, an increase in Racing Commission staff expertise on card club operations, full use of tribal casino inspection authority by AGED and better use of technology by the three agencies. The report specifically recommended against a reorganization or consolidation of the gambling oversight agencies. Agency heads responded to the report, indicating they have already put many of the recommendations into action.

The full report is available online: <http://www.auditor.leg.state.mn.us/Ped/2005/pe0502.htm>

Early Childhood Policy and Budget Division

Child care reports heard

Two reports relating to child care assistance were heard by members of the Early Childhood Policy and Budget Division, Tues., Feb. 8. The division is chaired by Sen. John Hottinger (DFL-St. Peter).

The first report, prepared by the Office of the Legislative Auditor, examined child care reimbursement rates. The evaluators found reasonable the basic methods used by the Dept. of Human Services to set the ceiling for reimbursement rates. Nonetheless, according to the report, certain computations lead to maximum rates that may exceed statutorily allowed limits. Evaluators reported finding questionable and clear violations of state law in paying higher-than-allowed rates. The report also questions the high incidence of providers' billing at the maximum rate. Evaluators also suggested that subsidized families use the most

expensive type of child care more often than unsubsidized families, but that the rate is lower than in other states.

The Legislative Auditor's Office recommended revision of the methods used to calculate maximum rates, changing state law to permit setting maximum rates for areas larger than a single county, improved data analysis by the Dept. of Human Services and closer examination of provider billing practices.

The full report is available from the Office of the Legislative Auditor:

<http://www.auditor.leg.state.mn.us/Ped/2005/pe0501.htm>

Division members also heard a report from the Dept. of Human Services on cost containment options in the child care assistance program.

Education

Dropout rate reviewed

Members of the Education Committee met Tues., Feb. 8, to hear from educators and education specialists about dropout rates in Minnesota and about programs seeking to target students at risk of dropping out. The committee, chaired by Sen. Steve Kelley (DFL-Hopkins), heard from Glory Kibbel, alternative program specialist with the Dept. of Education, on general trends and efforts across the state. Principal Gayle McGrane, Forest Lake Area Learning Center, Summit Academy OIC President Louis King, Minneapolis North High School Principal Mike Favor and Colleen Kabel, program coordinator of Check and Connect at Minneapolis Roosevelt High School discussed their specific programs and results they have observed.

Elections

Media representatives' polling place access changes approved

Members of the news media have longer access to polling places, but must not interfere with the voting process under a bill approved by members of the Elections Committee, Mon., Feb. 7. The committee, chaired by Sen. Charles "Chuck" Wiger (DFL-North St. Paul), sent the measure to the full Senate.

S.F. 370, sponsored by Sen. John Marty (DFL-Roseville), eliminates a requirement that members of the media get written, advance authorization from

elections officials to enter a polling place, extends the limit on the time media representatives may remain in polling places from 15 minutes to 60 minutes and eliminates a prohibition on coming within six feet of election judges. The current framework, Marty said, was established by state efforts to conform to federal election law. The restrictions on media access were re-examined by representatives of the media and county election officials, he said, who agreed on the provisions in the bill.

Sen. Dave Kleis (R-St. Cloud) said the extended 60-minute limit on media access was still too much control. As long as the news media are not interfering with the election, he said, there is no need to limit the time they are in the polling place. Kleis offered an amendment removing the time limit. There is nothing more fundamental than having the polls open to public scrutiny, said Sen. John Hottinger (DFL-St. Peter). It will be extremely rare for a reporter to stay in a polling place even for an hour, he said, but the decision about how long to monitor the polling place should be in the hands of the media. However, Sen. Linda Higgins (DFL-Mpls.) said many polling places are very small. Cameras and reporters are likely to distract election workers in smaller polling places, she said. Unlimited access for news cameras, especially, may indirectly discourage some people from voting because they are uncomfortable around the media, said Sen. Warren Limmer (R-Maple Grove). The amendment was adopted.

Limmer offered an amendment prohibiting interviews in the polling place. Especially in small polling places, he said, interviews are disruptive to the elections process. Voters are not permitted to talk on cell phones while in the polling place, so the media should be limited in their ability to conduct interviews. Marty noted that the bill already prohibits interfering with the voting process. The amendment was defeated.

Committee members also considered three other bills. S.F. 518, carried by Sen. Ann Rest (DFL-New Hope), eliminates duplicate filing requirements for political committees active in Hennepin County and registered with the Campaign Finance and Public Disclosure Board. Kleis authored two bills codifying decisions of the Minnesota Supreme Court. S.F. 716 changes a ballot certification procedure so

Committee update

that it does not apply to candidates for federal office. S.F. 717 eliminates a requirement relating to party primary elections. All three measures were recommended for placement on the Consent Calendar.

Environment and Natural Resources

Land bills heard

The Environment and Natural Resources Committee met Wed., Feb. 9, to consider several bills relating to lands. The panel, chaired by Sen. John Marty (DFL-Roseville) also approved the appointments of Nancy Gibson and John Dyke to the Environment and Natural Resources Trust Fund Citizens Advisory Committee.

S.F. 182, sponsored by Sen. Don Betzold (DFL-Fridley), provides for a land transfer in Ramsey County. Betzold said the land transfer is needed in order for a further Medtronic development to take place. An office from Mounds View said the Medtronic development would result in 3,000 jobs for the area. Betzold said the property was originally acquired by the Dept. of Transportation, but the land was not needed for highway purposes. The bill authorizes the conveyance of the land to the city of Mounds View. The bill was approved and sent to the Senate floor.

Members also approved three additional bills. S.F. 710, sponsored by Sen. Thomas Bakk (DFL-Cook), authorizes the Dept. of Natural Resources to assess a two and half cent surcharge on each tree seedling. Bakk said the bill doesn't mandate the surcharge be put in place; instead the bill allows the department to impose the surcharge. The measure was approved and re-referred to the Finance Committee. S.F. 181, carried by Sen. Becky Lourey (DFL-Kerrick), designates a bridge over the St. Louis River as the Biouswah Bridge. In addition, the measure designates a cemetery in Jay Cooke State Park as the Roussain Cemetery. The bill was approved and advanced to the Senate floor. S.F. 418, authored by Sen. David Tomassoni (DFL-Chisholm), authorizes alternative investments of county environmental trust fund deposits. The panel approved the bill and recommended the measure be placed on the Consent Calendar.

Finance

KBEM bill held over

A measure requiring the commissioner of transportation to continue a contract with a Metro Area public radio station was laid on the table by members of the Finance Committee at their Thurs., Feb. 10, meeting. Sen. Charles "Chuck" Wiger (DFL-North St. Paul), chief author, requested the committee laid the bill on the table, because the station and the Dept. of Transportation agreed to meet and seek a resolution of the issue. S.F. 365 requires the commissioner to continue the contract, scheduled to expire at the end of FY 07, under which KBEM provides traffic reports. Other stations do provide traffic reports, Wiger said, but KBEM devotes more time to traffic than any other station.

In other action, committee members, chaired by Sen. Richard Cohen (DFL-St. Paul), forwarded S.F. 485 to the Tax Committee. Carried by Sen. Dean Johnson (DFL-Willmar), the measure permits the Prinsburg School District to convert existing levy authority in order to pay the MACCRAY School District an outstanding tuition balance of \$282,000. The committee adopted an amendment removing a procedure for resolving a dispute over the balance; Johnson said the districts agreed to the \$282,000 figure. Committee members also resumed their examination of the governor's budget with Assistant Finance Commissioner Jim Schowalter.

Health and Family Security

Five bills gain

A variety of bills gained approval from the Health and Family Security Committee, Thurs., Feb. 10. The panel, chaired by Sen. Becky Lourey (DFL-Kerrick), also heard a presentation on nursing home inspections.

Sen. Charles "Chuck" Wiger (DFL-North St. Paul) authored S.F. 127, a measure to increase the per diem reimbursement rate of a 180-bed nursing home facility in Ramsey County. Under the bill, which was approved in committee last year but failed to pass both chambers, the daily rate rises by \$4.98.

Wiger said the Ramsey County Board of Commissioners brought the measure to him and that a nursing home task force

had investigated the need for the increase. Ramsey County Commissioner Victoria Reinhardt said low rates contributed to an \$841,000 drop in revenue at the home last year. Lynn Megan, who served on the task force, said that fiscal problems threatened the home's livelihood and that its closure would be devastating to its occupants.

Senators approved S.F. 127 and re-referred it to the Finance Committee.

S.F. 284, sponsored by Sen. David Gaither (R-Plymouth), allows adults to use zero-depth swimming pools without the presence of a lifeguard. Mike Brown and Eric Buss, both of Life Time Fitness, said they wanted the legislation is needed so that senior citizens could use zero-depth pools for fitness activities. Buss said that while any one is allowed to use other types of pools without lifeguard supervision, zero-depth pools require lifeguards because of the pools' association with children. S.F. 284 allows individuals 18 and older to use the pools unsupervised.

The bill generated discussion when Sen. Linda Berglin (DFL-Mpls.) said the legislation could negatively affect people with disabilities who used zero-depth pools. When Senators tried to modify the proposal's language to account for use by handicapped individuals, Berglin said she was concerned that the new language might inadvertently cause practices that violate the 1990 Americans with Disabilities Act. Buss reminded the panel that currently disabled people can use other, often deeper, pools without lifeguard supervision.

Members approved the measure and sent it to the floor.

A bill repealing the elimination of a portion of the sales tax on alcoholic beverages was the next item on the agenda. Sen. John Marty (DFL-Roseville) authored S.F. 490 which maintains the current 9 percent sales tax on alcoholic beverages, 2.5 percent of which was set for repeal effective 2006. The measure also directs a portion of the revenue to counties for use in chemical dependency treatment programs.

Bob Melson, executive director, Dakota County receiving center, said he supported the measure because counties are stretched in their capacity to provide chemical dependency services. Melson said a higher sales tax might dissuade people from drinking in the first place. "In a market driven society," he said, "if you

increase the price, you decrease consumption.”

S.F. 490 gained approval and was referred to the Taxes Committee.

Berglin authored the final two bills. Under S.F. 271, siblings are allowed to request death certificates for siblings. Members approved the measure and sent it to the Judiciary Committee. S.F. 109, which was passed last year, provides grants to federally qualified health centers (FQHCs) and rural health clinics (RHCs). Berglin said that legislation enacted in 2003 requires FQHCs and RHCs to pay the provider tax on medical assistance and MinnesotaCare revenues, a tax from which they had previously been exempt. The 2003 legislation also specified increased rates to providers, but because rates for FQHCs and RHCs are set federally, the two provider sets were financially disadvantaged, said Berglin.

S.F. 109 allocates the percentage of provider tax revenue generated by FQHCs and RHCs to a non-competitive grant program.

“The impact of this bill is two-fold,” said Rhonda Degelau, executive director, Minnesota Association of Community Health Centers. Degelau said without the measure, FQHCs and RHCs will pay \$1.1 million in provider tax in the next year with no corresponding offset to low Medicaid rates.

Senators approved S.F. 109. The bill will go to the Finance Committee.

Members concluded their meeting by hearing a report on nursing home inspections. Jo Vos of the Legislative Auditor’s Office presented the report. The most significant challenges to inspections, said Vos, are the high number of standards that inspectors must apply and the complex, ambiguous nature of those

standards. Vos said professional discretion in applying standards may account for regional discrepancies in deficiency rates throughout the state. She also said that the report recommends establishing a quality assurance program, providing more timely assistance to inspectors trying to clarify how to apply standards and creating more user-friendly summaries of reports for the public.

Health and Human Services Budget Division

DHS budget overview continues

Changes to health care program eligibility and financing were the main topics of discussion as the Health and Human Services Budget Division continued its DHS budget overview, Tues., Feb. 8.



A walker registers 4.5 miles per hour as she strides past a speed detection machine in the tunnel system in the basement of the Capitol, Thurs., Feb. 10. The installation is part of Blue Cross and Blue Shield of Minnesota’s do campaign.

Photo by David J. Oakes

Committee update



Sen. Betsy Wergin (R-Princeton), left, dons a life jacket as she talks to Joel Carlson of the Congress of Minnesota Resorts, center, and Rick Skogen from Cragun's Lodge in Brainerd in the north corridor of the Capitol, Wed., Feb. 9. Resort owners from around the state voiced their support for legislative proposals that would affect their industry.

Photo by Shelley Hawes

Chair Linda Berglin (DFL-Mpls.) said, "This is an era of paying more for less."

Under the budget, eligibility for MinnesotaCare (MnCare) would drop from 275 percent of poverty to 190 percent. Additionally, the budget specifies the discontinuation of MnCare coverage for adults without children. The proposal incorporates adults who lose their MnCare coverage into General Assistance Medical Care (GAMC) and reinstates the GAMC medical spend down provision which requires individuals to reduce their income and assets to qualify for the program. Assistant Commissioner Brian Osberg said that all children living in up to 275 percent of poverty will still be covered.

Sen. Yvonne Prettnner-Solon (DFL-Duluth) said she wondered if the decreased eligibility would produce cost

savings to the state in the long-term. "We're not looking at the overall system," said Solon, who also said that cuts in coverage and reimbursement rates to careproviders could drive up healthcare costs for the general public.

Osberg said that even with the program changes, Minnesota is still a leader in healthcare coverage. Only Wisconsin, he said, comes close to having a system as comprehensive as that of Minnesota. "Minnesota has been a leader," said Sen. Paul Koering (R-Fort Ripley), "but when we start comparing ourselves to other states, it almost feels like we're going backwards."

Sen. Becky Lourey (DFL-Kerrick) said she was uncomfortable with refinancing measures in the budget that use the health care access fund to pay for GAMC. Lourey said Legislators promised providers to use the fund for gap health care

coverage. Berglin also said she had a philosophical objection. The MnCare philosophy was to reward work and to promote primary care access, said Berglin, but GAMC does not encourage those goals.

Finally, Assistant Commissioner Wes Kooistra spoke on three proposals to increase appropriations to forensic services, improve mental health coverage and provide methamphetamine treatment for women with children.

Health budget overview

Members of the Health and Human Services Budget Division, chaired by Sen. Linda Berglin (DFL-Mpls.), met Wed., Feb. 9 and continued their in-depth review of the governor's budget by focusing on the Department of Health (MDH) budget.

Commissioner Diane Mandernach said the budget grants MDH a net increase in funding over the next biennium. While the department had been slated for \$129 million from the general fund, said Mandernach, the governor's proposal provides \$132 million. Berglin said the gains would be challenged and likely eliminated as the division shaped the budget.

MDH Fiscal Policy Director Margaret Kelly said six projects would receive new funding. According to Kelly, the money will go to operational support for MDH office transitions, reporting on adverse health events, grants providing care for pregnant women, remediation of methamphetamine labs, systems for well-management, and maintenance of the vital records program.

Grants to the dental loan repayment and suicide prevention programs will be cut under the proposal, Kelly said. She said the Office of Complementary and Alternative Practice, which investigates complaints against non-traditional healthcare providers, also faces reduced funding.

The budget also increases several fees. Kelly, in an item-by-item examination of the budget, said fees for drinking water protection, food management, hospitality services, lab certification, plumbing, and well management would all rise. The proposal suspends collection of one fee, a

charge for renewing occupational therapy licenses.

The committee also heard budget overviews from health related boards including the Veterans Home Board and Ombudsman for Families.

Higher Education Budget Division

Panel conducts campus tours

Members of the Higher Education Budget Division used their Tues., Feb. 8, and Thurs., Feb. 10, meetings to visit the Eagan campus of the Bryman Institute, which offers programs in massage therapy, medical assisting and medical insurance billing and coding and the Minneapolis campus of Augsburg College. The panel is chaired by Sen. Sandra Pappas (DFL-St. Paul).

Jobs, Energy and Community Development

Workforce report heard

Members of the Jobs, Energy and Community Development Committee met Mon., Feb. 7, to hear a report on Minnesota's workforce development efforts. The committee, chaired by Sen. Ellen Anderson (DFL-St. Paul), heard from Legislative Auditor James Nobles

and Jody Hauer, project manager for the report.

Evaluators found that authority over workforce development services is unclear and spread across multiple agencies, creating administration and accountability problems. The evaluators also found difficulties coordinating between local and state efforts and inadequate data collection and maintenance. The report recommends clarifying the responsibilities of each agency in workforce development, directing state and local organizations to coordinate their efforts better and targeting marketing to employers and industries most likely to use the state's workforce development services effectively.

A complete copy of the report is available from the Office of the Legislative Auditor:

<http://www.auditor.leg.state.mn.us/ped/2005/pe0506.htm>

Housing bills advance

Members of the Jobs, Energy and Community Development Subcommittee on Housing met Wed., Feb. 9, to consider three housing bills. The panel, chaired by Sen. Scott Dibble (DFL-Mpls.), advanced all three measures to the full Jobs, Energy and Community Development Committee.

S.F. 471, authored by Sen. Paul Koering (R-Fort Ripley), expands the authority of regional development commissions to acquire, own or use real property. Koering said the bill is needed in order to allow regional development commissions to facilitate the development of affordable housing opportunities in cooperation with federal, state, regional, and local housing agencies or authorities.

The second measure, S.F. 333, carried by Sen. Michelle Fischbach (R-Paynesville), exempts two or fewer manufactured homes maintained by an individual or company used exclusively to house labor engaged in agricultural operations from regulation as a manufactured home park. The panel amended the bill to ensure that the housing meets basic health and safety requirements, before advancing the measure to the full committee.

S.F. 308, sponsored by Sen. Sharon Marko (DFL-Cottage Grove), allows local units of government to sue a landlord for code violations, regardless of whether the residential building is occupied or



Minnesota college students rally in the Capitol Rotunda, Wed., Feb. 9, to voice their concerns over the rising cost of tuition.

Photo by Shelley Hawes

Committee update

unoccupied. Andy Dawkins, director of the St. Paul Department of Neighborhood Housing and Property Improvement, said the measure is another tool to prevent neighborhood blight. The measure was amended to make it clear that actions brought by local units of government against owners of unoccupied buildings are limited to actions concerning the exterior of the building.

Energy laws reviewed

Members of the Jobs, Energy and Community Development Subcommittee on Energy met Thurs., Feb. 10, for an overview of the state's energy laws. The panel is chaired by Sen. Gary Kubly (DFL-Granite Falls).

Judiciary

Five bills gain

Members of the Judiciary Committee met Tues., Feb. 8, to consider six bills dealing with a variety of issues. The panel, chaired by Sen. Don Betzold (DFL-Fridley), approved five of the measures.

S.F. 379 permits the chief justice to assign a retired court commissioner to perform judicial duties in Ramsey County. Chief Judge Greg Johnson said the Second Judicial District, composed entirely of Ramsey County, is the only judicial district still using a court commissioner. The current commissioner has reached retirement age, he said, but the district wants to continue to use his services. Johnson said the retired commissioner could be appointed to serve another judicial function, under current law, but that service as a commissioner is the most efficient method. S.F. 379, carried by Sen. Richard Cohen (DFL-St. Paul), was recommended for placement on the Consent Calendar.

Also recommended for Consent Calendar consideration was S.F. 392, sponsored by Sen. John Hottinger (DFL-St. Peter). The bill corrects three unfortunate quirks in state probate law, said Robert McLeod of the Minnesota State Bar Association (MSBA), relating to the venue for trust proceedings, trust portfolio management restrictions and the treatment of both children omitted from wills and the omitted children's descendants.

Sen. Betsy Wergin (R-Princeton) carried S.F. 288, which the committee

had previously considered. The bill exempts a debtor's interest, not exceeding \$1,225, in wedding rings from collection processes. Wergin said the exemption mirrors federal bankruptcy law. Sen. Satveer Chaudhary (DFL-Fridley) noted that many traditions do not use rings as a symbol of the marital bond. After committee discussion concerning avoiding making the exemption too broad, Chaudhary offered an amendment expanding the exemption to cover other religious or culturally recognized wedding symbols. The amendment was adopted and S.F. 288 sent to the full Senate.

S.F. 391 and S.F. 393 are both recommendations from the MSBA real property section, said Sen. Thomas Neuville (R-Northfield), the bills' chief author. S.F. 391 makes mostly technical changes to laws relating to interests in real estate and residential purchase agreement cancellations. S.F. 393 modifies the Minnesota Common Interest Ownership Act. David Eide of the MSBA said the bill represents a "50,000-mile tune-up" of the act and streamlines many procedures to reflect current practice. Both bills were sent to the full Senate.

Committee members also resumed their consideration of S.F. 215, carried by Sen. Mee Moua (DFL-St. Paul). The bill was originally put forward by the Dept. of Human Rights as the department's technical bill, but several Senators raised concerns that sections were substantive in nature. After adopting amendments removing sections perceived as more than technical, committee members laid the bill over for further consideration.

Data Practices Act reviewed

The scope and application of the Minnesota Government Data Practices Act were the focus of the first meeting of the Judiciary Subcommittee on Data Practices, Thurs., Feb. 10. The panel, chaired by Sen. Wesley Skoglund (DFL-Mpls.), received an overview of the law's provisions from Laurie Beyer-Kropuenske and Katie Engler, both of the Information Policy Analysis Division of the Dept. of Administration. The law requires governments to establish policies regarding data retention, to maintain accurate data and to provide access, under specified conditions, to the general public and to individuals who are the subject of data.

K-12 Education Budget Division

Prinsburg levy change gains

Members of the K-12 Education Budget Division approved a bill permitting a conversion of existing levy authority for the Prinsburg School District to allow the district to resolve a tuition obligation owed to the MACCRAY School District. S.F. 485, carried by Sen. Dean Johnson (DFL-Willmar), was advanced to the Finance Committee. In other action, division members, chaired by Sen. LeRoy Stumpf (DFL-Plummer), continued their consideration of the governor's budget proposal.

Budget discussion continues

Members of the K-12 Education Budget Division met Wed., Feb. 9, to continue their examination of the governor's education budget proposal. Panel members, chaired by Sen. LeRoy Stumpf (DFL-Plummer), heard from representatives of several interest groups, discussing elements of the proposed budget they considered both positive and negative.

Charlie Kyte, Minnesota Association of School Administrators, said many public school districts have been responding to the changing culture, introducing more accountability and improving student achievement. Kyte highlighted the achievements being made in St. Paul and said policymakers should be thanking teachers and administrators, rather than offering up proposals perceived as negative, such as school vouchers and performance pay. The state needs to stabilize funding streams, said Scott Croonquist of the Association of Metropolitan School Districts. He said the association suggests a return to the general education levy or authorization of an equalized discretionary levy authority.

There is a reality gap, said Vernae Hasbargen, Minnesota Rural Education Association. She said Greater Minnesota schools were very hopeful when the state takeover of education funding was promised. The increases in school funding in recent years have not been enough, she said. Hasbargen said the governor's budget proposal does not do enough to close the achievement gap and relies on a very uncertain source of revenue in gaming. Mary Gilbert, representing St. Paul Public

Schools, said it is time for the state to admit it has a revenue problem. Districts did not whine when the cuts started, because they recognized that the state was in a tough financial situation and that other budget areas faced even deeper cuts, she said. Gilbert said education cannot afford to take any more cuts. The governor's budget represents an attempt to fix broken promises with empty promises, said Rev. Grant Stevenson of the Isaiah Project. Janelle Rau-Clauson, Service Employees International Union, said school employees are disheartened and angry about the daily effects of budget cuts on students in their districts.

Public Safety Budget Division

Agency budgets heard

Members of the Public Safety Budget Division, chaired by Sen. Jane Ranum (DFL-Mpls.), met Mon., Feb. 7, to review the governor's budget recommendations. The panel focused on the budgets for the Uniform Laws Commission, Tax Court and Private Detectives Board.

Budget overviews continue

Several agency budgets were the focus of the Wed., Feb. 9, meeting of the Public Safety Budget Division, chaired by Sen. Jane Ranum (DFL-Mpls.). Panel members examined the budgets of the Board on Judicial Standards, Attorney General's Office, Human Rights Dept., Board of Peace Officer Standards and Training, Sentencing Guidelines Commission and five boards governing the legal profession.

Executive Secretary David Paull said the Board on Judicial Standards is requesting a \$50,000 increase in its biennial appropriation. Paull said the board's employment, communications, technology and rent costs have dramatically outpaced its base appropriation. Attorney General Mike Hatch said 80 percent of his office's budget goes to salaries and other staff costs. Since 1998, the office has reduced its staff by about a third, he said, to 350 full-time equivalents. The Attorney General's Office is seeking an increase in its budget to cover greater demand for its services, especially in methamphetamine and sexual predator civil commitment cases, Hatch said.

The Human Rights Department has reduced its case determination time,

increased its mediation referral rate and reached about 1.3 million Minnesotans through forums, training and other events, said Commissioner Velma Korbel. She said the department wants to focus its improvement efforts on contractor compliance programs, in addition to maintaining its current activities. POST Board Executive Director Neil Melton said the governor's recommendation of no increase in the base budget will mean further staff reductions, to enable the board to absorb higher operating costs. A governor's proposal to increase reimbursement to local agencies for officer continuing education, Melton said, maintains the reimbursement ratio at about one-quarter to one-third of the actual training cost. Barbara Tombs, executive director, said the Sentencing Guidelines Commission devotes over 90 percent of its budget to staff expenses and per diem for public commission members. The five legal boards, said State Court Administrator Sue Dosai, receive no general fund dollars, but are sustained by fees assessed on attorneys. The boards are the Board of Law Examiners, Continuing Legal Education Board, Legal Certification Board, Lawyers Professional Responsibility Board and Client Security Review Board. Dosai said the Law Examiners, CLE and Legal Certification Boards share a staff, as do the Professional Responsibility and Client Security Review Boards.

Rules and Administration

Fund transfer requirement heard

Two proposals for changes to the Rules of the Senate were heard, Mon., Feb. 7, by members of the Rules and Administration Subcommittee on Permanent and Joint Rules, chaired by Sen. Ann Rest (DFL-New Hope). The panel is considering changes to the Senate Rules so that the Senate may adopt Permanent Rules by the end of February. The Senate is currently operating under Temporary Rules, which were the Permanent Rules for the last biennial session.

A proposal brought forward by Sen. Linda Berglin (DFL-Mpls.) creates a supermajority voting requirement for any piece of legislation using funds from the health care access fund (HCAF) for purposes outside the scope of the fund. By imposing a three-fifths vote requirement, she said, Senators gain increased credibil-

ity with people who pay into the fund. Sen. Pat Pariseau (R-Farmington) noted that specific funds have never before been singled out for special treatment in Senate Rules. We have many dedicated funds and often dollars from the funds are used for something other than their original purpose, said Sen. Jane Ranum (DFL-Mpls.). If there is a problem, it is broader than HCAF, she said. Sen. Brian LeClair (R-Woodbury) spoke against the proposal, saying it negatively affects proposed legislation offered by the governor or other Senators because the scope of the fund is still subject to interpretation. If there is a concern about "hidden money" in special funds, he said, policymakers do themselves a disservice by making it harder to use the dollars. Every other supermajority vote requirement is imposed constitutionally, said Sen. Thomas Neuville (R-Northfield), and the courts are likely to strike down any legislative attempt to impose a higher vote threshold, especially one applied to final passage, using a procedural rule. The proposal was rejected on a voice vote.

Sen. Wesley Skoglund (DFL-Mpls.) offered a proposal amending a Senate Rule governing the use of the Retiring Room, which sits behind the Senate Chamber. The current rule reserves the room for the exclusive use of Senators at all times and orders the Sergeant at Arms to strictly enforce the exclusion of others from the room. The proposed change permits entry of non-Senators when the Senate is not in session. The rule is broken daily, Skoglund said, and often for good reason. He noted that the Senate chaplain often meets with Senators in the Retiring Room and that a nurse is frequently available in the room to take Senators' blood pressure. Allowing non-Senator access is good, he said, but it contravenes the rule. The rule is basically snobby and creates unneeded animosity between the Senate and the other body, Skoglund said.

Rest noted that, under the proposal, the examples Skoglund cited would still be barred. She said she was reluctant to change Senate custom, even if the language of the rule is not strictly followed. Senators enjoy having a place that is quiet and relatively private, she said. If we are going to change this rule, this may not be the right way, Rest said. Pariseau said the room should remain reserved for Senators, with some practical exceptions

Committee update

for staff and officers. Permitting the public to go through the room, even when the Senate is not in session, she said, interrupts Senators' use of the Retiring Room.

Secretary of the Senate Patrick Flahaven said the rule has been a sensitive issue over the years and has been interpreted in different ways as customs have evolved. One of the reasons for the current, round-the-clock reservation is that Senators use the Retiring Room throughout the day and do not wish to be put essentially on display if visitors are allowed inside, he said. The rare case of staff using the room, he said, is meant to keep the session going on the floor. Flahaven noted that the daily chaplain is considered an officer for the day and the nurse is viewed as a convenient service to Senators, but one that would take up substantial space in the Chamber. Rest suggested that Majority Leader Dean Johnson (DFL-Willmar) and Neuville, the deputy minority leader, take the issue back to their caucuses and seek a consensus among Senators. Skoglund withdrew his proposal.

State and Local Government Operations

Four bills advance

The State and Local Government Operations Committee, chaired by Sen. Linda Higgins (DFL-Mpls.), advanced four bills at its Mon., Feb. 7, meeting.

The first two measures were sponsored by Sen. Steve Murphy (DFL-Red Wing). Both proposals, said Murphy, were prepared by the Minnesota County Recorders Association in conjunction with the Minnesota Real Estate Services Association and the Minnesota Land Title Association. S.F. 262 specifies technical changes and clarifications of existing statute and is not controversial. Senators approved the bill and placed it on the Consent Calendar.

S.F. 267, the second measure sponsored by Murphy, eliminates a number of fees imposed in real estate recording and replaces them with a flat, statewide fee. A representative of county recorders said the measure includes a technology fee and would improve turn-around time on processing. Sen. Jim Vickerman (DFL-Tracy) said he would like to know more about how the fee operates but that the bill should advance. Senators re-referred



Tom Knox, president of Safelites Co., demonstrates a slow-moving vehicle sign to members of the Transportation Committee, Thurs., Feb. 10. The sign utilizes new technology to illuminate its center.

Photo by David J. Oakes

the bill to the Finance Committee without recommendation.

Sen. Cal Larson (R-Fergus Falls) carried S.F. 551. Intended to help prevent animal cruelty, said Larson, the bill allows counties or cities to adopt a special levy to support animal humane societies. Sen. Debbie Johnson (R-Ham Lake) said there might need to be work on the language of the bill to ensure that fee revenue goes to animal cruelty prevention organizations. Members approved the measure and sent it to the Tax Committee.

The final bill, S.F. 186, was sponsored by Sen. Scott Dibble (DFL-Mpls.). "This is a narrow addition to what is already a

very narrow statute," Dibble said of the bill. S.F. 186 adds exceptions from the competitive bidding requirements for housing and redevelopment authorities by including parking or transit facility projects built to foster use of public transit. The bill was approved and sent it to the full Senate.

Building name bills stall

The State and Local Government Operations Committee, chaired by Sen. Linda Higgins (DFL-Mpls.), began its Wed., Feb. 9, meeting with a discussion of two bills proposing to rename the State Office Building. Neither bill advanced.

S.F. 205, carried by Sen. Brian LeClair (R-Woodbury), re-names the building in honor of former president Ronald Reagan, while S.F. 793, carried by Sen. Sandra Pappas (DFL-St. Paul), designates Coya Knutson as the name-sake.

LeClair began his presentation with quotations by Democratic leaders in support of Reagan. He said Minnesota has a long tradition of naming various things in honor of presidents. Mark Giga from the Taxpayers' League of Minnesota said the organization supports the bill because it has been looking for a way to memorialize Reagan since the president passed away last June.

Sen. David Senjem (R-Rochester) said this was not a time for partisanship. He asked Senators to think about what Reagan did for the country and the world, citing the end of the Cold War in particular. However, Sen. David Tomassoni (DFL-Chisholm) said the bill was a partisan effort and that state capitol buildings should be named after Minnesotans or at least presidents for whom Minnesota voted. Higgins said one would be hard-pressed to find anything at the Capitol named after a non-Minnesotan. LeClair replied that the street in front of the Capitol, Rev. Dr. Martin Luther King Jr. Blvd., was named after a non-Minnesotan. Higgins noted that the St. Paul City Council, not the Legislature, named the street.

The measure failed to advance.

Pappas' bill, S.F. 793, names the State Office Building after Coya Knutson, a DFLer and the first woman to represent Minnesota in Congress. Knutson, a native Minnesotan with a background in farming and community activism, served two terms in the Legislature before serving in the U.S. House of Representatives from 1955-1959. Historian Mary Pruitt, Minneapolis Community and Technical College, called Knutson "a Minnesota original" and cited the congresswoman's involvement with early legislation on food stamps and education funding as her main achievements.

Sen. Betsy Wergin (R-Princeton) said entering into a partisan battle over naming the building would do a disservice to both Reagan and Knutson. She suggested that the building's name remain unchanged. Sen. Scott Dibble (DFL-Mpls.) said he agreed with Wergin. Senators tabled the measure.

A bill that would permit auctioneers to retain their licensing numbers was the next item on the agenda. S.F. 453, carried by Sen. Gary Kubly (DFL-Granite Falls), deletes language specifying a formula changing auctioneers' licensing numbers and allows the auctioneers to keep their old numbers. Joe Kirk, Kirk's Auction and Real Estate, said he supported the measure because changing his auctioneer number cost him money and time. Kurt Johnson, president, Minnesota State Auctioneers Association, said his organization supported the bill for the same reasons. Members approved S.F. 453 and sent it to the floor.

Higgins sponsored the final bill. S.F. 629, she said, is intended to help the Metropolitan Council. Currently, said council representative Natalio Diaz, the Metropolitan Council must prepare a separate aviation policy plan rather than integrating aviation policy into a general transportation policy plan. Diaz said the measure would remove that requirement and allow the council to eliminate duplicative workloads. S.F. 629 advanced to the floor.

State Government Budget Division

Military budgets reviewed

The budgets and operations of several military-related agencies were the focus of the Tues., Feb. 8, meeting of the State Government Budget Division, chaired by Sen. Sheila Kiscaden (IP-Rochester). The panel received overviews of the budgets for the Dept. of Military Affairs, Dept. of Veterans Affairs, Veterans of Foreign Wars, Military Order of the Purple Heart, Disabled American Veterans and Vietnam Veterans of America.

Agency overviews heard

Members of the Senate State Government Budget Division held a joint meeting with members of the House State Government Finance Committee, Wed., Feb. 9, to review the budgets of the Campaign Finance and Public Disclosure Board, Office of Administrative Hearings, Indian Affairs Council, Council on Black Minnesotans, Chicano Latino Affairs Council and Council on Asian-Pacific Minnesotans. The panels are chaired by Sen. Sheila Kiscaden (IP-Rochester) and Rep. Marty Seifert (R-Marshall), respectively.

Tax

Tax freeze commentary continues

Discussion of a proposal to freeze property taxes continued at the Tues., Feb. 8, meeting of the Tax Committee, chaired by Sen. Lawrence Pogemiller (DFL-Mpls.). The panel heard primarily from representatives of education interest groups.

Scott Croonquist said the Association of Metropolitan School Districts understands the concerns expressed in the proposal, but districts are facing serious shortfalls for next year. Districts prefer to keep all options on the table, he said. Early childhood education and K-12 education are underfunded, said Cheryl Furrer of Education Minnesota, and higher education has taken cuts also. We are not meeting the needs of all students, she said. Furrer said the state needs a balance of revenue streams. Jim Grathwol, Minneapolis Public Schools, said the state should revisit the 2001 general education levy takeover. The state should either go back to the old system, he said, or stabilize revenue flows from the income and sales tax streams. Mary Gilbert said the St. Paul Public Schools also oppose the bill and support a broad base of education funding. All funding tools need to be on the table, said Brad Lundell of the Schools for Equity in Education.

Representatives of the groups and committee members engaged in a wide-ranging discussion of education funding and spending, including the use of referenda for additional revenue. Sen. William Belanger (R-Bloomington) said the state should try to eliminate the need for referenda. They divide communities and take a lot of effort to sell, he said. The effort put into passing a referendum should go into increased parental involvement in classrooms, said Sen. John Marty (DFL-Roseville), but only if the need for referenda can be avoided. The panel also discussed city non-tax sources of revenue, including fees and fines, with Gary Carlson of the League of Minnesota Cities.

Transportation

Groups present suggestions

Subcommittees created to address various aspects of Minnesota's transportation system reported their work to the

Committee update

Transportation Committee, Tues., Feb. 8. Chair Steve Murphy (DFL-Red Wing) had called together transportation advocates to establish the committees in spring 2004 in order to study the areas of need, system efficiency, funding formulas, road safety and transit.

Goodhue County Engineer Greg Isakson spoke on transportation needs. He said his subcommittee found that the unmet statewide transportation needs of Minnesota exceed \$1.5 billion annually. That figure, Isakson continued, is based largely on what it will cost to maintain, not improve, transportation infrastructure. The cost also does not account for inflation, economic growth or demographic factors, he said. The report showed that MnDOT highways were the most expensive item, with a shortfall of just over \$1 billion annually.

Speaking for the subcommittee on system efficiency was Tim Worke, Associated General Contractors of Minnesota. Worke said the main finding of the subcommittee was the need for increased understanding of the actual time and money transportation projects require. He also said that Minnesota's harsh climate can lengthen projects due to a shortened construction season and drive up costs by 25 to 50 percent. Although the subcommittee made several recommendations in its report, such as developing a statewide right of way acquisition revolving loan account and having the Legislative Auditor evaluate state prevailing wages laws, Worke said subcommittee members did not find a specific area where real and significant cost savings could be generated.

Bob Vanasek represented the subcommittee on fundraising formulas and presented its three main recommendations. The first, said Vanasek, is creating a new County State Aid Highway (CSAH) distribution formula for new revenues that go to the Highway User Trust Fund (HUTF). Vanasek said the new formula, applied to new gas tax revenues, would be based 60 percent on needs and 40 percent on motor vehicle registrations. The report's second recommendation states that new state highway initiatives should include funding to assist local governments with costs incurred. Vanasek said the final recommendation is not to change current distribution of HUTF money.

Kathy Swanson of the Dept. of Public Safety spoke for the subcommittee on road safety. Swanson said leadership from government officials and safety professionals was critical to improving safety on Minnesota roads. She also said the subcommittee felt stricter seat belt laws, the establishment of hot zones and stiffer traffic fines would improve traffic safety.

The final subcommittee was represented by Peter McLaughlin, Hennepin County commissioner. McLaughlin said the state's congestion would double over the next 20 years and that increased congestion could threaten Minnesota's economy. He laid out the subcommittee's recommendations, which include increasing transit ridership, developing a fully integrated transit system of core bus lines and high-volume corridor projects and maximizing federal funding. McLaughlin said that Minnesota had missed considerable opportunities to gain federal funding in the past.

FAST plan discussed

The highlight of the Thurs., Feb. 10, Transportation Committee meeting was the unveiling of a comprehensive transportation funding plan. The FAST (Fair, Affordable, Safe, Transportation) plan, developed by Committee Chair Steve Murphy (DFL-Red Wing) and lead Republican Mark Ourada (R-Buffalo), calls for a 10 cent gas tax increase, a change in the motor vehicle registration tax, the transfer of 100 percent of the motor vehicle sales tax and a Metro Area one half cent sales tax referendum. Murphy said the plan was developed over the interim from a series of working group meetings with business groups, local officials, transit groups, engineers, truckers, unions and groups such as AAA. He said the state's unmet transportation needs amount to \$1.8 billion per year. The plan is a pay as you go plan, Murphy said, and raises \$10 billion over the next 10 years. He said the proposal is an attempt to balance the needs of both the Metro Area and Greater Minnesota.

Ourada said, "We know that we will have to work with both our caucuses in order to get something done in transportation. We will incorporate many of the good suggestions made over the summer by the many working groups."

Sen. Ann Rest (DFL-New Hope) said it was a bold plan and that she appreci-

ated the effort by both Senators to move forward.

In other action, the committee advanced several bills. S.F. 685, sponsored by Sen. Dean Johnson (DFL-Willmar), amends the description of Legislative Route No. 143 in order to facilitate the turn back of the highway to Kandiyohi County. The bill was approved and advanced to the Senate floor. S.F. 633, carried by Murphy, authorizes the commissioner of transportation to allow the use of freeway or expressway shoulders by Metro Mobility. Currently, transit buses are the only vehicles allowed to use the freeway shoulders, Murphy said. The measure was approved and recommended for the Consent Calendar.

S.F. 300, authored by Sen. Gary Kubly (DFL-Granite Falls), prohibits the commissioner of transportation from requiring ready mix concrete suppliers to provide computerized certificates of compliance for highway construction contracts. John Richter, Granite Falls Redi-Mix, spoke in support of the measure and said the cost of computerization for certificates of compliance was prohibitive. However, Betsy Parker, director of government affairs for MnDOT, said the department does not want to put a family owned business out of business. She said the requirement assures a much better quality of pavement and reduces the amount of inspection that must be done. The bill was laid over for further consideration.

S.F. 530, carried by Murphy, allows slow moving vehicle signs to be illuminated. Murphy said the illumination will increase visibility for slow moving vehicles, such as animal-drawn and motorized golf carts. The change allows the use of a new technology to illuminate the traditional florescent triangle. The bill was approved and sent to the full Senate.

Schedule available online

Next week's schedule is available online: <http://www.senate.mn/schedule/2005/0214.htm>

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Members of the Senate and House of Representatives stand and applaud newly elected Regents of the University of Minnesota following a Joint Convention, Wed., Feb. 16. Photo by David J. Oakes



February 18, 2005

Senate Highlights

Deficiency bill repassed

The main item of business for the Mon., Feb. 14 floor session was the passage of the deficiency appropriation conference committee report. H.F. 57, carried by Sen. Richard Cohen (DFL-St. Paul), provides deficiency appropriations to various state agencies. The measure appropriates \$31.074 million for a variety of agency needs. Under the conference report, the Board of Public Defense is allocated \$7.68 million, \$710,000 is appropriated as a match for federal emergency management funds, \$276,000 is appropriation for the Gang Strike Force, and \$986,000 is appropriated to the Dept. of Public Safety, 4,070,000 is appropriated for the Dept. of Corrections, \$13.394 million is appropriated to the Dept. of Human Services, \$39,000 to the Dept. of Veterans Affairs and \$4.7 million is appropriated to the Dept. of Administration for relocation costs for the Departments of Health and Agriculture.

In other action, the Senate granted final passage to several bills on the Consent Calendar. S.F. 262, authored by Sen. Steve Murphy (DFL-Red Wing), makes technical changes to filing and recording laws. S.F. 518, carried by Sen. Ann Rest (DFL-New Hope), eliminates duplicate campaign finance filings and makes other technical changes to Hennepin County campaign finance provisions. S.F. 716, sponsored by Sen. Dave Kleis (R-St. Cloud), changes ballot certification provisions. S.F. 717, also authored by Kleis, eliminates a requirement in party primary elections. S.F. 379, sponsored by Cohen, authorizes a retired court commissioner to be appointed to perform judicial duties in Ramsey County. S.F. 392, carried by Sen. John Hottinger (DFL-St. Peter), changes and clarifies

venue, trustee powers and omitted beneficiary provisions in probate law.

Regents elected

Senators and members of the other body met in Joint Convention, Wed., Feb. 16, to elect members of the Board of Regents of the University of Minnesota. The twelve-member Board of Regents is the governing body of the University. Legislators elect one regent from each of Minnesota's eight congressional districts and four at-large regents. Four regent seats are up for election every even-numbered year.

Legislators elected a slate of regents approved by a joint education panel. The slate included Anthony Baraga from the Eighth Congressional District, Dallas Bohnsack from the Second Congressional District, Steven Hunter as an at-large regent and David Larson from the Third Congressional District. Baraga and Bohnsack are incumbent members of the Board of Regents.

Senators also met briefly in a separate session to transact routine business, including the movement of bills between committees and bill introductions.

Temporary Joint Rules adopted

The adoption of the Temporary Joint Rules was one of the highlights of the Thurs., Feb. 17, floor session. The Temporary Joint Rules govern the joint actions of the House and Senate during the session. The Senate had passed the resolution containing the Temporary Joint Rules on the first day of session, but the House just recently adopted the resolution. Sen. Ann Rest (DFL-New Hope) said the other body added an amendment dealing with deadlines that is agreeable to all parties. She said, "In particular, the amendment sets up a rule

for the bill coming from the Commission on Pensions and Retirement to allow for an orderly process." The Temporary Joint Rules were adopted on a 63-0 roll call vote.

In other action, members granted final passage to four bills on the Consent Calendar. Bills on the Consent Calendar are considered noncontroversial and have been recommended for placement by one or more standing committee. S.F. 418, authored by Sen. David Tomassoni (DFL-Chisholm), allows for alternative investments of county environment trust fund deposits. S.F. 629, carried by Sen. Linda Higgins (DFL-Mpls.), removes the requirement that the Metropolitan Council prepare a separate aviation plan. S.F. 633, sponsored by Sen. Steve Murphy (DFL-Red Wing), allows Metro Mobility buses to use the shoulder lanes of freeways and expressways. S.F. 685, carried by Sen. Dean Johnson (DFL-Willmar), turns back 13.4 miles of highway to Kandiyohi County. All the bills were granted final passage on unanimous roll call votes.

Meth bills advance

Three bills relating to methamphetamine crimes were advanced at the Thurs., Feb. 17, meeting of the Crime Prevention and Public Safety Committee. The panel, chaired by Sen. Leo Foley (DFL-Fridley), had devoted a previous meeting to hearing testimony on the three measures.

The first bill, S.F. 51, authored by Sen. Linda Berglin (DFL-Mpls.), deals primarily with precursor drugs such as ephedrine and pseudoephedrine. The precursor drugs are found in many popular over-the-counter cold medications, yet are also some of the main ingredients used in methamphetamine production, Berglin said. The measure regulates the sale of precursor drugs by limiting the amount that may be sold to six grams and prescribing the manner in which the drugs may be sold. The bill requires stores that sell the precursor drugs to place them behind a counter where the public is not permitted and specifies the drugs may only be sold by a licensed pharmacist or licensed pharmacy technician. In addition, the person purchasing the drugs must show identification and sign a written document according to the bill. The bill also classifies the drugs as Schedule V controlled substances. The measure specifies a misdemeanor penalty

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for violations of the provisions. Berglin offered, and the panel adopted, an amendment clarifying language relating to veterinarians and specifying that only a veterinarian or veterinary assistant under the supervision or direction of a veterinarian may sell or distribute drugs with pseudoephedrine or ephedrine for animal consumption. The bill was approved and sent to the Senate floor.

S.F. 423, authored by Sen. Julie Rosen (R-Fairmont), makes numerous changes to laws relating to methamphetamine. Rosen offered an amendment deleting those portions of the bill that were contained in S.F. 51. The balance of the bill specifies that methamphetamine sales and possession crimes are treated the same as other drug crimes, increases the maximum criminal penalties for violations, requires courts to order persons convicted of manufacturing methamphet-

amine to pay restitution to property owners who incur remediation costs in cleaning up methamphetamine lab sites, and criminalizes various meth-related activities that endanger children or vulnerable adults. The bill also requires notification to county and local health departments about methamphetamine contaminated sites and prohibit all property used for meth manufacture from being sold or rented until it is cleaned up. The bill also requires the filing of an affidavit disclosing a property was the site of a meth lab. The measure also contains numerous appropriations, that have not yet been determined, to pay for increased prison populations, for specialized chemical dependency treatment programs for pregnant women and women with children, for a methamphetamine laboratory cleanup revolving fund, for 10 new Bureau of Criminal Apprehension

agents to be assigned exclusively to meth enforcement and for education materials about the dangers of methamphetamine. The bill was approved and forwarded to the Judiciary Committee.

The final methamphetamine related bill, S.F. 901, was sponsored by Sen. Wesley Skoglund (DFL-Mpls.). Skoglund offered an amendment, which the committee adopted, removing the portions of the bill that were contained in the previous two bills. He said the remaining bill requires the Dept. of Health to maintain and publicize a toll-free tip line to enable citizens to report meth crimes, creates a new crime for disposing or abandoning methamphetamine waste products or chemical substances, creates an account to support projects relating to educating retailers and the public on the dangers of methamphetamine, changes the nuisance law to allow



Five-year-old Brock of Apple Valley demonstrates the use of a child booster seat to members of the Transportation Committee, Tues., Feb. 15. Legislation carried by Sen. Mike McGinn (R-Eagan), far left, mandates the use of appropriate child restraints for children up to eight years of age. Also present was Jeff Ogden, center, president of AAA Minnesota/Iowa.

Photo by David J. Oakes

Senate Highlights



Charlie Quiroz, St. Paul, a dancer with Danza Mexica Cuauhtemoc performs in the Capitol Rotunda, Thurs., Feb. 17, as part of Youth Intervention Programs Day.

Photo by Shelley Hawes

a public nuisance to be established by showing a single incident relating to meth manufacture and directs the Legislative Auditor to conduct a study related to the efficacy of meth treatment programs for offenders. The bill was also approved and advanced to the Judiciary Committee.

Child safety restraints approved

A bill expanding child passenger restraint requirements gained the approval of members of the Transportation Committee, Tues., Feb. 15. The commit-

tee, chaired by Sen. Steve Murphy (DFL-Red Wing), forwarded the measure to the full Senate.

S.F. 298, carried by Sen. Mike McGinn (R-Eagan), extends the requirement from children under the age of four to children under the age of nine and weighing less than 80 pounds. The bill also requires children younger than one and weighing less than 20 pounds to be restrained in rear-facing systems, requires children under the age of nine to sit in back seats and requires children under age nine to ride in the passenger compartments of pickups or sport utility vehicles.

Adult seat belts do not do a good job for children under the age of nine, McGinn said. By requiring properly adjusted seat belts, he said, children will be saved from life-threatening injuries in a crash. Jeff

Ogden, president of AAA Minnesota/Iowa, said the bill presents parents with a wide range of options beyond the commonly recommended booster seat. Medical and police professionals spoke in support of the measure, discussing injuries they have observed on children who were improperly restrained in vehicles.

Sen. Mady Reiter (R-Shoreview) offered an amendment requiring the Dept. of Public Safety to conduct a child passenger restraint law awareness campaign. The amendment also delays the effective date of the expanded restraint

requirement. Reiter said the public needs more time to learn about the requirements before they go into effect. Patty Klicka said the department has a dedicated funding source for a similar, current program. It is unnecessary to delay this requirement for a year, McGinn said, since the Legislature has been talking about similar language for at least a decade. Sen. Ann Rest (DFL-New Hope) requested a division of the amendment, permitting members to vote on the awareness campaign separately from the effective date. The awareness campaign portion of the amendment was adopted on a voice vote. The delayed effective date portion was defeated.

Committee members also received an overview of the Dept. of Transportation budget from departmental staff. The committee considered the department's offices dealing with aeronautics, Greater Minnesota transit, local roads and freight and commercial vehicle operations.

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.mn/leg/youth/video.htm>. These videos are excellent sources of information on the history of the State Capitol and on how laws are made in Minnesota.

MyBills system available

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Senate in session Presidents' Day, next week's schedule online

Senate offices will be open Mon., Feb. 21, and the Senate and House will be in session. Visitors to the Capitol should be aware that all Capitol Complex cafeterias will be closed in honor of Presidents' Day. Parking meters for the public will not be enforced. (Parking reserved for members and staff will be enforced.) Next week's schedule is available online: <http://www.senate.mn/schedule/2005/0221.htm>

Committee update

Crime Prevention and Public Safety

Meth bills heard

The Crime Prevention and Public Safety Committee, chaired by Sen. Leo Foley (DFL-Coon Rapids), devoted the Tues., Feb. 15, hearing to considering several bills dealing with methamphetamine crimes.

The first portion of the hearing was devoted to discussion of S.F. 51, carried by Sen. Linda Berglin (DFL-Mpls.) and Sen. Julie Rosen (R-Fairmont). The bill regulates the sale of methamphetamine precursor drugs and imposes criminal penalties. The bill also classifies precursor drugs as Schedule V controlled substances. Pseudoephedrine, one of the key ingredients in over-the-counter cold remedies, is also one of the main ingredients in methamphetamine, Berglin said.

Tim O'Malley, Bureau of Criminal Apprehension, gave an overview of the methamphetamine problem in Minnesota. Murders, robberies and other crimes are also associated with methamphetamine manufacture and use, O'Malley said. In addition, there are environmental risks in cleaning up meth labs, he said. He said there are more than 300 meth labs in Minnesota and there has been an increase of 735 percent in meth court cases. In 2004, the public cost is estimated to be \$130 million, O'Malley said.

State Public Defender John Stuart said, "It is unusual to see the public defenders organization urging increased penalties, but in the case of the sale of methamphetamine precursor drugs, the organization is supporting the bill and penalties." Members also heard from a physician, a sheriff, and recovering meth addict on the devastation caused by methamphetamine. Amy Klobachar, Hennepin County attorney, detailed a number of meth cases that occurred in Hennepin County. "We need to attack this at the access point, before the meth is made," Klobachar said.

The panel also heard S.F. 901, a second bill, dealing with methamphetamine crimes. Sen. Wesley Skoglund (DFL-Mpls.), chief author of the measure, said the bill is a comprehensive approach to methamphetamine crimes. The bill also regulates the sale of precursor drugs, further regulates activities involving anhydrous ammonia, increases criminal

penalties, establishes new methamphetamine-related crimes and establishes a methamphetamine tip line.

Attorney General Mike Hatch spoke in support of the bill. "We are dealing with an epidemic," Hatch said. One-sixth of all pseudoephedrine manufactured is used in methamphetamine production, he said. Hatch said the federal government needs to become involved in the tracking of pseudoephedrine, because the drug is manufactured primarily overseas. In addition, Hatch said a public education program must be designed to reach high school age students in the state. Tracy Perzel, assistant attorney general, also spoke in support of the measure.

Representatives of several retail organizations spoke on the measure and raised concerns about regulation of the precursor drugs. Buzz Anderson, representing the Minnesota Retailers Association, said retailers recognize the scope of the methamphetamine problem and are voluntarily taking steps to monitor precursor drug sales. Anderson said the legislation is too comprehensive and that the voluntary efforts, along with more training of employees, are sufficient. A representative of chain drug stores also

said the measure was too restrictive and placed too much of a burden on pharmacists.

Early Childhood Policy and Budget Division

Early learning standards discussed

The Early Childhood Policy and Budget Division, chaired by Sen. John Hottinger (DFL-St. Peter), and the Education Committee, chaired by Sen. Steve Kelley (DFL-Hopkins), met jointly Tues., Feb. 15, to hear an overview of Minnesota early learning standards. The panel also heard two bills.

Department of Education (DOE) representatives Karen Carlson and Betty Cooke presented the overview. The standards, said Carlson, are organized in six domains that reflect the range of early childhood development: social and emotional development, approaches to learning, language and literacy development, creativity and the arts, cognitive development, and physical and motor development. Indicators to signal a child's progress in each category are also included in the standards, she said. The overview



Ramsey County District Court Judge Kathy Gearin holds up a photo of a 20-year-old deceased victim of "a drug deal gone bad" as she appeals to members of the Crime Prevention and Public Safety Committee, Tues., Feb. 15, to strengthen laws pertaining to the manufacture of methamphetamine.

Photo by David J. Oakes

Committee update

also specifies strategies to help family members, teachers and caregivers, community members, and policymakers facilitate a child's progress in each standard area.

S.F. 592, authored by Sen. Bob Kierlin (R-Winona), requires the commissioners of education and human services to disseminate information on the standards to parents and early care providers. The bill also requires the commissioner of human services, along with the Ready 4 K Quality Rating System Task Force, to develop a voluntary quality rating system for childcare to be administered by a non-profit organization. Under the bill, the ratings system is to be aligned with the new early learning standards, Head Start performance standards, and DOE standards for readiness programs in public schools.

Sen. Gen Olson (R-Minnetrista) said she was concerned the standards might infringe on parental decision-making. Much of what is in the standards is achievable in the home through family interaction, said Sen. Betsy Wergin (R-Princeton). Otis said the standards are informational, not regulatory, while Kierlin responded that the bill is intended only to make the standards available.

Speaking in support of S.F. 592, Todd Otis, executive director, Ready 4 K, said the measure will improve child readiness for kindergarten. Nancy Johnson, Greater Minneapolis Day Care Association, said accredited child care will benefit poor and minority children the most, citing that children who receive accredited care tend to perform well on tests regardless of parental education levels or income.

Dr. Karen Effrem, Ed Watch, said she opposed S.F. 592. She said the standards on which the bill relies give families an inferior role to that of schools and government, or at best treats families as partners. "We are not partners, we are not inferiors in the raising of our children," said Effrem, "We are the bosses."

Kelley authored the second bill, S.F. 906. The measure requires children to undergo early childhood development screening at least once by age three rather than once before entering school. Kelley said the bill also requires the establishment of a school readiness kindergarten assessment initiative.

"The sooner we reach kids, the better," said Otis in support of the bill.

Effrem said she opposed S.F. 906. The standards for evaluation, she said, are subjective and try to screen things, such as mental health, for which there are no objective tests at an early childhood level. Effrem also said the tests invade privacy and could lead to over-diagnosis of certain mental conditions.

Both bills were laid over for further consideration.

Education

Regent candidate slate selected

A joint meeting of all the education related committees in the Legislature was held Mon., Feb. 14, in order to select candidates for the University of Minnesota Board of Regents.

Rep. Mark Buesgens (R-Jordan) and Sen. Steve Kelley (DFL-Hopkins) chaired the joint hearing. The panel first adopted rules, which included an oral amendment limiting candidates to three, rather than five, minute presentations.

Steven Hunter, Scott W. Johnson and Margaret Leppik, the candidates for an at-large position, each gave short presentations and then answered questions from the panel. A voice roll call vote was conducted to narrow the field. Of the 66 votes cast, Hunter received 33, Johnson received 5 and Leppik received 28. Under the rules governing the hearing, a second vote was conducted between Hunter and Leppik. Hunter was selected as the candidate for the at-large position with 35 votes out of 67 cast.

Members then heard from candidates from the Eighth Congressional District. Members representing the Eighth Congressional District had met earlier and forwarded the name of Anthony Baraga as a candidate. Baraga, a current member of the Board of Regents, and a second candidate, Edward Borowiec, also gave short presentations before answering questions from the panel. Baraga was selected as the candidate for the Eighth Congressional District.

The Third Congressional District candidate was also selected. The district caucus had earlier recommended David Larson for the position. Larson and Kate Rubin gave short presentations before answering questions. Larson was selected.

The Second Congressional District candidates were Dallas Bohnsack and Bruce Endler. Bohnsack, who is an

incumbent, had been recommended by the members from the Second District. Both gave short presentations and answered questions. Bohnsack was selected as the Second Congressional District candidate.

Military service allowance for probationary teachers approved

Teachers working toward achieving tenure are able, under S.F. 244, to retain credit for time spent teaching if they are called up for military service. The bill, sponsored by Sen. Sheila Kiscaden (IP-Rochester), was approved by members of the Education Committee, Thurs., Feb. 17.

Under current law, teachers must serve three consecutive years in a district in order to gain tenure. If the probationary period is interrupted, such as for a military reserve or National Guard call-up, the teacher must restart the probationary period from the beginning. Vince Wagner, a teacher in Rochester, said he has been teaching for over 11 years, including over 6 years in Minnesota. As a Navy reservist, he was called up in late 2001 for one year; at the time, he was in the second year of his probationary period. When he returned in 2002, Wagner said he had to restart his probationary period. Several other service member-teachers in Minnesota have had similar experiences, he said. Committee members, chaired by Sen. Steve Kelley (DFL-Hopkins), recommended the bill for placement on the Consent Calendar.

Kiscaden also carried S.F. 367, which clarifies a recently enacted requirement relating to the use of pools for competitive diving. The measure makes clear that notice requirements apply if the pool is used for either training practice or competition. S.F. 367 was also recommended for Consent Calendar placement.

Elections

CF Board housekeeping bill gains

A measure enacting noncontroversial recommendations of the Campaign Finance and Public Disclosure Board was approved by members of the Elections Committee, Mon., Feb. 14. The committee, chaired by Sen. Charles "Chuck" Wiger (DFL-North St. Paul), recommended the bill for placement on the Consent Calendar.

S.F. 733, carried by Wiger, authorizes electronic filing of required reports, prohibits political party units and lobbyists from making contributions candidates are not permitted to accept and clarifies that \$65,000 of public subsidy money designated for unfair campaign practice hearings is not for frivolous complaints. Wiger removed a provision creating an exception to the gift ban for food or beverages at receptions or meals given by national or multistate organizations of governments or public officials. A similar exception was enacted in 2001 for local officials. Wiger said the provision proved to be controversial, noting a letter of opposition from David Schultz, a professor at Hamline University and former president of Common Cause Minnesota.

Committee members also considered two bills sponsored by Sen. Linda Higgins (DFL-Mpls.). S.F. 959 limits the required audit of election returns to exclude state judicial offices and makes the audit permanent. The bill was recommended for placement on the Consent Calendar. S.F. 852 requires higher education institutions to provide county auditors with lists of students and their addresses and expands the list of documents used to prove residence when a person registers to vote on election day. Student turnout was high in the 2004 election, said Loren DeJonge, University of Minnesota Graduate and Professional Student Assembly. However, she said, it could have been higher if the law recognized current living arrangements. The bill recognizes that many students do not have the currently acceptable documents, such as a utility bill, but do have wireless phone bills that establish their current address, DeJonge said.

DeJonge and other students speaking in support of the bill said the law needs to follow through on providing access for college students if Minnesotans want to encourage political participation by young people. Sen. Pat Pariseau (R-Farmington) said many of the problems identified by the students could be remedied easily by eliminating election day registration. However, Sen. John Hottinger (DFL-St. Peter) said same-day registration is crucial. We should be making it easier for students to register, he said, perhaps by automatically registering students to vote when they register with their college.

The private colleges do not object to the content of the bill, said John Corbid,

but are concerned about the requirement language. The Legislature usually recognizes the independence of the private colleges, as well as the University of Minnesota's semi-autonomous status, he said, by requesting the colleges take certain action. Corbid said he would work with Higgins on finding acceptable language. Higgins requested the committee lay the bill on the table so that she could resolve some of the outstanding issues, including the request of the private colleges and privacy concerns raised by others. S.F. 852 was laid on the table.

Environment, Agriculture and Economic Development Budget Division

Departments of Commerce, Labor and Industry budgets reviewed

The budgets of the Dept. of Commerce and Dept. of Labor and Industry were the focus of the Tues., Feb. 15, meeting of the Environment, Agriculture and Economic Development Budget Division, chaired by Sen. Dallas Sams (DFL-Staples). The governor's recommendation for the Commerce Department is \$46.51 million in general fund spending. The general fund recommendation for the Dept. of Labor and Industry is \$5.744 million.

BOWSR, Historical Society budgets heard

The Environment, Agriculture and Economic Development Budget Division, chaired by Sen. Dallas Sams (DFL-Staples), met Thurs., Feb. 17, to consider the governor's budget proposals for the Board of Water and Soil Resources (BOWSR) and the Minnesota Historical Society.

Ron Harnack, BOWSR executive director, gave an overview of the board and the board's responsibilities. Harnack said the agency's purpose is to protect and enhance the state's soil, water and wetland resources on 41.7 million acres of private land. He said the agency implements the state's soil conservation policy, the Wetland Conservation Act and comprehensive local water management acts. He said BOWSR balances local resource needs with the state's priorities and objectives. BOWSR is able to

leverage federal, local and private dollars, Harnack said.

Major areas of activity, Harnack said, include state cost-share programs, the RIM Reserve programs, State Soils Office, engineering and technical services, local water management and the Wetland Conservation Act.

The state cost-share programs provide grants to soil and water conservation districts for erosion and sediment control projects, water quality projects and feedlot pollution control systems, he said. The RIM Reserve program includes the Conservation Reserve and Enhancement Program (CREP), Harnack said. The RIM Reserve program seeks to retire marginal agricultural land from production, improve water and soil resources and establish new wildlife habitat, he said. Harnack said the governor's bonding recommendation for CREP 2 is \$23 million.

The State Soils Office increases the usefulness of current soils data, updates soil surveys and digitizes current soil surveys, Harnack said. He said the local water management programs include several water management acts designed to enhance water management. The Wetland Conservation Act has been in effect since 1991, Harnack said. The act sets a state policy of no net loss of wetlands, Harnack said, which means replacing wetlands that are lost.

Harnack said the budget from all funds is \$32.975 million for the biennium and the governor is recommending a reduction of \$600,000 for the biennium.

Members then turned their attention to the budget proposal for the Minnesota Historical Society. Director Nina M. Archabal gave a brief overview of the society. The Minnesota Historical Society was chartered by the Territorial Legislature in 1849 and is governed by the Executive Council, Archabal said. She said the mission of the society is to foster among people an awareness of Minnesota history so that they may draw strength and perspective from the past and find purpose for the future. The mission is carried out by providing opportunities for people of all ages to learn about the history of Minnesota, she said. In addition, the society does research in Minnesota history and collects and cares for materials that document life in Minnesota, Archabal said. The society also performs a core function of state govern-

Committee update

ment through records maintenance, historic preservation and education.

Archabal also outlined the various programs and sites managed by the Minnesota Historical Society. She said the society is also an important part of the tourism economy in the state.

David Kelliher provided an overview of the budget. He said the society's budget is supplemented by non-state funding of gifts, memberships and grants of about \$12 million each year. Kelliher said the governor is recommending a \$43.573 million general fund appropriation, which represents a 2.5 percent reduction. The governor recommends reducing the appropriation by \$987,000, Kelliher said.

Health and Family Security

Healthcare reports heard

A presentation from former U.S. Senator David Durenberger led the Tues., Feb. 15, meeting of the Health and Family Security Committee. The panel, chaired by Sen. Becky Lourey (DFL-Kerrick), also

heard a presentation on health care services.

Durenberger, who currently chairs the National Institute of Health Policy (NIHP), spoke on a report from the Citizens' Forum on Health Care. The report outlined how 16 percent annual growth in healthcare costs intersects with lower growth in the Minnesota economy and wages to create severe fiscal problems in healthcare. Durenberger compared the problems of health care programs with those of Social Security and said the former is more urgent. "(Social Security's) risk is down the road," he said, "this risk is tomorrow."

The report identified principles to help change health care policy. Those principles include engaging patients in their healthcare decisions, fully disclosing costs and quality to the public, reducing costs through better quality care, creating incentives to encourage health, maintaining a goal of universal participation, developing new models of healthcare education, and streamlining administrative practices. Durenberger said that

implementing the principles will require extensive leadership from the governor, the Legislature, public organizations and the private sector.

Durenberger also said that one should look at health care on a regional level. The Upper Midwest, he said, is a naturally occurring region in which universal access to affordable, high quality care that utilizes non-profit and faith based associations is a way of life. It is at the regional level that we should set performance goals, said Durenberger.

Brian Osberg and Kathleen Cota, both of the Department of Human Services (DHS), also spoke to the committee. The two presented a DHS report on healthcare services in Minnesota and outlined suggestions, some of which appear in the governor's budget proposal, some of which are already being implemented, to improve healthcare throughout the state.

Cota said the study strongly supports evidence-based care. She said DHS wants to develop infrastructure to provide evidence-based care by hiring a medical



Senators Dean Johnson (DFL-Willmar), left, and Don Betzold (DFL-Fridley) converse in the Senate Chamber during a recent floor session.

Photo by David J. Oakes

director and developing a medical policy committee composed of physicians and other health professionals. The director and the committee would make decisions about appropriate care coverage, Cota said. She said collaborating with other states to purchase access to new research on evidence-based medicine is also important.

Cota also spoke on three suggestions in the study already in the governor's budget proposal. The suggestions include reducing pharmaceutical reimbursements to minus 14 percent, contracting to save money on expensive hemophilia medications and contracting with specialty pharmacies to save money through volume purchases.

Four bills gain

Four bills relating to long-term care and nursing facilities gained when the Health and Family Security Committee, chaired by Sen. Becky Lourey (DFL-Kerrick), met Thurs., Feb. 17.

The committee first considered S.F. 387, authored by Sen. Sheila Kiscaden (IP-Rochester). The measure creates incentives and provides support for families that choose to care for their elderly members in the home, said Kiscaden. She said the measure creates a tax credit of \$200 per month, up to \$2400 per year, for families providing personal care assistance services. S.F. 387 also provides for the implementation of an internet-based caregiver support program to assist caregivers and allows employees to use their personal sick leave to care for an ill or injured family member, Kiscaden said.

Senators approved the bill and re-referred it to the Jobs, Energy and Community Development Committee.

Sen. Linda Berglin (DFL-Mpls.) carried S.F. 540, a proposal to create a long term care partnership program in Minnesota. Long term care partnerships encourage people to purchase long term care insurance to help finance long term care through private and public insurance, said Berglin. The bill provides for individuals to buy private long term care insurance and exhaust the policy's benefits before allowing them to go on medical assistance (MA) without spending down their assets. Four other states currently have partnership programs, she said, but until recently the federal government banned other states from

developing partnership programs. However, the ban is lifted in President Bush's new budget, said Berglin.

Kiscaden said she supported the measure but wanted to look deeper into the issue of inflation insurance. "We want to maximize flexibility in the plan," said Kiscaden, "and we also want to encourage people to upgrade their plans if they are able."

Members approved the measure and sent it to the Finance Committee.

S.F. 687, sponsored by Sen. Linda Higgins (DFL-Mpls.), amends the hospice bill of rights. Higgins said the measure makes changes that allow the bill of rights to be more easily understood with relation to Medicare.

Senators approved S.F. 687 and forwarded it to the full Senate.

Lourey authored the final bill under consideration, S.F. 811. The bill, said Lourey, is a comprehensive measure targeted at improving nursing facilities and at helping the employees who operate them. S.F. 811 provides for a 3 percent cost of living adjustment for each of the next two years and creates an insurance pooling approach to health care coverage for nursing facility workers. Lourey said the bill also increases nursing home staff levels and wages for employees, reviews and updates the curriculum for nursing assistants and home health aides' education and calls for a redesign of the long term care system. Two to three individuals testified on each section of S.F. 811; all but one said they were in favor of the bill. Patti Cullen, CareProviders of Minnesota, said her organization was concerned about the insurance pooling measures and the ramifications of the wage increases. Cullen said her organization agrees with the goals of the bill but not the methodology it uses to accomplish those goals.

Sen. Michelle Fischbach (R-Paynesville) offered an amendment that removes the 10 cent wage increase and changes provisions for a board to run the insurance pooling into a task force to investigate insurance possibilities. "I hate to take the original language out of the bill at this point," said Lourey, who added that she did not want to lose the policy concept behind the bill. Fischbach said she wanted to get all the information on insurance options before embarking on a plan that could or could not work. Ultimately, Lourey said she would accept

the amendment in the interest of time. The amendment was adopted.

The measure was approved and was re-referred to the Finance Committee.

Health and Human Services Budget Division

Public testimony begins

Members of the Health and Human Services Budget Division, chaired by Sen. Linda Berglin (DFL-Mpls.), met Tues., Feb. 15, to hear extensive public testimony on the governor's budget proposal for health and human services.

Representatives from a variety of organizations and service facilities, as well as individuals affected by the proposed budget, addressed the committee. Among the most frequently cited concerns were reductions in MinnesotaCare (MnCare) eligibility and rate freezes in childcare payments. Some speakers praised the governor's proposal for its increased spending on mental health and homelessness.

Many testifiers spoke on the elimination of MnCare coverage for single adults without dependents. Kim Storm, a doctoral student with diabetes, told Senators it is difficult to have diabetes without always having health insurance. "Those who have are making decisions for those who have not," said Storm about the proposed reductions.

Sue Abderholden, National Alliance for the Mentally Ill (NAMI), said the changes to MnCare could adversely affect the 28 percent of the program's participants who take medication for mental illness. Abderholden also said, though, that she appreciated the proposal's increased funding for mental health services and treatment teams.

Karen Kingsley, director of the Affirmative Options Coalition, spoke on changes to childcare rates. She said program changes amounted to a \$70 million loss for childcare programs, \$50 million in MFIP and \$20 million in sliding fee adjustments.

Sen. Becky Lourey (DFL-Kerrick) said the cuts were detrimental. "We need to move away from the no new taxes pledge so we can restore the heritage of Minnesota," she said. Sen. Paul Koering (R-Fort Ripley) said the discussion raised fundamental questions about how we want to live as a society. "We're sliding

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down a muddy, slipper slope,” said Koering.

Public testimony continues

The Health and Human Services Budget Division, chaired by Sen. Linda Berglin (DFL-Mpls.) continued hearing public testimony on the governor’s budget proposal, Wed., Feb. 16.

Speakers addressed a range of topics. Many said changes to healthcare were their main concerns. Dr. Anthony Dianjelus, a dentist at Hennepin County Medical Center, said he was concerned about the \$500 cap on dental care costs. “For a doctor to stop providing treatment at cap level when more is called for is unconscionable,” said Dianjelus. Dr. Michael Helgeson, another dentist who runs a non-profit organization that provides dental services to low-income families in the Twin Cities, said he also opposed the cap, calling it a disaster. Helgeson also said the cap doesn’t save money because it leads to an increase in later treatment for dental problems, which is more costly.

Others said reductions in eligibility to MinnesotaCare (MnCare) worried them. Linden Gawboy, Welfare Rights Committee, said the reductions would push nearly 42,000 people off MnCare. Julie Shennel, president, Service Employee International Union, said the reductions would affect other areas in healthcare. “People forced off MnCare will not disappear. They will show up in emergency rooms and for charity care,” said Shennel.

Jim Koppel, Children’s Defense Fund, said his organization was concerned about healthcare cuts as well as changes to childcare rates. He said healthcare and childcare represented two of the three reasons families go on MFIP and are two of the top reasons parents miss work. “Anybody who has kids knows life is just about as good as your childcare and your healthcare for your children,” said Koppel.

County officials spoke on what they saw as some of the positive aspects of the budget. Olmsted County Director of Human Services Paul Fleissner said the proposal includes measures counties have been advocating for years. Still, said Meeker County Commissioner Amy Wilde, counties will likely be asked to defray the cost of cuts to programs such as MnCare. Wilde said she urged government leaders to make decisions in context and to keep the counties in mind.

Many speakers said they felt the proposal represented a shift from Minnesota’s tradition of providing access to high quality health and human services. “We are moving from Minnesota Miracle to Minnesota minimal,” said Hennepin County Commissioner Gail Dorfman.

Other speakers addressed reductions in reimbursement rates to pharmacies and praised increases in forensic care. Several individuals affected by the cuts also testified by telling their personal stories.

Higher Education Budget Division

Private colleges heard

Members of the Higher Education Budget Division, chaired by Sen. Sandra Pappas (DFL-St. Paul), met Tues., Feb. 15, to hear the recommendations of Minnesota’s private colleges.

David Laird, president of the Minnesota Private College Council (MPCC), said the state should seek to prepare more people for postsecondary education, to ensure affordable access to all types of higher education and to meet the research facility and talent needs of the University of Minnesota. The council recommends expanding existing programs preparing potential first-generation college students for higher education while they are in the K-12 system, Laird said. He said the council also recommends increasing the number and size of state grant awards, restoring the maximum child care grant to \$2,600 and ensuring excellence in the research areas of the University of Minnesota. Laird, MPCC Board Member Mike Freeman and Sister Andrea Lee, president of the College of St. Catherine, discussed the role private colleges play in the state’s higher education framework, including awarding one third of bachelor’s degrees and over one third of master’s degrees. The group also noted demographic trends indicating the demand for college-educated workers will increase sharply, while the number of new college-educated workers every year is expected to decline or remain stagnant.

Division members also heard an overview of the Higher Education Services Office. Director Susan Heegaard said the office oversees the state’s 529 College Savings Plan, licenses and registers private and career schools,

provides information to students and parents and coordinates learning networks. HESO also collects and reports data on enrollment, financial aid, demographics and state-by-state comparisons, Heegaard said. In addition, the office administers federal programs, negotiates and administers tuition reciprocity agreements with surrounding states and administers financial aid programs, such as the state grant program, child care grants, work study programs and student loans. Mark Misukanis, director of fiscal policy and research for HESO, reviewed recent federal student aid changes affecting the state grant program. The federal government modified its allowance for state tax payments when calculating financial aid eligibility, he said, resulting in reduced federal and state grants to families. About 50,000 students will receive smaller grant awards, Misukanis said. Misukanis and Heegaard also discussed challenges in projecting variables that affect the state grant program.

Jobs, Energy and Community Development

JOBZ program evaluated

Members of the Jobs, Energy and Community Development Committee, chaired by Sen. Ellen Anderson (DFL-St. Paul), devoted their Mon., Feb. 14, meeting to hearing evaluations of the Job Opportunity Building Zones (JOBZ) program.

Dr. Jack Geller presented an evaluation conducted by the Center for Rural Policy and Development (CRPD). Geller said the program has been very successful, creating 2,500 new jobs and generating more than \$400 million in capital investment. “We didn’t expect this much activity,” he said. Geller further noted that the job creation and investment has taken place mostly at a local level and largely within the industrial sector, just as Legislators said they hoped would happen at the program’s inception.

The distribution of the program’s success, though, said Geller, is somewhat uneven. While 82 percent of the projects affected areas at least 75 miles away from the Metro Region, zones encircling the Twin Cities have benefited more than zones in Northern Minnesota, Geller said. According to CRPD’s evaluation, these



Senators Julie Rosen (R-Fairmont), left, and Becky Lourey (DFL-Kerrick) consult during a recent floor session.

Photo by David J. Oakes

zones received more jobs and had higher wages for those jobs.

Geller also said the nature of the projects was uneven, with 50 percent of projects creating only 0 to 5 jobs while 5 projects created nearly 40 percent of all new jobs under the program. "It is an uneven distribution," said Geller, "but it also reflects the reality of business in rural Minnesota."

Bob Isaacson and Paul Moe, both of the Department of Employment and Economic Development (DEED), said the department's findings matched that of CRPD. Isaacson noted that JOBZ has touched every region it was designed to help. Moe presented anecdotal evidence which showed the program has attracted businesses to Minnesota that were

considering locations in neighboring states.

Anderson asked how much the program cost state and local government through tax exemptions. Each presenter said there was no way to measure costs accurately at this time. Isaacson said that DEED is developing a business subsidy form specifically for the purpose of evaluating the fiscal impact of JOBZ but said the data is not yet available.

Energy studies discussed

A study on wind energy led the agenda of the Jobs, Energy and Community Development Committee, chaired by Sen. Ellen Anderson (DFL-St. Paul), Wed., Feb. 16.

Ken Wolf, reliability administrator, Department of Commerce, and Matt Schuerger, a consultant with the department, presented the study which was required by 2003 legislation. Schuerger said the study focused on variability and, subsequently, reliability of wind power. These two factors were used to evaluate operating cost impacts, he said. While there is a low cost impact of demand for energy used within minutes or hours after generation, said Schuerger, long-term commitment of energy for use days later is more expensive. According to Schuerger, the added expense comes from the compounded variability of wind energy that occurs over time. Schuerger added that variability, part of what makes wind energy more costly, declines as the

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number and geographic diversity of turbines increases.

Anderson said a follow-up study is needed to determine whether or not the energy is cost effective.

Will Kaul, Great River Energy, and Tom Ferguson, Minnesota Power, spoke next on CapX 2020, a collaborative study by Minnesota transmission utilities to examine future energy transmission needs in the state. "This is a special effort that goes beyond coordination in the past," said Kaul. He also noted that the scope of the study is both geographically and chronologically broad.

The bottom line of CapX, said Kaul, is the need for major expansion of energy transmission infrastructure over the next 15 years, a task that will cost between \$1 billion and \$2 billion in Minnesota. Kaul also noted that while investment in energy generation has increased over the last two decades, investment in transmission has decreased.

Ferguson spoke on the interconnectedness of modern energy transmission. "Each utility used to be an island," he said, "but now they are interconnected." Efforts to prepare transmission grids for higher use, said Ferguson, are being designed with this change in mind. Ferguson said current efforts include establishing a long-term vision of transmission expansion over the next fifteen years, identifying reliability issues, assessing impediments to building infrastructure, and gearing up for grid expansion. "Future reliability, renewable energy options and access are all at stake," he concluded.

Senators also heard John Fuller present an interim activities report from the Legislative Electric Energy Task Force (LEETF).

Judiciary

Early intervention bill heard

A highlight of the Tues., Feb. 15, meeting of the Judiciary Committee, was consideration of a bill allowing for early intervention of chemically dependent pregnant women.

S.F. 643, authored by Committee Chair Don Betzold (DFL-Fridley), provides for early intervention treatment of a chemically dependent pregnant woman if the court finds that the substances the woman is using are likely to

cause brain damage to her fetus. Betzold said the bill changes existing law by allowing intervention for legal substances, such as alcohol, as well as illegal substances. Dr. Carol Krush, Native American Community Clinic, said the measure does not allow wholesale intervention of anyone who is using during pregnancy, but only allows intervention under a narrow set of circumstances. Betzold said the civil commitment law is drafted very narrowly and that specific circumstances must be met before early intervention may proceed. Krush said the use of alcohol is more prevalent than many other substances and it is necessary to have the additional tool to prevent damage to the fetus.

Sen. John Marty (DFL-Roseville) offered an amendment providing that a court must find a substantial risk of damage to a fetus, rather than find that use will likely cause damage. Marty said unless amended, the language in the bill would be more difficult to implement. The amendment was adopted. Two additional amendments were adopted. One amendment was technical in nature. Marty offered an amendment altering the definition of chemically dependent person by specifying "excessive" use, rather than "habitual and excessive use" as a criteria. The amendment was adopted. The bill was approved and re-referred to the Health and Family Security Committee.

In other action, the panel also endorsed two additional bills. S.F. 478, carried by Betzold, is a revisor's bill that corrects erroneous, ambiguous and omitted text. Betzold said a portion of the bill also standardizes misdemeanor penalties. He said that over the years, as changes have been made to misdemeanor penalties in one section of law, other sections of law have not been updated. The measure was approved and re-referred to the Crime Prevention and Public Safety Committee.

Betzold also carried the final bill, S.F. 657. The bill increases the maximum time between a commitment petition and hearing from 14 to 90 days for sexual psychopathic personalities and sexually dangerous persons. Betzold said the many pages of documentation, expert witnesses and other requirements for the hearing are difficult to assemble under the current 14

day deadline. The measure was approved and advanced to the Crime Prevention and Public Safety Committee.

Parenting bills okayed

Three bills relating to parental or custodial rights were the focus of the Thurs., Feb. 17, meeting of the Judiciary Subcommittee on Family Law, chaired by Sen. Thomas Neuville (R-Northfield).

S.F. 644, authored by Sen. Don Betzold (DFL-Fridley), allows parents to agree on the legal standard governing decisions about moving children, requires courts to use a best-interests-of-the-child standard when considering requests to move children out of state and prohibits modification of custody orders if custodial parents move out of state after removal petitions have been denied. Under the bill, the burden of proving that a move is in the best interests of the child falls on the parent seeking to move. Members adopted an amendment, offered by Betzold, clarifying that the burden falls on the parent opposing the move if the moving parent has been a victim of domestic abuse. Another amendment, also offered by Betzold, permits a parent to move a child without court order, but with the other parent's consent, if the other parent has been given and exercises parenting time. The amendment was adopted.

Mary Louise Klas, a former judge, spoke in opposition to the bill. She said relocating custodial families is often a necessity after a divorce. The bill imperils the well-being of children, Klas said, because a child's welfare is most dependent on the well-being of the custodial parent, not on a relationship with the noncustodial parent. Out-of-state moves harm consistent, on-going relationships with noncustodial parents, said Bruce Kennedy, a family law attorney. The bill permits reasonable moves, he said, but limits a parent's ability to move a child on a whim.

Betzold also carried S.F. 751, which changes presumptions relating to paternity. Sen. John Marty (DFL-Roseville) sponsored a bill, S.F. 563, prohibiting sex offenders and others with violent criminal histories from being considered for custody of a child unless the person is a parent of the child by birth or adoption.

All three measures were forwarded to the full Judiciary Committee.

K-12 Education Budget Division

TAP discussed

The K-12 Education Budget Division devoted the Tues., Feb. 15, hearing to a discussion of the Teacher Advancement Program (TAP). The panel, chaired by Sen. LeRoy Stumpf (DFL-Plummer), heard from Marilyn Becker, Dept. of Education, and from several teachers from Waseca. The TAP model is an attempt to attract and retain quality teachers.

Under the TAP model, there are multiple career paths, performance and responsibility driven compensation, instructionally focused accountability and ongoing professional growth.

Becker said Waseca is implementing TAP at a cost of \$400 per student with funding from a federal grant. The governor's proposal is for \$225 per student for alternative compensation programs that include all elements of TAP, she said. She said with the implementation of TAP, teachers are collaborating and communicating much more than in the past, veteran teachers are seeking out TAP schools and new teachers have more support for growth.

Members also heard from Les Tloutan, Doreen Oelke and Karen Wilker, all from Waseca, on their experiences with TAP. Louise Sundin, president of the Minneapolis Federation of Teachers and Lynn Nordgren, coordinator for alternative compensation, also spoke to the division on compensation practices.

Health and safety levy discussed

Members of the K-12 Education Budget Division, chaired by Sen. LeRoy Stumpf (DFL-Plummer), met Wed., Feb. 16, to review the health and safety levy program.

The program is designed to promote safe and healthful schools, said Dick Guevremont of the Dept. of Education. Districts seeking funding must submit annual health and safety programs to the department, he said, addressing many types of hazards. The department breaks down allowable expenditures that address hazards into several categories, such as physical hazards, hazardous substances, asbestos and indoor air quality.

Division members also heard from local school officials. Business Manager Scott Wirtanen said the Hibbing School

District spends over \$1 million every year on health and safety improvements. Recent changes to the program, he said, have put a lot of projects on the district's back burner. Donna Luhning, business manager for the New Ulm School District, said current provisions do not allow districts to install needed health and safety equipment except on rooftops. Luhning said the district wished to install equipment in a mechanical room, but could not use health and safety monies because of a prohibition on using the funds for additional square footage. Rooftop placement, she said, shortens the equipment's lifespan. Sheldon Strom and Rick Hermans of the Center for Energy and Environment urged the panel to permit the use of health and safety funds for recommissioning buildings, instead of replacing entire systems. Recommissioning is a more cost effective option for improving indoor air quality and energy efficiency, Strom said.

Public Safety Budget Division

Public Defense budget heard

The needs of the Board of Public Defense were the focus of Mon., Feb. 14, meeting of the Public Safety Budget Division, chaired by Sen. Jane Ranum (DFL-Mpls.). The board requested a \$35.22 million increase for FY 06-07; the governor's recommendation is for a \$30.49 million increase. The total governor's recommendation is \$122.654 million for FY 06-07.

Chief Administrator Kevin Kajer said over \$14.5 million of the board's requested increase is dedicated to public defender viability, including filling 20 attorney positions, providing for 29,000 excess part-time defender hours, reducing caseloads and funding increasing personnel costs. Over \$1 million of the requested increase is for a trial/DNA team to match resources available for the Attorney General's Office and to increase the use of DNA to resolve cases, according to Kajer. Kajer noted that slightly over \$1 million of the requested increase is for appellate work in public defense, which includes sex offender hearings, parole revocation matters and sentencing appeals based on recent U.S. Supreme Court rulings. About \$18 million of the board's request is for Child in Need of Protective Services

(CHIPS) and Children's Justice Initiative (CJI) efforts. Kajer said the board does not have attorney time available to provide non-mandated services or meet the CJI best practices guidelines. Bob Sykora, information systems director for the board, reviewed the technology challenges facing public defenders, including inconsistent records management systems and difficulties with electronic disclosure. Division members also discussed possibilities for seeking increased reimbursement from public defense clients.

State and Local Government Operations

Disabilities bills gain

Two bills relating to persons with developmental disabilities gained approval in the State and Local Government Operations Committee, chaired by Sen. Linda Higgins (DFL-Mpls.), Mon., Feb. 14.

The first measure addressed terminology issues. S.F. 525, authored by Sen. Sheila Kiscaden (IP-Rochester), directs that references to "mentally retarded" individuals be changed to refer to "developmentally disabled" individuals. Kiscaden said the measure, which is cost neutral, is designed to update Minnesota's statutory language to reflect current language practices.

President of the Minnesota Association of Centers for Independent Living Cara Ruff said language creates barriers for the 20 percent of the population that has disabilities. Colleen Wieck said the Governor's Council on Developmental Disabilities, of which she is executive director, fully supports the bill. Previous updates to state law removed words like feeble-minded and moron, Wieck said, but S.F. 525 is needed to continue renovating statutory language.

Sen. Charles "Chuck" Wiger (DFL-North St. Paul) asked if the terminology changes should be extended to local government. Kiscaden responded that attention currently focuses on the state level and that state language usually flows through to the local level.

Senators approved the bill and re-referred it to the Health and Family Security Committee.

Higgins sponsored the second measure, S.F. 548, to help day training and habilitation programs (DT&Hs).

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Bell Museum exhibit installer Dale Kennedy moves a model of a lion into position as he sets up a display in the north corridor of the Capitol.

Photo by Shelley Hawes

DT&Hs provide a variety of support programs to adults with developmental disabilities and serve nearly 12,000 clients in 276 facilities throughout Minnesota, said Higgins.

According to Higgins, the bill allows DT&Hs to be part of the state's purchasing alliance, helping the programs to save money, especially on large purchases like vans for employee transportation.

Members approved S.F. 548 and placed it on the Consent Calendar.

State Government Budget Division

Constitutional budgets considered

Budget recommendations for three constitutional offices were among the topics of discussion at the Tues., Feb. 15,

meeting of the State Government Budget Division, chaired by Sen. Sheila Kiscaden (IP-Rochester). The division examined the budgets for the Office of the Governor, Office of the Secretary of State and Office of the State Auditor. (The fourth constitutional office, the Office of the Attorney General, is not within the division's jurisdiction.)

Deputy Chief of Staff Bob Schroeder presented the governor's budget recommendation for his own office. The recommendation includes a \$6.993 million general fund appropriation and \$522,000 from a special revenue fund for operation of the state's Washington, D.C., office. The general fund recommendation represents a 2.5 percent decrease from current spending. Schroeder said the office has 45 employees, including temporary employees hired for the

Legislative Session. The previous administration, he said, had 55 employees and a budget of over \$9 million in the FY 02-03 biennium. The governor has not reached any final conclusions on how to absorb the cut, Schroeder said, but is considering a halt in dues payments to the National Governors Association and administrative and personnel cost reductions.

For the Office of the State Auditor, the governor's recommendation is \$16.512 million in general fund appropriations, including a \$100,000 reduction. Matt Lindemann, budget director, said the office accepts the reduction and will spread the impacts across its non-audit divisions. A separate budget item, he said, provides 15 additional staff to the Audit Practice Division at no cost to the general fund. Audit examination costs, Lindemann explained, are statutorily

recovered through fees charged to audited governments.

Chief Deputy Secretary of State Alberto Quintela said the Secretary of State's Office has faced many challenges in recent years, especially in its elections oversight capacity, while seeing its staffing and funding levels reduced. The governor's recommendation is for \$11.905 million in general fund monies, a \$75,000 reduction from the current budget cycle. Bert Black, an analyst in the office, said the secretary of state usually has a straight-forward budget. This year, he noted, the office's budget is more complicated, reflecting federal requirements and funding under the Help America Vote Act (HAVA).

Division members also considered the budgets for the Council on Asian-Pacific Minnesotans (CAPM) and Chicano Latino Affairs Council (CLAC). Neither council is facing cuts to its base budget. The governor's recommendation is \$486,000 for CAPM and \$550,000 for CLAC for FY 06-07.

In other action, the division considered S.F. 290. The measure, carried by Sen. Linda Higgins (DFL-Mpls.), appropriates \$36 million from the state HAVA account to purchase voting equipment that permits people with disabilities to vote in private without assistance and to purchase and operate optical scan voting equipment. A fiscal note on the bill reflected projected costs in the Dept. of Administration, which is involved in preparing contracts for the voting equipment, but not for the Secretary of State's Office. Deputy Secretary of State Tony Kielkucki said the office could have the information available by the end of the week. The division laid the bill on the table to await the updated fiscal information.

Tax

Prinsburg levy bill advanced

The Tax Committee, chaired by Sen. Lawrence Pogemiller (DFL-Mpls.), met Tues., Feb. 15, to consider one bill and to hear testimony on a bill freezing property taxes.

S.F. 485, sponsored by Sen. Dean Johnson (DFL-Willmar), permits the Prinsburg School District to convert existing levy authority in order to pay the MACCRAY School District an outstanding tuition balance of \$282,000. In

addition, the measure reduces the threshold percentage of enrolled private school students to total district enrollment from 75 to 50 percent to relieve the district of maintaining public elementary and secondary schools. The measure was approved and advanced to the Senate floor.

The committee also heard from Louis Jambois, Association of Metro Municipalities, on S.F. 318. The bill, sponsored by Pogemiller, prohibits increases in property tax rates for taxes payable in 2006, prohibits increases in local government and state fees and provides reimbursement to local governments for certain property tax and fee increases. No action was taken on the measure.

TIF bill gains

A bill that would allow further expansion of Medtronic gained the support of the Tax Committee at the Wed., Feb. 16, hearing. S.F. 699, sponsored by Sen. Don Betzold (DFL-Fridley), creates a tax increment financing district in order to redevelop a golf course for an expansion of the Medtronic campus. Betzold said the property, at the intersection of Highway 10 and 35W, is currently in use as a golf course. The golf course is, though, losing money, he said. Aaron Backman, economic development coordinator, city of Mounds View, said when fully developed there will be upwards of 6,000 jobs at the facility. Backman said the jobs created are exactly the type of jobs, high-paying, skilled jobs, that Minnesota wants. A representative from Medtronic said the development will house Medtronic's largest division, the Cardiac Rhythm Development. He said the average salary at Medtronic is between \$70,000 and \$100,000.

Betzold offered an amendment deleting a requirement that the land be used for public purpose. Betzold said when the state transferred the land to the city, there was language specifying the land be used for public purpose. The amendment eliminates the requirement, but specifies that if the land is not developed the requirement remains in effect. The amendment was adopted. The measure was approved and sent to the Senate floor.

The panel, chaired by Sen. Lawrence Pogemiller (DFL-Mpls.), also advanced one additional bill. S.F. 310, sponsored by Sen. David Tomassoni (DFL-Chisholm), clarifies spending and levy authority for

townships. The bill was approved and recommended for placement on the Consent Calendar.

Transportation

Governor's proposal outlined

The Transportation Committee, chaired by Sen. Steve Murphy (DFL-Red Wing), met Thurs., Feb. 17, to hear an overview of the governor's transportation proposal. Lieutenant Governor and Transportation Commissioner Carol Molnau and Bob McFarlin, assistant to the commissioner, presented an outline of the plan.

Frequently called numbers

Secretary of the Senate	
231 Capitol	(651) 296-2344
Voice mail/order bills	(651) 296-2343
Chief Clerk of the House	
211 Capitol	(651) 296-2314
Senate Index	
110 Capitol	(651) 296-2887
House Index	
211 Capitol	(651) 296-6646
Senate Information	
231 Capitol	(651) 296-0504
Toll free	1-888-234-1112
House Public Information	
175 State Office Building	(651) 296-2146
Toll free	1-800-657-3550
Senate Committee Hotline	
House Committee Hotline	
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	
G-17 Capitol	(651) 296-4791
House Research	
600 State Office Building	(651) 296-6753
TTY, Senate	
Toll free	1-888-234-1216
TTY, House	
Toll free	1-800-657-3550
Legislative Reference Library	
645 State Office Building	(651) 296-3398
Revisor of Statutes	
700 State Office Building	(651) 296-2868
Capitol Information Desk	
1st Floor Capitol	(651) 296-3962
Capitol Historic Site Tours	
B-59 Capitol	(651) 296-2881
Capitol Security	
B-5 Capitol	(651) 296-6741

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Kseniya Kviatkouskaya, an exchange student from Belarus, left, and David Abazs, of Finland, Minn., participate in Protect Our Water Citizen's Day at the Capitol, Wed., Feb. 23.

Photo by David J. Oakes



February 25, 2005

Senate Highlights

Bonding bill passed

Senators met in floor session Thurs., Feb. 24, in order to process the omnibus bonding bill. The other body passed their version of the bill, H.F. 3, earlier in the week. Bonding bills must originate in the House of Representatives. Therefore, members suspended the rules in order to amend the House bill with the language of S.F. 1, the Senate's version of the bill, and place it on final passage. Senators had debated the bonding bill several weeks earlier and laid it on the table to await passage of the House bill. The measure, sponsored by Sen. Keith Langseth (DFL-Glyndon), was granted final passage on a 58-7 roll call vote.

Members also granted final passage to two additional measures. S.F. 485, sponsored by Sen. Dean Johnson (DFL-Willmar), permits a conversion of existing levy authority for the Prinsburg School District to allow the district to resolve a tuition obligation owed to the MACCRAY School District. The measure was granted final passage on a 58-4 roll call vote. The second bill, S.F. 699, creates a tax increment financing district in Mounds View to allow for redevelopment of a golf course that will be used for an expansion of the Medtronic campus. Betzold said the Medtronic expansion is expected to create 2,000 to 3,000 jobs with salaries averaging \$70,000 per year. The bill was given final passage on a 62-0 roll call vote.

Johnson also paid tribute to three members of the National Guard, First Lieutenant Jason Timmerman, Staff Sergeant David Day and Sergeant Jesse Lhotka, who died Monday in Iraq. Johnson said, "We want these three families to know we will not forget, we want them to know that Minnesota holds these three, and the 16 others who died earlier, in highest regard and respect."

Members also gathered for a brief floor session Mon., Feb. 21. The session was held to process bill introductions and to hear committee reports in order to facilitate the flow of bills between committees.

Texas hold'em gains

Members of the Agriculture, Veterans and Gaming Committee, chaired by Sen. Jim Vickerman (DFL-Tracy), received a quick lesson in the rules of Texas hold'em at their Wed., Feb. 23, meeting. Senators approved a bill classifying the type of poker as a social skill game and also advanced four other measures.

Sen. Dave Kleis (R-St. Cloud) sponsored S.F. 317, adding Texas hold'em to the list of social skill games, thereby allowing organizers to hold Texas hold'em tournaments as long as the tournaments do not financially benefit the promoter. He said the bill was inspired when police raided a bowling alley in his district for holding a Texas hold'em tournament last summer. Kleis said the bill holds the game to the same regulations to which all social skill games are subject.

Sen. Sean Nienow (R-Cambridge), who attended the Texas hold'em tournament Kleis held for Senators and others last weekend, said the game really is one of skill, not chance. However, Sen. Yvonne Pretzner Solon asked if the bill did not legalize poker since the measure in effect legalizes Texas hold'em, a kind of poker. Sen. Dean Johnson (DFL-Willmar) said, "There is going to be some social consequence to the advancement of Texas hold'em and other games of chance."

Vickerman offered an amendment to require a permit to hold a tournament. Members adopted the amendment. Senators also approved S.F. 317 and re-referred it to the State and Local Government Operations Committee.

Next on the agenda was S.F. 783, authored by Sen. Betsy Wergin (R-Princeton). Under the measure, loans on manure digesters, machines that use methane to produce electricity, are interest free. The loans had been interest free until 2003 when the interest was raised to 4 percent, said Wergin. S.F. 783, she said, retroactively restores the interest free policy as well as removing the sunset date on the interest free loan program. "In Minnesota, we are interested in renewable energy," Wergin said, "and that's what this is."

Senators advanced the measure to the floor.

Sen. Steve Dille (R-Dassel) carried two bills relating to animals. S.F. 774 provides for the director of the Veterinary Diagnostic Laboratory to serve as a consultant to the Board of Animal Health. The measure also designates the laboratory as the official laboratory for the board. Dille said the bill also allows the board, through its executive director, to assume control of laboratory resources during a declared emergency. Dr. Bill Hartmann, Board of Animal Health, said S.F. 774 helps the state to respond better if a disease breaks out in Minnesota's animal population. The changes in the bill are, in part, a response to the concerns raised over foot and mouth disease outbreaks in other countries, Hartmann said.

Dille also sponsored S.F. 773. The bill, which pertains to the regulation of cervidae, basically maintains existing law but transfers enforcement responsibilities from the DNR to the Board of Animal Health. The reason for the transfer, he said, is so the board may impose civil penalties against cervidae farmers who do not adhere to regulations regarding their herds.

Members advanced both S.F. 774 and S.F. 773 to the floor.

The committee also approved S.F. 759, carried by Sen. Ann Rest (DFL-New Hope), and advanced it to the floor. The measure modifies the definition of raffles.

Smoking ban okayed

A bill imposing a ban in public places, including restaurants and bars, was the sole item of business for members of the Commerce Committee at their Mon., Feb. 21, meeting. Chair Linda Scheid (DFL-Brooklyn Park) opened the meeting by saying that the committee would limit its review of the measure to possible business impacts of a ban.

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A truncated school bus sits in front of the Capitol to symbolize Minnesota children's lack of school readiness as part of the Voices for Children rally, Thurs., Feb. 24.

Photo by Shelley Hawes

Sen. Scott Dibble (DFL-Mpls.), chief author, said S.F. 404 indicates that it is no longer acceptable to treat some workers as second-class citizens. In communities and states that have imposed similar smoking bans, workers' health has improved dramatically, he said. Credible economic studies, Dibble said, all show that the impact on business is neutral at worst. At best, the business climate improves, he said. Dr. Ed Ehlinger, director of Boynton Health Service at the University of Minnesota, said smoky bars perpetuate smoking among college students and expose student workers to secondhand smoke. The bill protects everyone's right to breathe clean air, he said.

Businesses are more profitable when fewer employees smoke, said Dr. Marc Manley, Blue Cross and Blue Shield. Reducing employee smoking rates, he said, translates into lower health care costs, less absenteeism and fewer workers compensation claims. Romelle Jones said her restaurant saw business improve after Moose Lake imposed its smoking ban, the first in the state. Erik Peterson, AFSCME, said waitresses have the highest lung cancer rates among women. No worker should have to

choose between her job and her health, he said. Joan Linski, a restaurant server and union leader, said the bridge between Duluth and Superior, Wis., runs both ways. Many residents of Wisconsin come to Duluth, she said, to eat in the smoke-free city. Smokers still go out to eat, but they step outside for their cigarette, Linski said. Smoke-free businesses are doing almost twice as well, in Duluth, than establishments with separate, sealed smoking rooms, said Pat McKone of the American Lung Association.

Opponents of the bill stressed the likelihood of community gathering places, including independent restaurants and bars, going out of business. Dale Swapinski of the Duluth Hospitality League said a referendum designed to increase Duluth's ban to one similar to the language of S.F. 404 was soundly defeated. Many restaurants were sold or closed after the original Duluth ban was enacted, he said. Swapinski said tax revenue from food and beverage sales increased only after the smoking restrictions were relaxed by permitting bars to serve full food menus. Charles Senkler, a member of the Tavern League of Minnesota, said the bill frightens

employees of his St. Paul establishment. Current customers are not going to be replaced by advocates of the ban, he said. Employees know that the loss of customers will cut into their incomes, Senkler said.

The bread and butter of many independent restaurants and bars is the happy hour crowd, said Dan O'Gara, whose family also operates a St. Paul business. During the happy hour period, he said, customers come in, have a couple drinks and a couple cigarettes. That time period, more than any other, pays the business's bills and employees, he said. Consumers should be able to vote with their pocketbooks, said Tom Day of Hospitality Minnesota. An increasing number of businesses are choosing to go smoke-free, he said. One year after New York imposed its ban, Day said, the state had 150 fewer bars and restaurants in outstate communities. Jim Newcomer, a member of a post in Bloomington, said VFW establishments are not open to the general public, but only to members and their invited guests. Why should the will of the membership be overruled by the whims of the uninvited public, Newcomer asked. Many regulars who come to the VFW hall for charitable gaming events, he said, would take their business to tribal casinos, which would not be subject to the smoking ban. The technology is available to clean indoor air well below federal OSHA standards and eliminate the threat of secondhand smoke, said Mark Wernimont, Smokeeters of Minnesota.

Committee members considered three amendments to the bill. One, offered by Sen. Dan Sparks (DFL-Austin), creates exceptions for businesses deriving at least 50 percent of sales from alcoholic beverages, for businesses creating separate smoking rooms with their own ventilation systems and for private clubs, such as VFWs. The amendment is an attempt at compromise, Sparks said. The amendment was not adopted. Another amendment, offered by Sen. Cal Larson (R-Fergus Falls), included only the private club exception. The amendment was defeated on an 8-8 roll call vote.

Sen. James Metzen (DFL-South St. Paul) offered an amendment creating an exception for tobacco shops. Most, if not all, people going into tobacco shops smoke, Metzen said. The amendment allows customers to sample products before buying them, he said. The amendment was adopted.

S.F. 404 was advanced to the full Senate on a 9-7 roll call vote.

Committee update

Agriculture, Veterans and Gaming

Biosciences described

Members of the Agriculture, Veterans and Gaming Committee devoted most of the Mon., Feb. 21, meeting to presentations on a variety of bioscience topics. The speakers illustrated the diverse nature of bioscience and the many economic development opportunities provided by bioscience innovations.

Members, chaired by Sen. Jim Vickerman (DFL-Tracy), also approved two bills. S.F. 515, sponsored by Sen. David Tomassoni (DFL-Chisholm), exempts raffles from registering with the Gambling Control Board if the value of all raffle prizes awarded in the raffle does not exceed \$1,500. The measure was forwarded to the full Senate.

The committee also approved and referred to the Finance Committee a bill providing for compulsive gambling prevention and education. The bill, S.F. 930, sponsored by Sen. Gary Kubly (DFL-Granite Falls), appropriates \$300,000 from the lottery prize fund for a grant to the Northstar Problem Gambling Alliance in Arlington, Minnesota. Lance Holthusen, executive director, said the bill specifies that \$75,000 in each year of the biennium is contingent on the alliance raising matching funds.

Commerce

Gift card bill discussed

A measure ensuring that gift cards retain their full purchase value provided the focal point for discussion when the Commerce Committee, chaired by Sen. Linda Scheid (DFL-Brooklyn Park), met Wed., Feb. 23.

S.F. 200 is authored by Sen. Wesley Skoglund (DFL-Mpls.). Skoglund said the bill makes gift cards and gift certificates worth the full amount for which they were bought regardless of their date of purchase. Unbeknownst to many consumers, said Skoglund, some cards have an expiration date or value that diminishes over time. "It's a rip-off," he said, "There's no other word for it." Skoglund also offered an amendment to allow the cards to be used to pay off debt. The amendment was adopted.

Skoglund said gift cards are a growing industry, citing a CNN report that

showed \$55 billion in gift cards were sold in 2004. As gift cards have grown in popularity, said Skoglund, other states have adopted measures similar to S.F. 200 to protect consumers. Attorney General Mike Hatch, who said he supported the bill, provided an overview of other states that have implemented similar laws.

Buzz Anderson, Minnesota Retailers Association, spoke in opposition to the bill. He said an amendment requiring retailers to include terms of purchase on the card would be more acceptable. Michelle Freese, representing the Simon Property Group and the Mall of America, said disclosure is a better option. "The best way to protect consumers is through adequate disclosure of terms and conditions," she said, "so consumers can make their own decisions and the free market can determine fees and charges." Lisa Frenette of the Minnesota Grocers' Association said money derived on top of the value from the gift cards usually goes to defraying the administrative costs associated with offering them.

Minnesota Bankers Association representative Joe Witt said that there are different types of gift cards, some of which act as credit cards, others of which act like gift certificates. He said the credit card style gift cards pose more costs to retailers because they carry replacement and card protection costs. Sen. Sheila Kiscaden (IP-Rochester) said it might be helpful to make a distinction between bank cards and gift cards in the legislation.

Sen. Charles "Chuck" Wiger (DFL-North St. Paul) and Sen. Michael Jungbauer (R-East Bethel) both authored similar proposals, S.F. 126 and S.F. 219 respectively. Both Senators said they supported Skoglund's proposal in moving forward.

Members laid the bill over for further discussion.

Crime Prevention and Public Safety

Murder definition change okayed

In a brief meeting, Thurs., Feb. 24, the Crime Prevention and Public Safety Committee approved a bill expanding the definition of first-degree murder for child abusers. S.F. 349, carried by Chair Leo Foley (DFL-Coon Rapids), specifies that whoever causes the death of a minor while committing child abuse, when the

perpetrator has engaged in a past pattern of child abuse upon any child, is guilty of first degree murder. Current law specifies that the past pattern of abuse must be upon the victim. The bill was advanced to the Senate floor.

Members also approved S.F. 580. The bill, sponsored by Sen. Linda Scheid (DFL-Brooklyn Park), specifies that whoever flees from a peace officer, by means other than a motor vehicle, is guilty of a misdemeanor. Scheid said fleeing an officer in a motor vehicle is already covered in statutes. The measure, which had been approved last year, was forwarded to the full Senate.

S.F. 478, authored by Sen. Don Betzold (DFL-Fridley), was also approved. The measure, known as the Revisor's bill, corrects erroneous, ambiguous and omitted text and obsolete references. Betzold said that normally the bill is heard only by the Judiciary Committee, however this year there were a number of items that fell under the jurisdiction of the Crime Prevention and Public Safety Committee. Betzold said the measure eliminates references to constables, standardizes misdemeanor and gross misdemeanor penalties that have been modified over time and repeals rules that are obsolete. The measure was recommended for placement on the Consent Calendar.

Early Childhood Policy and Budget Division

Childcare program toured

The Early Childhood Policy and Budget Division, chaired by Sen. John Hottinger (DFL-St. Peter), devoted the Tues., Feb. 22, meeting to a site visit of early childhood care and education programs at St. Paul College.

Funding bills heard

Two bills restoring funding to early childhood education programs were heard when the Early Childhood Policy and Budget Division, chaired by Sen. John Hottinger (DFL-St. Peter), met Thurs., Feb. 24. S.F. 949, authored by Sen. Becky Lourey, restores the funding in three ways. First, said Lourey, the bill continues revenue to school districts at a rate of \$120 times the previous fall's resident population of 0 to 4 year olds rather than reducing the rate

to \$96 times that population. The measure also increases aid for early childhood family education (ECFE) and appropriates overall early childhood funding for the next biennium, she said. Under the bill, just over \$8 million more goes to early childhood programs than is specified under current law.

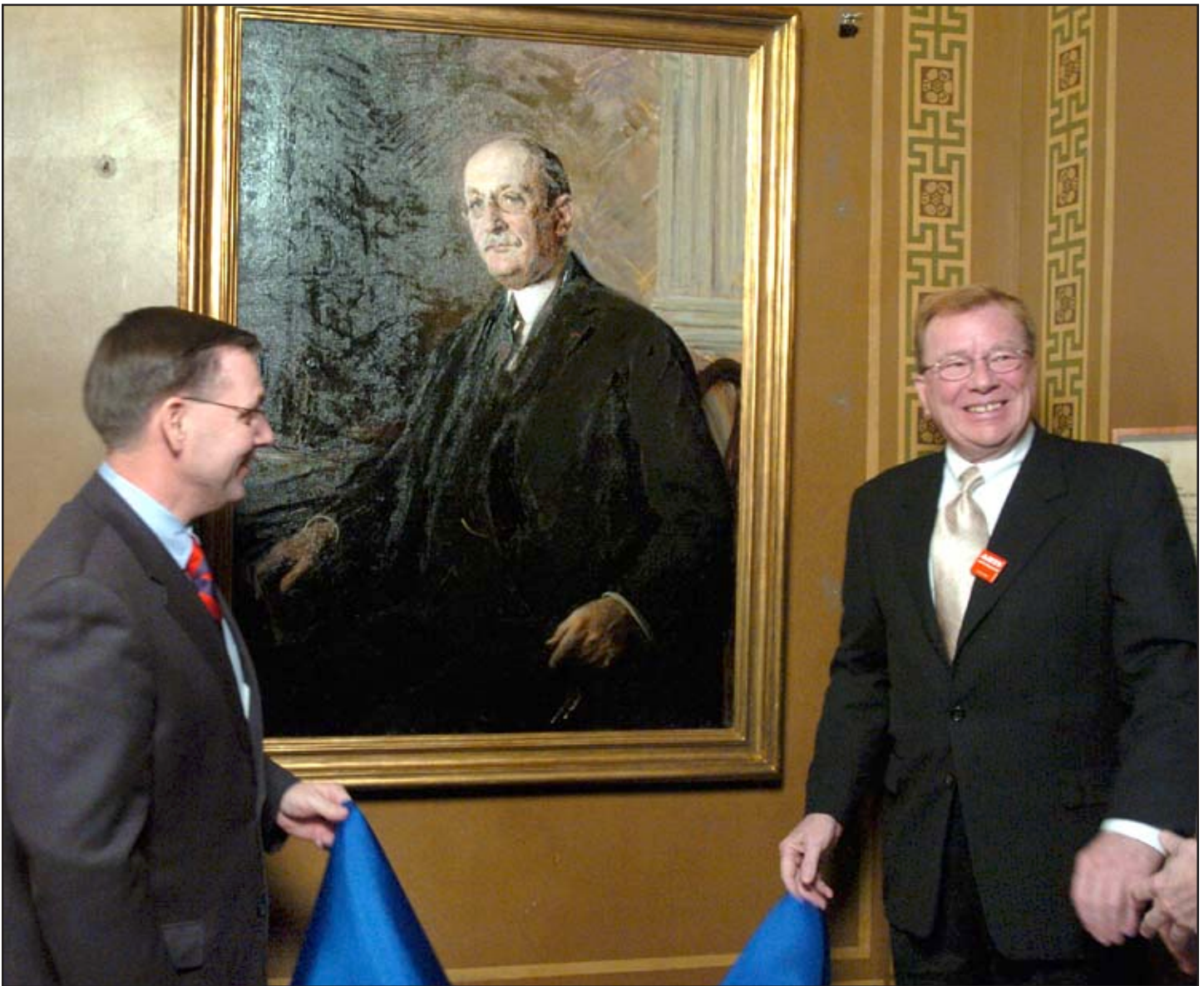
S.F. 673, sponsored by Hottinger, includes some of the same provisions. Hottinger said his bill also continues the early childhood education rate to districts at \$120 rather than \$96. Additionally, he said, the bill continues revenue to

community education at a rate of \$5.95 rather than reducing it to \$5.23. S.F. 673 provides for an increase of just over \$11 million to early childhood funding overall.

Several groups and individuals spoke in favor of increased funding to early childhood education programs. Tarryl Clark, Minnesota Community Action Association, said that without the extra funding, the state will lose hundreds of federally funded HeadStart slots. Representing St. Paul Public Schools, Mary Dooley-Burns said reduced funding has

already caused her school readiness program to eliminate its summer session. "Early childhood programs changed our lives," said Rhonda Addison, a parent whose family became involved in HeadStart. Addison said she appreciated how the program not only taught children but also helped to develop families.

Hottinger said that because the committee had not seen the February forecast and did not have fiscal targets yet, that it would be best to delay consideration of the bills. Senators laid both measures over for possible inclusion in the division's omnibus appropriations bill.



Senate Majority Leader Dean Johnson (DFL-Willmar), left, and Senate President James Metzen (DFL-South St. Paul react to the unveiling of a portrait of Cass Gilbert, architect of the State Capitol, outside the Supreme Court Chambers, Tues., Feb. 22. On loan from the Smithsonian Institution, Gilbert's portrait, and his wife's, will be on display until the end of the year in celebration of the Capitol's 100th birthday.

Photo by David J. Oakes

Committee update

Education

Twins placement bill okayed

A bill permitting parents to choose to keep children born as twins in the same classroom was approved by members of the Education Committee, Tues., Feb. 22. The panel, chaired by Sen. Steve Kelley (DFL-Hopkins), advanced the bill to the full Senate.

S.F. 180, carried by Sen. Dennis Frederickson (R-New Ulm), requires schools to place twins or higher order multiples, such as triplets, in the same classroom, if parents so choose. Under the bill, parents must choose to keep the children together within the first 14 days of the students' attendance at the school. Several parents discussed difficulties they had in seeking to keep their children together. Wendy Haavisto said her twin children were extremely upset by being separated when the family moved into a new school district. The separation has also caused confusion and competition at

home, especially when one student's class engages in activities that the other class does not, she said. Blane Huppert said his twins' principal had already decided to separate the children, without even meeting the students or giving them an opportunity to be in class together.

Grace Schwab, School Boards Association, said the problem appears to be focused at the school principal level. Parents having problems with individual schools should take the issue up with their local school boards, she said. Schwab also noted that many parents have had successful discussions with their school officials and achieved beneficial placement of their children. The bill attempts to micromanage school policies, she said.

Kelley noted the bill is drafted to assume that a district separates multiples and parents would want them together. The opposite could be true, he said, where district policy provides for keeping multiples together and parents prefer separation. Committee members adopted

an amendment modifying the bill so that parents could request separate or joint placement.

Parents of non-multiples often have preferences about child placement, said Sen. Rod Skoe (DFL-Clearbrook), but the school gets the final say after parent-administrator discussions. This bill goes too far in interfering with school decisions, he said. Frederickson said the bill affects only a small segment of the student population, children who are born with the unique bond of being multiples. Kelley said upsetting the balance of power between parents and children still disturbs him. We may be setting an unfortunate precedent, he said. Kelley urged interested parties to continue discussing concerns on all sides related to the issue.

In other action, committee members considered S.F. 419, authored by Sen. Charles "Chuck" Wiger (DFL-North St. Paul). The measure provides for student access to licensed support services, such as nurses, counselors, social workers and



Senators Chris Gerlach (R-Apple Valley), left, and Pat Pariseau (R-Farmington) consult during a recent floor session.

Photo by David J. Oakes

psychologists. The bill requires school districts and the Dept. of Education to consider nationally recommended licensed staff-to-student ratios, work loads and best practices as the districts and department work to improve student access to the support services. Sen. David Hann (R-Eden Prairie) said the bill does not offer districts any additional direction. In many districts, this bill may not alter practices, he said. Wiger said the bill directs districts to examine if they are doing everything they can. The bill was also forwarded to the full Senate. The committee also heard an overview of biosciences education.

Panels tour school

The Education Committee, chaired by Sen. Steve Kelley (DFL-Hopkins), and the K-12 Education Budget Division, chaired by Sen. LeRoy Stumpf (DFL-Plummer), met jointly Thurs., Feb. 24, at Katherine Curren Elementary School in Hopkins Minnesota for a "State of Education" tour.

Elections

Election reform bills heard

Two measures seeking to reduce the perceived power of money in political campaigns were heard by members of the Elections Committee, Mon., Feb. 21. The committee, chaired by Sen. Charles "Chuck" Wiger (DFL-North St. Paul), laid the bills over for further consideration.

S.F. 103, carried by Sen. John Marty (DFL-Roseville), establishes a new system of public subsidies, contribution limits and spending limits for candidates. Candidates accepting public subsidies are required to limit contributions from individuals to \$100 per year and to accept no contributions from political committees, political funds, party units or lobbyists, under the bill. The bill expands the political campaign refund program from a per person annual limit of \$50 to \$100. S.F. 103 also requires candidates receiving subsidies to participate in two public debates before the primary and two public debates before the general election. The bill also creates new contribution limits, spending limits and subsidies for political parties and legislative party caucuses. To receive public subsidies, parties are required to abstain from making indepen-

dent expenditures on behalf of candidates, under the bill. The measure also requires caucuses to abide by spending limits in exchange for subsidies.

Sen. John Hottinger (DFL-St. Peter) sponsored S.F. 863. Known as the fair and clean elections (FACE) act, the measure reduces contribution limits and replaces the funds with public money. The bill replaces annual contribution limits with a limit of \$50 per election cycle. The measure also replaces the current annual spending limits with election cycle spending limits similar to the current limits for an election year. Expenditures made on a candidate's behalf after certain contacts between the candidate and an outside group are established would not be considered independent and would be counted against the candidate's spending limit, under S.F. 863. The bill also presumes that advocacy ads run close to an election that identify a candidate are campaign expenditures. The bill requires state-subsidized television and radio stations to provide 30 minutes each election cycle to candidates for constitutional offices and 60 seconds each election cycle to legislative candidates. The secretary of state is required to publish voter's guides at least 21 days before the primary and general elections and mail the guides to every home in the state, under the bill. The measure is funded through a change to the corporate franchise tax, requiring tangible personal property shipped out of Minnesota to a state where the taxpayer is not taxable to be taxed in Minnesota.

Money in politics is a real problem, not just a perception problem, Marty said. Money changes issues and decides who runs, he said. Policymakers should take special interest money out of the political process. Hottinger said there is a subtle connection between political spenders and candidates. Beth Fraser of the Minnesota Alliance for Progressive Action said the current campaign finance system is broken. Candidates spend too much time raising money, she said. The FACE bill, Fraser said, gives challengers the ability to get name recognition and allows the public to focus on comparing candidates' ideas.

Jaclynn Moen, Minnesota Citizens Concerned for Life, said issue advocacy groups represent effective participation in the democratic process by people with similar political views and objectives.

Groups have stronger lobbying efforts and are able to promote specific candidates to greater effect than most individuals, she said. The wealthy do not need to pool resources, Moen said, while modest income Minnesotans need to work together to advance their ideals. The changes presented in both bills, she said, make winners out of the rich, media organizations and incumbents. Issue groups, including MCCL, are ready to mount legal challenges to the proposals, if enacted, and would likely win, Moen said. The courts have long recognized the right of citizens to associate for political purposes, she said.

Wiger indicated the committee would likely only advance one proposal, if any. Marty and Hottinger agreed to meet and narrow the issues for the committee to resolve. Sen. Dave Kleis (R-St. Cloud) suggested breaking up the bills so that individual changes could be considered. We would be more likely to get some pieces of the suggestions, he said, rather than risk elements many Senators could support at the expense of seeking broad reform.

Environment and Natural Resources

PFDs bill okayed

The Environment and Natural Resources Committee, chaired by Sen. John Marty (DFL-Roseville), met Mon., Feb. 21, to consider three bills.

S.F. 1116, authored by Sen. Satveer Chaudhary (DFL-Fridley), requires children under age 13 to wear personal flotation devices (PFDs) while on watercrafts. Current federal law already requires children to wear PFDs in federally regulated bodies of water, such as interstate rivers, said Chaudhary, and S.F. 1116 will bring Minnesota into conformity with federal standard. He also said that Minnesota is one of four states without a law requiring children to wear PFDs and that watercraft accidents have the second highest fatality rate of transportation accidents in the state.

Kim Johnson Jestus spoke on behalf of the measure. Jestus said she lost her five year-old son, Grant, over a year ago when he fell off the boat on a fishing trip with his father. Grant was not wearing a PFD, said Jestus. "This is so preventable," she said, adding, "The land of ten thousand

Committee update

lakes doesn't have a life jacket law to save children."

Sen. John Hottinger (DFL-St. Peter) offered an amendment implementing a one-year period in which people in violation of the law are warned instead of fined in order to give Minnesotans a chance to become aware of the new law. The motion prevailed.

Senators approved S.F. 1116 and forwarded it to the floor.

The panel also began consideration of S.F. 762, carried by Sen. Dennis Frederickson (R-New Ulm). The bill, entitled the Clean Water Legacy Act, is a comprehensive effort to implement measures to improve water quality throughout the state. The bill specifies the creation of a 17 member Clean Water Council and assigns administration of the water programs to the Minnesota Pollution Control Agency (MPCA). The cost of the water initiatives, said Frederickson, is raised through clean water fees of approximately \$36 a year per residence, or significantly higher fees for facilities that generate high water flows. "The real controversy here is how the money is raised and how the money is spent," said Marty. Frederickson said that the clean water fees may be the reason why Minnesota has not yet implemented the act, which originated in 1972.

Members laid over S.F. 762 for further discussion. They also began discussion on S.F. 686, a measure altering DNR administrative penalty order provisions.

Coyote bounty rejected

A bill permitting counties to offer bounties for the taking of coyotes did not gain the approval of members of a Senate wildlife panel, Wed., Feb. 23. The Environment and Natural Resources Subcommittee on Game and Fish, chaired by Sen. Tom Saxhaug (DFL-Grand Rapids), defeated a motion to advance the bill to the full committee.

S.F. 761, carried by Sen. Gary Kubly (DFL-Granite Falls), allows counties to offer bounties by resolution. Kubly said many constituents have been complaining about coyotes attacking their sheep and other livestock. Two Swift County commissioners said the bounty would serve as a management tool, not as a backdoor effort to eliminate coyotes entirely. Ed Boggess said the Dept. of Natural Resources has no position on the

bill. However, he said, bounties were used in Minnesota and other states, but discontinued in the 1960s because the bounties were not effective. Howard Goldman, representing several environmental groups including the Minnesota Humane Society, said bounties do not work and do not target the problem animals. There are other, more effective options, he said, including the use of professional trappers and improved security measures for livestock operations. Goldman also said wolves may be accidentally taken by bounty hunters.

In other action, the subcommittee considered several bills for inclusion in an omnibus game and fish bill. S.F. 825, authored by Sen. Dave Kleis (R-St. Cloud), creates a preference in hunting and fishing license lotteries for persons who have served on active duty in the armed forces, reserves or National Guard within the previous 24 months. S.F. 655, carried by Sen. Pat Pariseau (R-Farmington), imposes additional restrictions on nonresident fishing licenses. Pariseau said the bill is an attempt to bring parties back to a negotiating table after surrounding states have severely limited the ability of Minnesotans to fish there. S.F. 847, sponsored by Sen. Dan Sparks (DFL-Austin), permits the use of artificial lighting to bow fish or spear rough fish. All three bills were laid over for possible inclusion in the omnibus bill.

Saxhaug carried S.F. 789, which will serve as the vehicle for the omnibus game and fish bill. The measure contains numerous recommendations from the DNR Division of Fish and Wildlife. The bill was laid on the table.

Environment, Agriculture and Economic Development Budget Division

Budgets reviewed

The Environment, Agriculture and Economic Development Budget Division met Tues., Feb. 22, to consider the governor's budget recommendations for the Department of Employment and Economic Development (DEED) and the State Arts Board. Members also heard a presentation on the economic development opportunities brought about through business and agricultural bioscience development.

The division, chaired by Sen. Dallas Sams (DFL-Staples), began with an overview of the Dept. of Employment and Economic Development, by Commissioner Matt Kramer. Kramer said the mission of the department is to facilitate an economic environment that produces net new job growth, to improve the quality of existing jobs and improve the quality of the state workforce. He said the department has a wide and diverse customer base that includes businesses, job seekers and community development professionals.

The total FY 2005 budget is \$1.634 billion with workforce services accounting for \$148 million, workforce partnerships accounting for \$109 million, unemployment insurance accounting for \$875 million, the Public Facilities Authority accounting for \$409 million and administration accounting for \$5 million, Kramer said.

The Business and Community Development Division contains the Minnesota Trade Office, the business development division and the community and business finance division, Kramer said. Kramer said the department is going to be announcing a partnership with China for a multi-year effort to improve trade opportunities.

Workforce partnerships administers most programs through partners, Kramer said. Programs such as the Minnesota Youth Program, the Dislocated Worker Program and the Minnesota Job Skills Partnership are all part of workforce partnerships, he said. Services include employment programs, labor market information, vocational rehabilitation, independent living, extended employment programs, state services for the blind and disability determination, Kramer said. He said the Public Facilities Authority provides drinking water revolving loans, clean water revolving loans and the transportation revolving loan fund. Kramer said the Public Facilities Authority provides supplemental assistance grants to municipalities seeking financing for high cost wastewater, drinking water and treatment projects. Kramer also reviewed the change items in the budget proposal. One of the change items involves closing the trade office in Japan, while another item deals with providing funds for methamphetamine lab clean-up

costs. Kramer also detailed the cuts the department is proposing in order to comply with the governor's budget. He said the governor recommends multiple changes for state youth programs. In addition, one of the programs to be eliminated is the Displaced Homemaker Program. Kramer said the program is no longer statewide and other programs such as the displaced worker program are available for the same clients.

Members also heard from representatives of the State Arts Board and the biosciences. The State Arts Board's mission is to serve as a catalyst for creating a healthy environment for the arts, promote artistic excellence and work with a statewide network of regional arts councils to ensure accessibility to arts activities for all Minnesotans. The governor is proposing that the general fund appropriation for the State Arts Board remain at last biennium's level of \$17.186 million. The core function of the State Arts Board is to provide grants and services to the statewide arts community.

OEA, PCA merger discussed

The governor's budget recommendations for two environmental agencies, including merging the entities into a new Dept. of Environmental Protection, were the focus of the Thurs., Feb. 24, meeting of the Environment, Agriculture and Economic Development Budget Division, chaired by Sen. Dallas Sams (DFL-Staples).

Kristen Applegate of the Pollution Control Agency and David Benke of the Office of Environmental Assistance discussed the governor's proposal. The recommendation includes funding the new department primarily through environmental fees and taxes, including taxes and fees currently deposited into the general fund. The budget of the new department consists of a total of \$24 million from the general fund and \$239 million from other funds. Under the governor's proposal, 70 percent of the solid waste management tax flows into the environmental fund; currently revenues are evenly divided between the general fund and the environmental fund.

Division members also considered the governor's budget for the Board of Barber and Cosmetologist Examiners. The governor recommends no decrease in the board's \$1.398 million biennial budget.

Health and Family Security

Childcare bills okayed

The Health and Family Security Committee, chaired by Sen. Becky Lourey (DFL-Kerrick), considered a variety of bills at its Tues., Feb. 22, meeting. The panel approved four measures, defeated one, and laid one over for further discussion.

Two bills relating to childcare were next on the agenda. Sen. Cal Larson (R-Fergus Falls) carried both S.F. 826 and S.F. 873. S.F. 826 requires a 25 percent reduction in the annual license fee for childcare providers. Tammy Anderson and Dawn Block, childcare providers in out-state Minnesota, both testified in support of the bill. Childcare providers are in a struggling situation, said Block. Anderson said that childcare providers make so little that the fee can make or break an organization.

Senators approved S.F. 826 and re-referred it to the Finance Committee.

Larson's other bill, S.F. 873, restores the rate for providers whose reimbursement rate fell after rates were frozen in 2003. During implementation of the freeze, said Larson, the Department of Human Services (DHS) modified the reimbursement rates based on regional maximums, resulting in a loss for certain providers. Anderson, whose center lost more than \$6 per child per day in reimbursement, said, "We weren't supposed to be cut. We were supposed to be frozen." As a result of the cut, she said, her program lost 50 percent of its school-age participants and 40 percent of its toddlers.

Block also testified in support of S.F. 873. She said over 30 childcare centers have closed as a result of lower reimbursement rates. "We knew we had to wait two years to change the freeze, but waiting another two years could be devastating," Block said.

Members approved the measure and sent it to the Finance Committee.

S.F. 223, sponsored by Sen. Gary Kubly (DFL-Granite Falls), modifies aspects of emergency medical services. Mary Hedges, Emergency Medical Services Regulatory Board (EMSRB), said the bill is a housekeeping measure. S.F. 223 allows for volunteers to earn more money annually and still maintain their volunteer status. The bill also specifies the inclusion and authorization of Indian tribes in ambulance services as well as the

suspension of certain ambulance standards during declared emergencies.

Senators advanced S.F. 223 to the Judiciary Committee.

The final bill to gain approval was S.F. 24, authored by Sen. Yvonne Prettner Solon (DFL-Duluth). Solon said the bill directs the commissioner of health to develop a comprehensive, statewide cervical cancer prevention plan. "No woman should die of cervical cancer now that there is a known cure," said Solon, "We have a chance to make cervical cancer the first cancer that we can eliminate."

Sen. Linda Berglin (DFL-Mpls.) asked whether or not the bill will have a cost to the state. Solon responded that several individuals have volunteered their time to work on the prevention plan, so state expense will be minimal.

Members approved S.F. 24 and re-referred it to the Finance Committee.

S.F. 108, authored by Sen. Don Betzold (DFL-Fridley), failed to advance. The measure would have allowed patients who are committed to chemical dependency treatment or mental health programs to smoke in a separate ventilated area. Speaking in support of the measure, Dr. Dallas Erdman told the committee that well over 80 percent of schizophrenics and over 70 percent of bipolar patients smoke. "The time for (these patients) to quit smoking is not in the hospital when they are in the middle of crisis," said Erdman. John Gray, a nurse who works with mentally ill patients, said he also supported the bill. "Smoking is a source of tremendous comfort for our patients," said Gray, "and this just isn't the time to tell them they can't smoke." He also said that the smoking bans turns nurses into smoking police, creating an adversarial relationship between nurses and the patients they are trying to help.

Jon Uecker, representing the Minnesota Psychiatric Society and the Minnesota Medical Association, said he opposed the bill. The current ban, said Uecker, allows staff and patients who choose not to smoke to be in a smoke free environment. Dr. Maureen Hackett, who also said she opposed the bill, noted that nicotine is not the same as smoking and that patients might still use nicotine without smoking.

The bill did not advance.

Near the end of the meeting, Senators began consideration of S.F. 795,

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authored by Sen. Linda Higgins (DFL-Mpls.). Under the measure, health plans are required to cover interpreter costs for non-English speaking enrollees. Members laid the bill over for further discussion.

MMA compliance measure ok'd

A bill changing Minnesota law to comply with the 2003 Medicare Modernization Act (MMA) gained when the Health and Family Security Committee met Thurs., Feb. 24. Chaired by Sen. Becky Lourey (DFL-Kerrick), the panel also approved four other bills.

S.F. 880, authored by Sen. Brian LeClair (R-Woodbury), brings Minnesota law into conformity with MMA requirements. According to LeClair, the bill responds to the federal government's request for states to make sure they comply with the new legislation. "This is what we need to do to help our seniors get their prescription drug benefit," he said, adding that without the bill a conflict between federal and state law could lead to confusion for Minnesotans over their prescription drug coverage. John Gross, Department of Commerce, said S.F. 880 is a technical bill. "Forty-nine other states are doing exactly the same thing," said Gross.

Julia Phillips, also of the Department of Commerce, provided background on the proposal. Under MMA, she said, nobody can offer prescription drug coverage to new Medicare enrollees except the federal government. Those who do not move to the Medicare Part D prescription drug

program will remain in a block of policies in which there are no new entrants and the average age will continue to rise as enrollees pass away, Phillips said.



Melissa Melnick, St. Louis Park, holds a sign proclaiming "We're bilingual. Are you?" while her son Austin Stanley, a second grader at Park Spanish Immersion School, finds a comfortable vantage point during a rally in the Capitol Rotunda, Mon., Feb. 21, in support of making world languages a part of K-12 core academic subjects.

Photo by David J. Oakes

Lois Wattman, representing Blue Cross Blue Shield, said her organization is not allowed to sell new supplemental prescription drug policies under MMA, creating a "death spiral" in the existing insurance pool as policy-holders age. S.F. 880, she said, addresses that problem.

Senators approved the measure and re-referred it to the Commerce Committee.

Also gaining approval was S.F. 886, sponsored by Sen. Sandra Pappas (DFL-St. Paul). The bill provides for the commissioner of human services to fund one or more projects targeted at helping children at high risk for child abuse, substance abuse, mental illness, or violent crimes. Hope Melton, representing All Children Excel (ACE), a program that would qualify for the project funding, spoke in support of the measure. Investing in organizations like ACE, said Melton, is cost effective for the state. "You only need to save 5 children to pay for this program many times over," she said.

Members approved S.F. 886 and sent it to the Crime Prevention and Public Safety Committee.

Sen. Thomas Bakk (DFL-Cook) carried S.F. 520. The measure exempts the hot tubs of rented houseboats from public pool regulations. The hot tubs cannot physically meet some of the regulations, said Bakk, making it impossible for renters to follow existing law. Sen.

Sheila Kiscaden (IP-Rochester) noted that the bill exempts the hot tubs from all public pool regulations, including those regarding cleanliness. "How can we ensure

the safety of the general public?" she asked. Assistant Commissioner Doug Stang from the Department of Health (MDH) said Bakk had agreed to work with the department on the language of the bill to protect the public. Sen. Linda Berglin (DFL-Mpls.) offered an amendment that directs MDH to draft guidelines for the hot tubs. Senators adopted the amendment and then advanced S.F. 520 to the floor.

S.F. 718, carried by Sen. Dallas Sams (DFL-Staples) also advanced. The bill authorizes the American Osteopathic Association (AOA) to accredit Minnesota hospitals for licensure, a function that is currently performed only by the Joint Commission on Accreditation of Healthcare Organizations (JCAHO). Bill Flagg, an administrator from Douglas County Hospital, said the measure provides a good, viable licensure alternative, especially for smaller, rural hospitals.

Senators approved S.F. 718 and recommended it for placement the Consent Calendar.

A measure that modifies income eligibility calculations for MinnesotaCare (MnCare) also gained approval. S.F. 695, authored by Sen. Paul Koering (R-Fort Ripley), eliminates the add-back of depreciation for farmers. Koering said the measure was inspired by a constituent who became ineligible for MnCare because of the add-back.

Members approved the bill and referred it to the Finance Committee.

The final bill Senators considered was S.F. 722. The measure, carried by Sen. Steve Kelley (DFL-Hopkins), allows a psychologist who is a victim of his patient to disclose the patient's identity and relationship to the psychologist. Pauline Walker-Singleton, Minnesota Board of Psychology, said she supports the measure because it gives psychologists the ability to report crimes against themselves.

Jim Klein spoke in opposition to the bill. He said that psychologists already have a duty to warn officials about serious criminal threats. Klein also said that the language of the bill allows psychologists to disclose information about their patients whether it is confidential to a certain case or not. Sen. Betsy Wergin (R-Princeton) said the bill makes psychologists special victims. Kiscaden asked why the measure, if necessary, was not extended to other health professionals.

Senators laid S.F. 722 over for further discussion.

Health and Human Services Budget Division

Public testimony heard

The Health and Human Services Budget Division, chaired by Sen. Linda Berglin (DFL-Mpls.), began its third day of public testimony on the governor's budget proposal, Tues., Feb. 22.

Several presenters said cuts to MinnesotaCare (MnCare) were their main concern. Peter Bartling, Minnesota Medical Group Management Association (MMGMA), spoke on reductions in eligibility for the program. "The cuts effectively ask one group of Minnesotans, namely doctors and care providers, to shoulder the burden of costs of care for the very poor," said Bartling. He added that by using provider tax revenue to fund General Assistance Medical Care (GAMC), the budget does not honor the intent of the provider tax. "The provider community transitioned from opposing the provider tax to embracing it not because it thought this money would be used for public parks and highways," Bartling said. Sen. Brian LeClair (R-Woodbury) responded, saying that the governor's proposal is to use the healthcare access fund surplus to pay for healthcare, just through a different program.

Dental care was another issue speakers addressed. Danita Martinez represented Children's Dental Services, a non-profit dental clinic that is the largest provider to low income children in Minnesota. She said the cuts will seriously impact the oral health of Minnesota's children. Steve Larson, ARC of Minnesota, said that with a loss of preventative care, patients will end up seeking costlier emergency care. "Dentists will be pulling teeth instead of treating them," said Larson.

James Paist, Hemophilia Foundation of Minnesota and the Dakotas (HFMD), spoke on the governor's proposal to pool purchasing of hemophilia drugs. "This would be a nightmare for most out-state hemophilia patients," he said, explaining that a single source provider impairs a rural hemophilia patient's ability to obtain drugs quickly, a necessary component of hemophilia treatment.

Many parts of the budget affect the issue of homelessness, according to Rachel Callanan, Minnesota Coalition for the

Homeless. "The budget runs the gamut from good to bad to ugly," said Callanan. The good parts, she said, include \$10 million for new housing initiatives and programs for foster care transitions. Callanan called the continued lack of funding for county resources for homeless youth and emergency assistance bad budget components, but said healthcare cuts are the ugliest parts of the proposal because 48 percent of homeless Minnesotans have a chronic health problem. "The healthcare cuts will undermine the governor's plan to end long-term homelessness," she said, "Requiring people to spend down their assets will force people into long-term economic instability."

The panel also heard personal stories from a variety of citizens. "When we do hear these real life stories, it helps us make better decisions and better public policy," said Sen. Paul Koering (R-Fort Ripley).

Public testimony concludes

The Health and Human Services Budget Division concluded its hearing of public testimony on the governor's budget proposal, Wed., Feb. 23. The panel is chaired by Sen. Linda Berglin (DFL-Mpls.).

Higher Education Budget Division

National report discussed

Members of the Higher Education Budget Division, chaired by Sen. Sandra Pappas (DFL-St. Paul), met Tues., Feb. 22, to consider the results of a survey conducted by the National Center for Public Policy and Higher Education.

The study examined all 50 states in six areas: preparation, participation, affordability, completion, benefits and learning. Minnesota scored a B-plus in preparation; the survey noted that Minnesota eighth graders, including low-income students, perform well on national assessments and that a large percentage of high school students take and score well on college entrance exams. However, the study found that few eighth graders enroll in algebra and high school juniors and seniors do not perform well on Advanced Placement tests. The survey gave Minnesota an A in participation, observing that a large proportion of ninth graders are

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likely to enroll in college within four years. However, the study also noted a disturbing trend in the growing gap in college participation between white and minority ethnic groups.

The study gave Minnesota a grade of C-minus on college affordability, finding that families must spend, on average, about one fifth of their annual income to attend a community college, while spending almost a third of annual income to attend a public four-year institution. According to the survey, Minnesota has high retention and completion rates among students at both two-year and four-year colleges, earning the state a B-plus. Because a high number of the state's residents have bachelor's degrees, and the highly educated workforce translates into economic benefits, Minnesota was given an A on the benefits ranking. The survey gave Minnesota, and many other states, an incomplete in the learning category, due to a lack of data to compare states.

Patrick Callan, president of the center, said the survey leaves three policy questions unanswered: can the state increase the proportion of students who finish high school within four years, can its four-year colleges and universities be made more affordable for low- and middle-income families and can Minnesota close the gaps in educational achievement between whites and minority residents?

In other discussion, the division also heard about efforts to make higher education opportunities available to persons incarcerated in the state's correctional institutions. Division members heard from Curt Peterson, director of the Minnesota Correctional Education Foundation, a charity seeking to establish, fund, and coordinate college and vocational opportunities at state correctional facilities.

Biosciences education discussed

The importance of strong educational programs in the biosciences was the focus of the Thurs., Feb. 24, meeting of the Higher Education Budget Division. The panel, chaired by Sen. Sandra Pappas (DFL-St. Paul), heard about bioscience education initiatives at state universities, community colleges and the University of Minnesota.

Division members also heard about the Six Year Plan, a St. Paul Public Schools project to encourage students to

plan for rigorous education in four years of high school and at least two years after high school. The aim of the project is to get students to focus on their life goals and what they need to do and learn to achieve those goals.

Jobs, Energy and Community Development

Climate change presenters heard

Meteorologist Paul Douglas and explorer Will Steger both addressed the Jobs, Energy and Community Development Committee, chaired by Sen. Ellen Anderson (DFL-St. Paul), Mon., Feb. 21. Douglas and Steger spoke on the impact of climate change on Minnesota.

Douglas said a growing amount of scientific evidence is strengthening the case that global warming is occurring. Douglas said that while global temperatures have risen over the past century and a half, Minnesota's average temperature has increased at three times the global rate. Minnesota could be one of the first states to undergo the symptoms of global warming, said Douglas, citing the perception that Minnesota winters are becoming shorter and milder.

Steger related his experience in Arctic and Antarctic travel to provide a background for his presentation on climate change. Showing photographs of areas where he traveled, Steger said the Arctic is changing especially as the ice in the landscape breaks up and melts.

Mercury discussed

Much of the Wed., Feb. 23, meeting of the Jobs, Energy and Community Development Committee was devoted to discussion of mercury emissions and methods to reduce mercury emissions. Sarah Welch, Izaak Walton League, began with an overview of the reasons mercury causes concern. The Minnesota Dept. of Health has issued a statewide fish consumption advisory because of mercury contamination, she said. In addition, the U.S. Environmental Protection Agency has found elevated mercury levels in one in six women of childbearing age. She also outlined an advisory council's mercury contamination reduction initiative, which concentrated on voluntary reductions of mercury emissions. Welch said there have been some reductions, but the reductions were primarily the result of state and

federal mandates, other initiatives and occurred almost entirely in one sector. Welch said future policy goals should include requiring all large electric utilities to reduce mercury emissions by 90 percent by 2009, requiring the taconite industry to invest in research and development of mercury control technologies and requiring the Minnesota Pollution Control Agency to report sector-specific reduction progress.

The committee, chaired by Sen. Ellen Anderson (DFL-St. Paul), also heard from Sid Nelson of Sorbent Technologies. Nelson outlined the technology his company uses to reduce mercury emissions. He said the technology is available now and is not extraordinarily expensive.

The balance of the hearing was devoted to discussion of alternative energy technologies. Robert Walker of Bixby Energy Systems spoke on energy from biomass, Carl Nelson of the Green Institute spoke on solar energy and Paul Steinhäuser spoke on sustainable businesses.

Judiciary

Corporate law bill gains

The Judiciary Committee, chaired by Sen. Don Betzold (DFL-Fridley), advanced several bills to the Senate floor at the Tues., Feb. 22, hearing.

The panel approved a bill recodifying and modernizing the law regulating the formation, structure and operation of corporations. S.F. 767, sponsored by Sen. Geoff Michel (R-Edina), moves much of the law relating to corporations, Chap. 300, to another chapter and repeals the remaining portion. Michel said that for several years Minnesota corporations have been governed by parallel chapters and the bill is designed to update and modernize the statutes. Members adopted an amendment relating to mutual insurance companies before approving the bill and sending it to the Senate floor.

Members also approved a bill providing a penalty for drivers who leave a service station without paying for gasoline. S.F. 72, authored by Sen. William Belanger (R-Bloomington), specifies that the owner is liable to the retailer for the price of the motor fuel and a service charge of \$30. The bill also specifies that additional civil penalties may be imposed if payment is not received within 30 days. In determining the

additional penalty the court is to consider the amount of fuel taken and the reason, Belanger said. Finally, under the bill, the retailer is also entitled to interest and reasonable attorney fees up to \$500. The bill was approved and advanced to the full Senate.

Two additional bills were also approved. S.F. 271, sponsored by Sen. Linda Berglin (DFL-Mpls.), provides that a sibling may have access to a person's death records. The measure was recommended for placement on the Consent Calendar. S.F. 1040, carried by Betzold, limits physician and nurse practitioner liability for the conduct of a former prisoner or civilly committed person that

is related to the use or nonuse of medicines. The bill was approved and sent to the Senate floor.

Data privacy bills heard

The Judiciary Subcommittee on Data Practices met Thurs., Feb. 24, to hear a variety of bills. The panel, chaired by Sen. Wesley Skoglund (DFL-Mpls.), approved the measures for inclusion in this year's omnibus data practices bill, S.F. 361. In addition, one of the bills was advanced to the full committee because it must be heard by the Finance Committee.

The measure that sparked the most discussion, S.F. 966, sets a per page fee for 300 or fewer copies of public data pro-

vided to an individual who requests the data from a public entity. Sen. Don Betzold (DFL-Fridley), chief author of the bill, said current law requires government entities to provide copies of documents for the actual cost of providing the documents. However, current law does not specify a charge for separating public from non-public data and as a result, different government entities charge differing amounts for copies.

Mark Anfinson, Minnesota Newspaper Association, spoke in support of the bill. The traditional formula has been for government agencies to charge the actual costs, but one component of the actual cost is employee time, Anfinson said. He



Meteorologist Paul Douglas, left, and explorer and educator Will Steger exchange notes following their appearance before the Jobs, Energy and Community Development Committee, Mon., Feb.21. The committee heard testimony from Douglas and Steger on the effects of climate change in Minnesota.

Photo by David J. Oakes

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said it became quite clear there could be widely different charges for the same documents, depending on the hourly wage of the employee doing the copying. "We support a fixed cost for small numbers of copies," Anfinson said.

Keith Carlson, executive director of the Metropolitan Inter-County Assoc., spoke in opposition to the bill. "One size does not fit all," Carlson said. He said requests for documents can entail a wide range in actual costs, depending on the nature of the request.

Betzold offered an amendment to the bill specifying that the set fee is for copies of data that is readily available and that the fee applies to each separate page. The panel adopted the amendment. Betzold also offered an amendment to set the fee at 25 cents per page. He said he set the fee at that amount for purposes of discussion as the bill progresses through the process. The second amendment was also adopted. Betzold then moved that the language of the bill be amended into the omnibus bill and that the original bill be advanced to the full committee. Betzold said another committee had asked to see the measure so he wanted the actual bill to proceed while the identical language was included in the omnibus bill. The motion was adopted.

In other action, the subcommittee approved three additional bills. S.F. 965, also carried by Betzold, specifies that the identity of applicants for appointment to state and local government boards and commissions is public data. The measure was approved for inclusion in the omnibus bill.

Betzold also sponsored a third bill. S.F. 608 provides that Dept. of Commerce law enforcement data may be shared with law enforcement agencies. The bill was approved and advanced to the full committee.

Members also considered the omnibus data practices bill, but laid the measure over in order to amend other data practices bills into the measure. S.F. 361, carried by Skoglund, began as a bill making technical corrections to the data practices laws.

Public Safety Budget Division

Courts budget reviewed

Members of the Public Safety Budget Division, chaired by Sen. Jane Ranum (DFL-Mpls.), devoted their Wed., Feb.

23, meeting to an overview of the governor's budget.

In the last biennium, said State Court Administrator Sue Dosal, the court system was cut \$17 million. As a result, she said, the judicial branch enacted several cost-saving measures, some of which include a hiring freeze, cutting middle management positions, closing 5 satellite courthouses, cutting juror per diems, banning out of state travel, and imposing a 45 day delay in filling judgeship vacancies. Even as the court system implemented the cuts though, Dosal continued, a significant increase in caseloads was creating significant stress on the state's judicial system. "We have reached a wall," she said, "Our budget is not a wish list. It is what we think is critically important."

Dosal said there are four areas in which the court system is seeking budgetary increases: mandated services, the child support process, the use of retired judges by the Court of Appeals, and core justice operations. Under mandated services, she said, the courts are requesting \$300,000 and \$600,000, an overall increase of 16 percent, for the next two fiscal years respectively to provide interpreters for non-English speaking participants in the justice system. "This is a growing field," said Katrin Johnson, who administers the court interpreters program, "The demands are constantly changing."

The court system is also requesting just over \$800,000 in the next biennium for psychological services, another mandated service, said Dosal. She said the examination fee for civilly committed individuals is increasing and that more examinations are needed as the number of civil commitment filings rises. Dr. Lawrence Panciera, chief forensics psychologist, Fourth Judicial District, said commitment of sexually dangerous persons is growing especially fast, citing a more than 400 percent increase in the number of sexually dangerous individuals committed in Hennepin County over the last year.

Dosal also outlined the court system's request for \$470,000 to fund the child support process and \$176,000 to fund the use of retired judges by the Court of Appeals.

Representatives from civil legal services also addressed the division. Jeremy Lane, executive director, Mid-Minnesota Legal Service, said the state saves over \$18 million by investing just

over \$7 million in the legal aid program. Legal aid generates the savings, said Lane, by reducing client reliance on public assistance, helping Minnesotans leave state programs, and keeping cases out of court. Despite its cost-effectiveness, legal aid has had to cut over 20 positions since 2002, Lane said. According to Judge Edward Lynch, First Judicial District, further cuts to legal aid would seriously impair the court's ability to provide necessary legal services.

Rules and Administration

Panel okays Permanent Rules

Members of the Rules and Administration Subcommittee on Permanent and Joint Rules met Mon., Feb. 21, to complete work on proposed Permanent Rules of the Senate. The panel, chaired by Sen. Ann Rest (DFL-New Hope), adopted two amendments dealing with members and lobbyists maintaining the highest standard of ethical conduct. The amendments were offered by Sen. Don Betzold (DFL-Fridley) and Sen. Steve Dille (R-Dassel). Two additional amendments, offered by Dille, were withdrawn. The amendments allowed co-authors on amendments and two chief authors on bills. Members determined the technology needed for two chief authors to be named on a bill was not yet available. The amendment allowing co-authors was withdrawn because of confidentiality concerns. The subcommittee advanced the amended Permanent Rules of the Senate to the full committee.

Rules adopted

The full Rules and Administration Committee, chaired by Majority Leader Dean Johnson (DFL-Willmar), met Wed., Feb. 23, to consider changes to the Permanent Rules of the Senate, discuss an updated travel policy and approve a resolution formally setting committee deadlines.

Members first considered changes to the Permanent Rules of the Senate. Sen. Ann Rest (DFL-New Hope), chair of the Rules and Administration Subcommittee on Permanent and Joint Rules, said the subcommittee had met several times and agreed upon five relatively noncontroversial changes. The first change adds and early childhood education appropriation bill and a public safety appropriation bill

to the list of major appropriations. The second change adds an additional news organization, the Minnesota News Network, to the list of news agencies with permanent space on the Senate floor. One change involves authorizing the Rules and Administration Subcommittee on Ethical Conduct to investigate complaints filed against a member or a lobbyist during a special session. The fourth change applies the standard of ethical conduct at all times, not just before adjournment sine die in the last year of a Senate term. Finally, the last change applies the prohibition on a lobbyist providing false information to information provided by the lobbyist through a third party.

Sen. John Marty (DFL-Roseville) offered another amendment to the Permanent Rules. The amendment requires all conference committees to be open to the public from the time the committee is appointed until the committee is disbanded. Further, the amendment prohibits any communication by Senate members of the conference committee or Senate employees assigned to the conference committee with House members or employees that includes making or accepting an offer regarding the issues in dispute, unless the communication is made in public.

Marty said the amendment ensures openness of the conference committee process. Sen. Richard Cohen (DFL-St. Paul) said the amendment addresses the problem of the other body regarding the public part of the conference committee process as a sham. However, Sen. LeRoy Stumpf (DFL-Plummer) said the amendment greatly hinders flexibility in the conference committee process. Rest said the amendment would be more appropriate for the Joint Rules. She said it did little good if only one body was bound by the rule. Marty withdrew the amendment after members agreed to continue discussions on the subject of openness in conference committees.

The Permanent Rules of the Senate were approved and advanced to the Senate floor.

Members also adopted a resolution setting committee deadlines and naming the major appropriations bills. Under the resolution, the first committee deadline is Tues., Apr. 5, the second deadline is Tues., Apr. 12 and the third deadline is Fri., Apr. 22.

The panel also approved the appointments of Sen. Gary Kubly (DFL-Granite

Falls) to the Emergency Medical Services Regulatory Board and of Sen. Linda Higgins (DFL-Mpls.) and Sen. Lawrence Pogemiller (DFL-Mpls.) to the St. Anthony Falls Heritage Board.

Members also considered a revised travel policy. The policy specifies that the foundation for all policies and procedures related to legislative travel is public accountability and the determination the travel is a prudent expenditure of public money. To that end, the policy specifies that travel will be approved with strong consideration for the Senate's internal budgetary concerns. The policy further requires a request to travel be received by the Rules and Administration Committee at least 30 days before the departure date and have the signatures of the appropriate supervisors and Senators. The policy also details the expenses eligible for reimbursement, such as coach air fare and conference fees. Discussion centered on a provision concerning car rental. The policy provides that car rental will not be approved unless the member is attending a conference more than 100 miles from the airport. Several members pointed out that often car rental is less expensive than taking other types of transportation, such as taxis, to a hotel. The travel policy was laid over in order to develop language clarifying the car rental policy.

Finally, the committee adopted the report of the Rules and Administration Subcommittee on Technology. The subcommittee, chaired by Higgins, recommends changes to the Senate's internal technology policy. Higgins said the subcommittee report recommends allowing members to have a secondary web page linked to the member's official web page. The secondary page could contain items such as background papers on issues of interest to the Senator, audio, video or images produced by Senate Media Services and press releases that do not fall within the definition of campaign activity. Higgins said the subcommittee was very emphatic about the secondary pages not being used for political purposes. Higgins also brought forth a proposal to contract with Gov Docs, a private organization that allows public sector organizations to offer personalized e-mail subscription functionality through a turnkey, web-based solution. Members laid the proposal over for further discussion.

State and Local Government Operations

Electronic meeting bill okayed

The State and Local Government Operations Committee, chaired by Sen. Linda Higgins (DFL-Mpls.), met Wed., Feb. 23, to consider a variety of bills.

The panel began by considering a bill, S.F. 853, authorizing certain boards to conduct meetings by electronic means. The bill names the Minnesota Agricultural and Economic Development Board, the Small Business Development Center Advisory Board, the Jobs Skills Partnership Board, the Governor's Workforce Development Council, the Urban Initiative Board and the Explore Minnesota Tourism Council as the bodies authorized to use electronic means for meetings. The bill also requires all members be able to hear one another, that members of the public present at the regular meeting location be able to hear all discussion and votes, that at least one member be present at the regular location and that all votes be done by roll call.

Sen. David Senjem (R-Rochester), chief author, said the bill recognizes the efficiencies available through the use of electronic communications. Senjem offered two amendments to the bill. The first amendment specifies a preference for video conferencing over telephone communication. The second amendment allows counties, cities and townships to meet by electronic means under certain declared emergency situations. Both amendments were adopted. The bill was approved and advanced to the Jobs, Energy and Community Development Committee.

Sen. Sharon Marko (DFL-Cottage Grove) sponsored a measure, S.F. 532, authorizing the Washington County Board to operate and manage the Washington County Library System. In addition, the bill provides that the Washington County Library Board be appointed by the county board and provide advice and make recommendations on matters pertaining to the library system. Washington County Commissioner Myra Peterson said the bill is designed to streamline county government and is supported by library system employees and the current board. The bill was approved and recommended for placement on the Consent Calendar.

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A bill restoring the statutory references for the Minnesota Humanities Commission was also heard. S.F. 877, sponsored by Sen. LeRoy Stumpf (DFL-Plummer), establishes the commission, requires the commission to report to the Legislature and provides for establishing a humanities center. Stumpf said the commission was abolished as part of the budget cutting efforts in 2003. He said the commission was not only abolished, but all references to the commission were deleted from the statutes. The current chair of the Minnesota Humanities Commission said it was important to reinstate the language because the commission receives federal grants that must be matched. In addition, Stumpf said that although the bill does not contain an appropriation, a separate bill will contain a request for an appropriation. The measure was approved and sent to the full Senate.

Members also heard a bill authorizing county boards to contract for the sale of biomass. S.F. 893, carried by Sen. David Tomassoni (DFL-Chisholm), authorizes a county auditor, with the approval of the county board to grant leases for up to 25 years for the production or removal of closed-loop biomass or short rotation woody crops from tax-forfeited land and to sell the biomass or woody crops to a municipal public utility. Gary Cerkenik, an energy consultant, said the bill would allow St. Louis County to sell brush to municipal utilities. In addition, the bill allows Xcel Energy to meet requirements for producing energy from biomass. Cerkenik said there is also an advantage for wildlife by preserving habitat. He said the land is unsuitable for other uses such as timber. The bill was approved and re-referred to the Environment and Natural Resources Committee.

The last bill to be considered, S.F. 819, requires an agency to retain an employee's records for three years if the employee has been terminated. In addition, the measure sponsored by Sen. John Marty (DFL-Roseville), requires an agency to provide access to a contested case hearing for an employee who claims whistle-blower status. The bill also creates a position for an ombudsman for state employee whistle-blower investigations. In addition, the bill prohibits the agency from shredding or destroying records relating to an employee whose termination is in dispute. Finally, the bill prohibits public employers from retaliating against employees who report waste or mismanagement.

Paul Larson, deputy commissioner of labor relations, Dept. of Employee Relations, spoke in opposition to the bill. He said like

any other employer, there are instances of employee misconduct and the provisions of the bill would interfere with the department's ability to investigate and terminate employees. Jim Rhodes, Dept. of Administration, said the agency is concerned about language relating to establishing an ombudsman position. Sen. Betsy Wergin (R-Princeton) moved to remove the provision. The motion was adopted. The bill was approved and advanced to the Judiciary Committee.

State Government Budget Division

Voting equipment bill gains

A bill providing \$36 million to equip polling places with voting machines that permit people with disabilities to vote privately without assistance was approved by members of the State Government Budget Division, Tues., Feb. 22. The division, chaired by Sen. Sheila Kiscaden (IP-Rochester), advanced the measure to the Finance Committee.

S.F. 290, carried by Sen. Linda Higgins (DFL-Mpls.), had been heard by the panel at a previous meeting, but tabled to await information about the bill's administrative costs from the Secretary of State's Office. Bert Black, a business and legal analyst, said the office estimated its administrative costs in FY 06 to be \$152,175, distributed among contract development, grant administration and post-purchase reporting activities.

Division members adopted three amendments to the bill. One amendment, offered by Sen. Jim Vickerman (DFL-Tracy), requires contracts with vendors to include an automatic instant-runoff voting (IRV) upgrade provision, rather than requiring the vendor to supply IRV-capable machines up front. The other two amendments were recommended by Higgins. The first requires the Dept. of Administration to convene an advisory group to assist in selecting voting systems. The advisory group must include representatives of county auditors, municipal clerks and persons with disabilities, under the amendment. The final amendment provides funding for the administrative responsibilities of the Dept. of Administration and the Office of the Secretary of State under the bill. The amendment provides \$50,000 to the Office of the Secretary of State. Higgins said the office had overstated its costs by assuming far more vendors than are reasonably likely to seek to supply voting machines.

In other action, division members reviewed the budget recommendations for the State Board of Investment (SBI) and the Dept. of Finance. The SBI—composed of the governor, the attorney general, the secretary of state and the state auditor—develops and implements investment policies and strategies for the state's retirement funds, trust funds and cash accounts. The governor's budget recommends restructuring the board's funding to allow the board to directly bill operating costs to the retirement systems and other funds for which assets are invested.

The governor's recommendation for the Dept. of Finance includes a 2.7 percent general fund reduction. Total spending from all funds is \$43.322 million from all funds, including \$29.616 million from the general fund. Commissioner Peggy Ingison said the reduction will directly result in eight eliminated positions. An additional seven or eight positions are likely to be eliminated to accommodate salary and benefit cost increases, she said. The department will also modify its operations to achieve cost savings, Ingison said.

Dept. of Revenue overview heard

The State Government Budget Division, chaired by Sen. Sheila Kiscaden (IP-Rochester), met Wed., Feb. 23, to hear a budget overview for the Department of Revenue.

Deputy Commissioner Dennis Erno presented the overview. He began by outlining the department's duties and then spoke on key issues for the department over the last two biennia and the next projected budget. Those key issues, said Erno, are improving tax compliance, modernizing the tax system, curbing growth in tax delinquency and modernizing the department's computer system.

Erno also spoke on how the department is dealing with budget cuts. Overall, he said, the department tries to avoid cutting activities that directly impact state revenue, while it reduces investments in technology and rent for office facilities. During the last biennium, said Erno, the department's budget dropped from \$194.1 million to \$174.5 million. He said the department had anticipated the cuts and began transitioning to an electronic filing system, less expensive than the old paper system, before the reductions actually took place. He added that the department also closed offices and took other measures to absorb the budget cuts.

Kiscaden asked if one of the measures included eliminating the toll free phone line at the department. Erno responded that the department had eliminated the line in order to protect other areas that generated revenue. The toll free line cost 10 cents a minute, said Erno, so it is cheaper for the public to call on private lines, which usually cost 3 to 5 cents a minute. He also said the department wanted to encourage people to use the website instead of calling, because web service is less expensive. "We want to divert taxpayers to low cost services and provide them with better assistance," said Erno.

Tax

Land value taxation considered

Members of the Tax Committee met Wed., Feb. 23, to consider a bill taxing real property based only on the value of the land. The committee, chaired by Sen. Lawrence Pogemiller (DFL-Mpls.), took no action on the measure.

S.F. 978, authored by Sen. Mee Moua (DFL-St. Paul), phases in a land value taxation system for the state general levy on commercial-industrial property. Under the bill, 10 percent of the levy payable in 2007 is apportioned to the land capacity and an additional 10 percent is added in succeeding years, until the tax is levied only on land capacity in 2016. Rich Nymoen, chair of the Metro Equity Committee of ISAIAH, said land value taxation has tremendous potential as a redevelopment tool. He said studies have shown that land value taxation, because it focuses only on the value of a piece of land and not on any improvements to the land, effectively increases the taxes on vacant and underutilized land, encouraging owners to sell. Nymoen said land value taxation has been tried in Pennsylvania and resulted in an increase in development. Mark Haveman, Minnesota Taxpayers Association, also discussed a study of land value taxation.

Biosciences credit hike considered

Members of the Tax Committee met Thurs., Feb. 24, to consider a proposal increasing the amount of tax credits or exemptions that may be awarded in a biotechnology and health sciences industry zone. S.F. 1024, carried by Sen. Julie Rosen (R-Fairmont), increases the credit amount from \$1 million to \$2 million.

Representatives of bioscience zones in St. Paul, Minneapolis and Rochester discussed the benefits already flowing from

the tax credits available to businesses located in bioscience zones in their cities. Gene Goddard, Dept. of Employment and Economic Development, said start-up firms in the biosciences industry need to be located near major research centers, including universities and world-class hospitals. The tax credit helps draw and concentrate researchers and entrepreneurs, he said. Members, chaired by Sen. Lawrence Pogemiller (DFL-Mpls.), placed the bill on the committee's 'C' list, composed of proposals they consider promising, but that need to be balanced with other priorities when an omnibus tax bill is being assembled.

In other action, committee members advanced S.F. 1087, sponsored by Sen. Mee Moua (DFL-St. Paul), to the full Senate. The measure corrects an error from the 2003 tax bill. The panel also heard from Joel Kramer, executive director of Growth and Justice, a progressive think tank. The group conducted a study to find a way to make taxes fairer for families and better for business growth, Kramer said. Growth and Justice determined that conservatives and liberals must each set aside a core belief about tax policy: that a progressive tax system is bad for business growth, for conservatives, and that heavy business taxes are progressive, for liberals, he said. The group recommends a swap—raising income taxes on higher income earners and lowering taxes paid by businesses, Kramer said. He said the group also recommends broadening the sales tax base, while simultaneously lowering the sales tax rate.

Transportation

Budget proposals heard

The Transportation Budget Division, chaired by Sen. Steve Murphy (DFL-Red Wing), devoted the Tues., Feb. 22, meeting to discussion of the governor's budget proposal for the Metropolitan Council's Metro Area Transit operation and several divisions within the Dept. of Public Safety.

Metropolitan Council Chair Peter Bell provided an overview of Metro Transit's budget. He said the total budget is \$596.9 million. Of that amount, Bell said, the general fund provides \$116.3 million, the motor vehicle sales tax provides \$246.8 million, fares provide \$165.4 million, federal funds provide \$54.2 million and other sources provide \$14.2 million. The net change in revenue is 2.7 percent, Bell said. He said expenditures, though, amount to \$648.1 million.

Bell outlined the service efficiencies, administrative support adjustments, cost

containment plans, revenue enhancements and service restructuring that Metro Transit is undertaking to close the gap. He said the aim of service efficiencies would save \$3.3 million through elimination of high subsidy routes, low productivity segments and tightening Metro Mobility eligibility. Bell said the council is planning on reducing administrative support commensurate with reductions in service to save \$3 million. Cost containment efforts include health care cost containment and energy conservation for an annual savings of \$2.25 million, he said. Revenue enhancements include regular route fare increases, Metro Mobility fare increases and property tax offsets that would save \$3 million, Bell said. Bell said there has not been an across-the-board fare increase since 2000. Finally, he said there is an annual target of \$7.7 million in savings for various service restructuring efforts. The proposed actions would amount to \$47.5 million for the biennium, Bell said.

Michael Campion, commissioner of the Dept. of Public Safety, presented an overview of the divisions within the panel's jurisdiction. Campion said one of the main goals of the agency is to reduce fatalities on the state's highways. As an aside, he said the Highway Patrol is celebrating its 75th anniversary this year. He said the original size of the force was limited to 35 officers, but today the State Patrol consists of a statewide force of 549 troopers and more than a dozen specialized enforcement units and traffic safety programs.

Mary Ellison, deputy commissioner, provided a brief overview of the State Patrol, Office of Pipeline Safety, Office of Traffic Safety and Driver and Vehicle Services.

Patricia McCormack, director of Driver and Vehicle Services, outlined the duties of the division and the steps being taken to improve services. She said the governor is recommending that all costs of testing for and issuing of driver's licenses, endorsements and permits, as well as all driver compliance-related activities be paid from the revenues generated from fees collected. An analysis done in collaboration showed that the fees collected do not cover all the costs associated with issuing a driver's license, she said. McCormack said the Driver and Vehicle Services division's goal is to provide fast, accurate, secure and timely services to Minnesota residents.

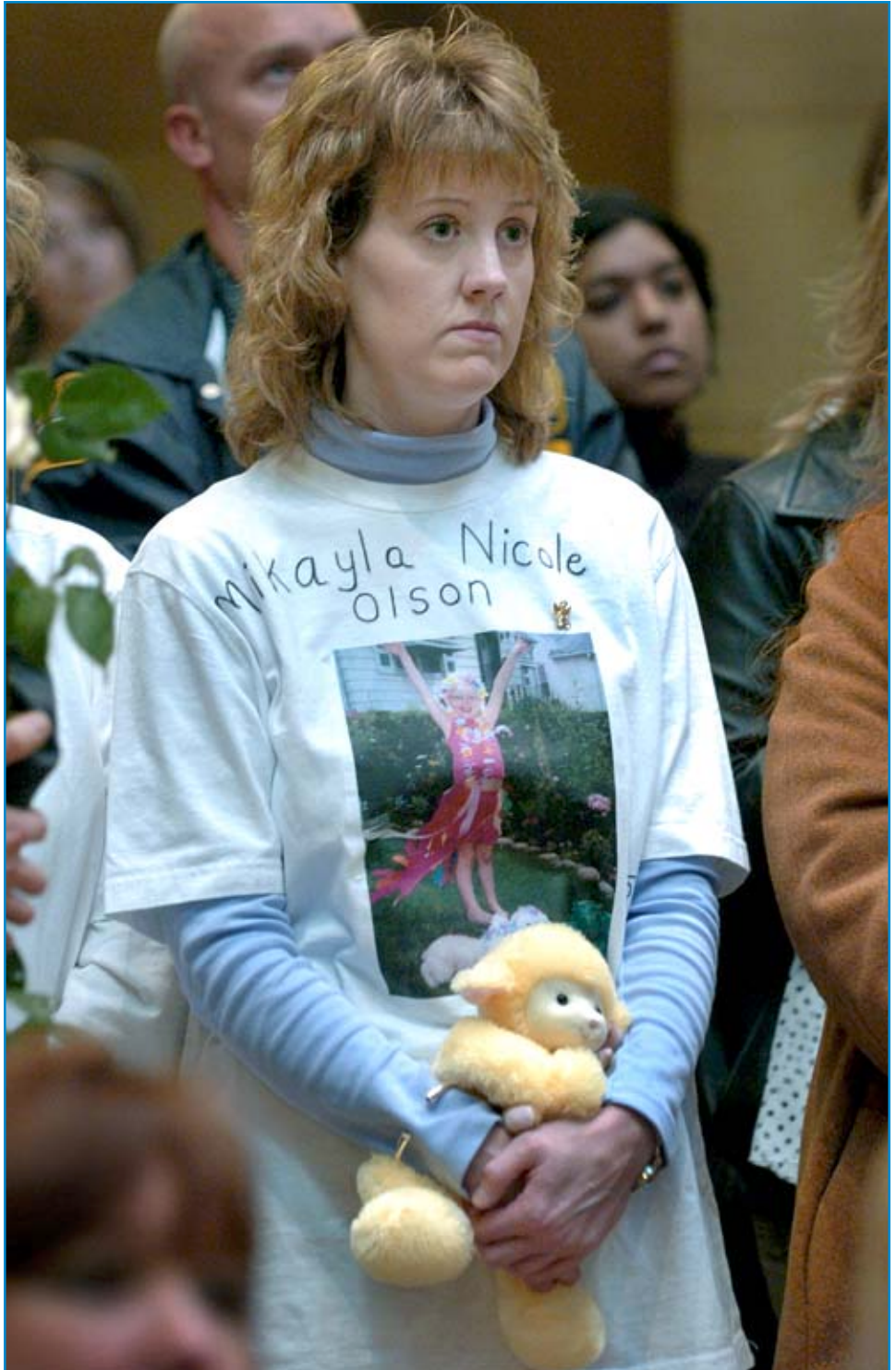
Steve Mengelkoch, interim chief, Minnesota State Patrol and Capt. Brian Erickson provided more information about the budget proposal for the patrol.

Senate Briefly

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*Leighann Olson, St. Paul, dons a t-shirt—commemorating the September 2004 murder of her five-year-old daughter, Mikayla—during Violence Against Women Action Day, Thurs., Mar. 3.
Photo by David J. Oakes*



March 4, 2005

Senate Highlights

Gift card restrictions approved

Members of the Commerce Committee completed their consideration of a bill prohibiting expiration dates and service fees on gift cards and gift certificates. S.F. 200, carried by Sen. Wesley Skoglund (DFL-Mpls.), was advanced to the full Senate.

Members adopted two amendments, both offered by Sen. Geoff Michel (R-Edina), to the bill. The first ensures that debit cards and other devices used to access a bank deposit account are not within the bill's scope. The second amendment excludes multiple-use, stored-value cards issued by banks. Multi-use cards are substantially different from normal gift cards, said Joe Witt of the Minnesota Bankers Association. Cards issued by banks, unlike retailer-issued cards, can be used globally, protect consumers from loss and fraud and provide consumers the ability to transfer balances.

Sen. David Gaither (R-Plymouth) offered an amendment creating an exception to the prohibition if card issuers print on the surface of the card the expiration date and service fee. Skoglund said he opposes the amendment because issuers already disclosing the information on cards do so with very small print. Millions of dollars will still be taken from consumers and many of them will not see the disclosure, he said. The amendment was not adopted.

Skoglund said the bill's aim is to preserve a card's value to consumers and the value of the gift given. However, said Michel, there is a price for convenience. The bill does not give consumers enough credit for recognizing that cost, he said. Michel said disclosure to consumers of expiration dates and fees, rather than a prohibition, is the better way to go. He

said the bill also fails to give retailers enough credit. Stores are not out to fleece their customers, Michel said.

S.F. 200 was approved, 8-4.

Meth bill passed

The first of a series of bills dealing with Minnesota's methamphetamine epidemic was granted final passage on Special Orders at the Thurs., Mar. 3, floor session. S.F. 51, sponsored by Sen. Linda Berglin (DFL-Mpls.), makes pseudoephedrine and ephedrine Schedule V controlled substances. Berglin said both pseudoephedrine and ephedrine, common in cold medicines, are key ingredients in methamphetamine. Berglin said that by designating the drugs as Schedule V controlled substances, the drugs will be kept behind the counter, purchases will be limited to six grams at one time and buyers will be required to sign a log.

"The purpose of the bill is to curb the number of methamphetamine labs in our state," Berglin said. "Last year, we were up to 350 lab seizures in the state," she said. Berglin also said that for every pound of methamphetamine produced, five or six pounds of hazardous waste are produced. The labs are very hazardous, she said. After the passage of similar laws in Oklahoma, Berglin said, lab seizures went down 80 percent. She said, "Methamphetamine costs the state \$350 million per year and that doesn't count the endless toll on people's lives and their families." From 2001 to 2002 we had a 78 percent increase in meth offenders in our prisons, she said, I believe if this legislation is passed it will save lives and it will relieve families' suffering.

Sen. Julie Rosen (R-Fairmont) spoke in support of the bill. "Rarely does a legislative body have a chance to pass legislation that will have such a profound

effect on a pandemic that has hit our state." She said, "In every county, the jails are full, the judicial system is tapped out and law enforcement is begging for help." She said the bill will also help the environment because the waste is being dumped into our fields and streams.

Berglin offered two amendments. One was purely technical and the second provides that the bill become effective 30 days after enactment. Both amendments were adopted. Sen. Sheila Kiscaden (IP-Rochester) offered an amendment clarifying that pharmacists' records may be written or electronic. The amendment was adopted.

Sen. Wesley Skoglund (R-Mpls.) also spoke in support of the bill. "We need a multi-phase approach, but the most important thing to do is deal with precursor drugs."

Sen. Gary Kubly (DFL-Granite Falls) offered an amendment providing that small businesses may continue to offer pseudoephedrine and ephedrine products as long as they follow the same restrictions applied to pharmacies in the bill. "Many in my district do not have access to a pharmacy and allowing small businesses to continue to carry the drugs allows constituents in my area to have access to them," he said. Berglin opposed the amendment. "The bill before you is strongly supported by law enforcement" she said, "but the amendment will make it much harder for law enforcement because there will be so many more points of purchase." Sen. Sean Nienow (R-Cambridge) also opposed the bill and said, "There are many alternative cold medicines, at least 89 of which do not contain pseudoephedrine or ephedrine." The amendment failed on a 12-53 roll call vote.

Two amendments sponsored by Sen. Thomas Neuville (R-Northfield) were adopted. One amendment prohibited access to the written logs of purchasers for anything other than law enforcement purposes. The second amendment directs the commissioner of public safety to develop a plan for a centralized record system.

The bill gained final passage 67-0.

Permanent Rules adopted

In addition to taking action on the meth bill, Senators also adopted the Permanent Rules of the Senate, Thurs., Mar. 3. Assistant Majority Leader Ann

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Rest (DFL-New Hope) reviewed the changes made by the Rules and Administration Committee to the Permanent Rules. She said the subcommittee charged with developing Permanent Rules met several times, considered several amendments, but approved just a few minor changes. She said the amendments included adding early childhood education and public safety budget bills to the list of omnibus funding bills, adds the Minnesota News Network to the list of news organization granted space in the Senate Chamber, clarifies when ethical complaints may be made and clarifies that the standards for highest ethical conduct apply at all times.

Sen. Mady Reiter (R-Shoreview) offered an amendment to allow one guest on the floor of the Senate when members are sworn in. Rest said the Chamber can't accommodate a large crowd. Sen. Don Betzold (DFL-Fridley) said that the opening day of the 2003 session was marked by hours of debate over procedural matters and that it was very uncomfortable for guests in the Chamber. However, a number of members said having family members with them upon taking the oath of office was very meaningful. Reiter withdrew the amendment, but offered another version that specifies the guest may be on the Senate floor just until the member is sworn in. The amendment was adopted.

Members also considered an amendment, offered by Sen. Dave Kleis (R-St. Cloud), requiring proportional representation of minority members on committees. Rest said that current Senate rules state minority membership on committees must be substantially in proportion. The amendment failed 30-35. Neuville offered an amendment providing that each caucus may designate up to three priority bills that must be reported to the Senate floor for a vote. Rest countered that the amendment undermines the committee process. The amendment failed 29-36. Sen. John Hottinger (DFL-St. Peter) offered, but then withdrew, an amendment specifying that the Senate Chamber may not be used for commercial purposes. However Kleis reoffered the amendment. The amendment was adopted 57-8. The final amendment to be considered, offered by Sen. Richard Cohen (DFL-St. Paul), specifies that major appropriation or tax bills may not be divided for conference committee. Cohen said the amendment is

in response to a House Rule that requires funding bills to align with House funding divisions. He said the House funding divisions do not include a counterpart to the Senate's Environment, Agriculture and Economic Development Budget Division. The amendment was adopted. Sen. Sean Nienow (R-Cambridge) offered two amendments requiring conference committee reports be placed on members desk within specified amounts of time before consideration by the body. Neither amendment was adopted.

The motion to adopt the Permanent Rules was approved on a 44-20 roll call vote.

In other action, the Senate granted final passage to two additional bills. S.F. 1116, sponsored by Sen. Satveer Chaudhary (DFL-Fridley), requires children under 13 to wear life jackets while boating. Chaudhary says the bill brings Minnesota into conformity with federal law. He added that the measure exempts commercial watercraft and does not require citations for violations until 2006. Members adopted an amendment providing it is not a violation if the watercraft is anchored for the purpose of swimming or diving. The second measure, H.F. 248, authorizes recertification of the school levy in District 815, Prinsburg. The bill, sponsored by Sen. Dean Johnson (DFL-Willmar), had previously passed the Senate, but because of levy language had to be a bill originating in the House.

Consent Calendar bills approved

Senators met Mon., Feb. 28, to grant final passage to three bills on the Consent Calendar. All of the bills were approved on unanimous votes.

S.F. 959, sponsored by Sen. Linda Higgins (DFL-Mpls.), limits the required audit of election returns to exclude state judicial offices and makes the audit permanent. S.F. 733, carried by Sen. Charles "Chuck" Wiger (DFL-North St. Paul), authorizes electronic filing of required reports, prohibits political party units and lobbyists from making contributions candidates are not permitted to accept and clarifies that \$65,000 of public subsidy money designated for unfair campaign practice hearings is not for frivolous complaints. S.F. 310, sponsored by Sen. David Tomassoni (DFL-Chisholm), clarifies spending and levy authority for townships.

Senators also approved a concurrent resolution setting deadlines for committee

action. Under the resolution, the deadlines are Tues., Apr. 5, Tues., Apr. 12, and Fri., Apr. 22. To meet the first deadline, a bill must have been approved by all policy committees in one body. To meet the second deadline, a bill must be approved by all policy committees in both bodies. By the third deadline, omnibus appropriations bills must have been reported out of committee.

Five Senators were named as members of the conference committee on the bonding bill, H.F. 3. The conferees are Sen. Keith Langseth (DFL-Glyndon), Sen. James Metzen (DFL-South St. Paul), Sen. Sandra Pappas (DFL-St. Paul), Sen. Steve Dille (R-Dassel) and Sen. David Senjem (R-Rochester). Deputy Minority Leader Thomas Neuville said the Minority Caucus was not consulted on the selection of conferees. The ranking minority member on the Capital Investment Committee, Sen. Cal Larson (R-Fergus Falls), voted for the bonding bill, Neuville said, but was not selected. The minority should have more meaningful input on the selection of conferees, he said. Langseth said the slate of conferees shows more deference to the size of the minority, by increasing its share of the panel from one member to two. He said he was also seeking geographic balance among the conferees.

MyBills system available

The MyBills personalized bill tracking system is now available. Users can add House and Senate bills to their lists by bill number, subject, or author, and view the legislative status of their bills, with items with significant current floor action highlighted. Users can modify their lists at any time. The MyBills system is available from the Legislative website at: <http://www.house.mn/leg/billslogin.asp>

Educational Videos Available

Three videos, "Discover the Capitol," "Power in the Process: The Anti-Hazing Law," and "Rules, Laws and the Process," can be accessed at <http://www.leg.mn/leg/youth/video.htm>

These videos are excellent sources of information on the history of the State Capitol, how laws are made in Minnesota and how even the state's youngest citizens can get involved in the legislative process.

For more information contact Senate Media Services at (651) 296-0264.

Committee update

Agriculture, Veterans and Gaming

Vets bills gain

Members of the Agriculture, Veterans and Gaming Committee met Mon., Feb. 28, to consider several bills providing assistance for members of the military and their families.

Chief Author Steve Murphy (DFL-Red Wing) said S.F. 363 is an initiative that came out of the Attorney General's Office. "What we are trying to do is assure some medical benefits for members of the National Guard and active military reserve members," Murphy said. This goes a long way helping the families of our service members get back into normal life, he said. The bill specifies that members of the National Guard or other reserve who serve overseas for 90 days are eligible for hospital and medical benefits under the plan for unclassified employees of the executive branch. The bill also provides that if the individual is killed, the member's spouse and dependents are eligible for medical benefits. The bill specifies that the eligible soldier is eligible for one month of coverage for each month of the deployment. Finally, the bill provides that the soldier may elect to receive family coverage.

Attorney General Mike Hatch spoke in support of the measure. He said families of National Guard members and active military reserve members experience a great deal of stress, yet don't have a lot of support in making economic adjustments for absent members.

Lori Olman, the wife of a National Guard member, outlined the difficulties of being a spouse of a member serving overseas. She said in other military actions, most soldiers were much younger and did not have their lives interrupted to the same extent that today's soldiers' families are experiencing. Sherman Peterson, sergeant, retired, also spoke in support of the bill. "Families here are suffering," he said.

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

A second bill sponsored by Murphy, S.F. 362, was also approved. The bill creates a program that provides interest-free loans to members of the Minnesota National Guard or other military reserve units called to federal active service and deployed outside of the United States.

Murphy said that many families have experienced a serious loss of income because members are deployed. The bill specifies the maximum loan amount is \$2,000 per month of overseas active service or \$24,000, whichever is less. Murphy said many soldiers who have been deployed had to leave their own businesses or other well paying jobs and the bill will help tide families over.

The bill was approved and advanced to the State and Local Government Operations Committee.

Sen. Don Betzold (DFL-Fridley) carried two bills. Betzold, who served 30 years in the military, said during the 70s and 80s no one in the reserves expected to be deployed. Since the end of the cold war, though, he said, the active military has been downsized and the reserves called up for one conflict after another. He said both the bills he was carrying accomplished the same thing but from two different approaches.

The bills essentially establish a permanent trust fund and specify the conditions under which the fund may be used, he said. Betzold said the bills aim to alleviate financial hardships faced by any member of the Minnesota National Guard or a reserve unit who has been called to active duty or by members of the soldier's immediate family. The bills specify that the income from the trust fund must be used only as a last resort and not be used in place of any other public or private funds. Finally, the bills provide that the adjutant general adopt rules to establish eligibility requirements. One of the bills, S.F. 658, establishes the military assistance trust fund through a constitutional amendment. The second bill, S.F. 659, does not require a constitutional amendment.

Both measures were approved and advanced to the State and Local Government Operations Committee.

S.F. 1031, authored by Sen. Paul Koering (R-Fort Ripley), is on a completely different topic. The bill allows the State Agricultural Society to continue to operate and maintain the camping area on the State Fairgrounds. The measure was approved and recommended for placement on the Consent Calendar.

More veterans' bills gain

The Agriculture, Veterans and Gaming Committee met Wed., Mar. 2, to consider several bills relating to veterans.

The panel, chaired by Sen. Jim Vickerman (DFL-Tracy), advanced all the bills to the floor.

S.F. 1268, sponsored by Sen. Michelle Fischbach (R-Paynesville), repeals a restriction on granting veterans preference if the veteran is receiving a pension. S.F. 1254, sponsored by Sen. Betsy Wergin (R-Princeton), designates the month of May each year as "Hire a Veteran Month" in Minnesota. S.F. 114, carried by Sen. Paul Koering (R-Fort Ripley), designates Trunk Highway 371 from its intersection with U.S. Highway 10 to its intersection with U.S. Highway 2 as the Purple Heart Memorial Highway. All three measures were approved and recommended for placement on the Consent Calendar.

Koering also sponsored a second bill. S.F. 1250 changes a variety of provisions relating to grain storage warehouses. The bill was approved and advanced to the Senate floor.

Commerce

No-fault changes stall

Members of the Commerce Committee devoted their Wed., Mar. 2, meeting to proposals to reform or repeal Minnesota's no-fault auto insurance system. Committee Chair Linda Scheid (DFL-Brooklyn Park) said that almost one in six drivers is uninsured in Minnesota. More people have health insurance than auto insurance, she said. Wisconsin, which does not mandate auto insurance, has a higher percentage of insured drivers than Minnesota, Scheid said. The cost of insurance, driven in part by no-fault, she said, may be at the core of the problem.

S.F. 970, carried by Sen. Geoff Michel (R-Edina), repeals the no-fault auto insurance system. In the 1970s, he said, 16 states adopted no-fault laws. Six states have pulled back from the concept, he said, and Minnesota is now one of just 10 states with no-fault laws. We are surrounded by low-cost insurance states, Michel said. The original idea behind no-fault was to have faster claims, fewer claims and less litigation, he said, and we now have more fraud, higher costs and fewer insured motorists.

S.F. 1094, sponsored by Scheid, seeks to reform the no-fault system. When drivers are involved in accidents, they should know their expenses—including medical costs and lost wages—will be paid



Senators William Belanger (R-Bloomington), second from right, and John Hottinger (DFL-St. Peter) state, at a Fri., Mar. 4, press conference, their opposition to the governor's newly released proposal for a state-run casino. Photo by David J. Oakes

with no questions asked, she said. When no-fault was enacted, policymakers were concerned that some victims were being overcompensated and that litigation over minor injuries was running rampant. In recent years, she said, 78 percent of personal injury trials in Hennepin and Ramsey Counties were for auto accident claims. The average verdict in the soft-tissue injury claims, Scheid said, was \$14,000. After one figures the portion taken by the plaintiff's lawyer, plus the attorney costs the insurer paid to defend the claim, the lawyers got more than the average injured person, she said. We all pay those costs in our premiums, Scheid said, and the pattern is unsustainable. The bill retains coverage for medical expenses and wage losses, she said, but limits covered medical expenses to the coverage parameters of the workers' compensation system. S.F. 1094 also raises the bar for litigation, by allowing persons to sue for non-economic damages, often called pain and suffering, only if they have suffered

serious permanent impairment of an important bodily function. The measure also changes arbitration related to no-fault claims to prevent providers from billing injured persons for expenses not awarded to providers in arbitration.

Before acting on either bill, committee members heard from interested parties on all sides. A class at St. Bernard's High School in St. Paul independently decided to research auto insurance. We compared all the data and found only one difference that could drive up our rates so much higher than rates in Wisconsin, said Melissa Bohland, a senior. The difference was no-fault insurance, she said. States that have repealed no-fault laws saw dramatic decreases in premium rates and increases in the percentage of insured drivers, Bohland said. Young people are for saving money on their premiums, she said, whether that means repeal or reform of the system. Attorneys and chiropractors are likely to oppose changes, she said, but "all I know is that a lawyer and a chiro-

practor make much more money than I do." Repealing no-fault could save her over \$300 a year, Bohland said, which is a lot to a young driver.

Jack Davies, a former judge and Senator, said we compensate persons injured in auto accidents not because the other driver was at fault, but because the person was injured. The problems now are caused by an erosion of the limitations on lawsuits, Davies, the original author of the no-fault law, said. S.F. 1094 fixes the system to keep the price from being pushed up, he said.

Policy needs to focus on the needs of injured persons, said Keith Johnson, a chiropractor. Auto accidents do tremendous damage to the human body, he said, but the workers' compensation parameters do not work for many people and push them into overly expensive treatments.

Auto insurance crises across the nation are focused in the no-fault states, said Bob Johnson of the Insurance Federation of Minnesota. If we do

Committee update

nothing, our auto insurance rates will continue to climb, he said. Consumers are getting a bum deal, because they are paying for no-fault and out-of-control litigation, Johnson said. Reforming the system, which the federation supports, will reduce premiums, though by an unknown amount, he said. If reform is ineffective, he said, the federation supports repealing no-fault.

Factors other than no-fault account for our high insurance rates, said Phil Riveness of the Minnesota Medical Group Management Association. Premium statements itemize costs and show what drivers are paying for no-fault, he said, which is less than seven percent of many drivers' total premium. Only 12 percent of spending in the no-fault area is for medical and economic loss benefits, Riveness said. Meanwhile, 37 percent of the spending is administrative expenses associated with defending against claims, he said. Addressing the administrative inefficiencies would really do something about premiums, Riveness said.

Medical professionals and health insurers said repealing no-fault shifts costs from auto insurance to health insurance and health care providers. Dr. David Dries, Regions Hospital, said repeal of no-fault means more uncompensated care for hospitals to cover. Reforming the system keeps medical costs under control, he said, and does not shift the burden to hospitals. Phil Stalboerger, Blue Cross and Blue Shield, said repealing no-fault will cause further increases in health premiums, paid by both individuals and employers. Because of the increased burdens on uncompensated care systems, said Dr. Peter Daly, patient access to treatment will suffer.

No-fault is only a small part of the premium, said Peter Riley, an attorney representing the Minnesota Trial Lawyers Association. Without no-fault coverage, he said, Wisconsin employers, health providers and insured drivers pay for the costs created by bad drivers. Under no-fault coverage, bad drivers participate in paying for the costs they incur, he said. S.F. 970 repeals more than just no-fault, he said. The bill also repeals minimum coverage requirements, uninsured coverage and underinsured coverage, Riley said. S.F. 1094 will require injured parties to endure long waits for arbitration hearings, he said. A whole class of people will not be compensated for their non-economic losses, those who are disfigured

but have not lost an important bodily function, Riley said.

A motion to approve S.F. 970 failed on a 6-10 roll call vote.

Discussion of S.F. 1094 focused on the cost drivers needing reform. Sen. Sandra Pappas (DFL-St. Paul) said the reform may be detrimental for many injured persons, may not save drivers money and still not address a major cost driver, administration. Sen. Cal Larson (R-Fergus Falls) said the administrative cost category includes commissions paid to insurance agents. Once the commissions are factored out, he said, administrative costs fall to about 10 percent of expenditures.

Senators also expressed concerns about the restrictions on litigation over non-economic losses. Sen. Sheila Kiscaden (IP-Rochester) said the restriction is too narrowly crafted. Some permanent disfigurements that may not be covered by the bill should be actionable in court, she said.

A motion to approve S.F. 1094 and advance the bill to the Judiciary Committee failed on a tied, 8-8 vote. The committee then reconsidered S.F. 970. Scheid offered an amendment delaying the repeal of no-fault until 2007. The amendment forces the Legislature to take some action other than repeal if it so desires, she said, while acknowledging that we must confront the no-fault issue. The amendment failed on an announced 8-8 vote. The committee took no further action on the bill, though Scheid said Senators will continue to talk about and work on no-fault insurance.

Crime Prevention and Public Safety

Identity theft bills heard

The Crime Prevention and Public Safety Committee, chaired by Sen. Leo Foley (DFL-Coon Rapids), met Tues., Mar. 1, to consider several bills.

S.F. 992, authored by Sen. Wesley Skoglund (DFL-Mpls.), expands the crime of identity theft by creating a felony for crimes involving possession or distribution of child pornography. The bill also requires minimum restitution payment and requires information about the judgment of conviction and the complaint to be given to the victim upon written request. Hennepin County

Attorney Amy Klobuchar detailed the growth of the crime of identity theft in Minnesota. She said the bill allows victims of identity theft to get restitution of at least \$1,000. The bill was approved and re-referred to the Committee on Finance.

S.F. 336, sponsored by Sen. Steve Kelley (DFL-Hopkins), prohibits using a false pretense in an e-mail to obtain the identity of another. "S.F. 336 is an effort to reduce at least a portion of unwanted e-mail that shows up on our computers everyday," Kelley said. One of the ways folks are trying to steal from people is to send out an e-mail that looks like another entity's legitimate e-mail, he said. The practice, known as "phishing," attempts to obtain data about individuals in order to gain access to bank accounts or other financial data. If the e-mail results in the sender gaining access to money there is a penalty under current law, Kelley said, but there is no penalty for simply sending the false information.

Klobuchar spoke in support of the measure. According to one study 57 million Americans have received phishing e-mails and approximately 3 to 5 percent of the recipients have responded, Klobuchar said. She said the bill is supported by the Bankers Association and several other groups. "We are not naive about this; we know it will be difficult. Many of the senders are international operations, but we should be able to stop some of the senders," Klobuchar said. Paul Leuhr, Stroz Friedberg, said, "Phishing is identity theft on steroids." The bill will be valuable tool against identity theft, he said.

The bill was approved and advanced to the Finance Committee.

Skoglund also sponsored a bill, S.F. 781, requiring the commissioner of public safety to determine whether hunting licensees are ineligible to possess a firearm under state or federal law. Skoglund said the bill takes advantage of CriMNet to cross check names and determine if a licensee is eligible to possess a firearm. He said there is next to no costs involved in doing the cross checking. Tom Keliher, representing the Minnesota Deer Hunters Association, spoke in support of the measure. Bob Johnson, executive director of CriMNet, said the agency participates in similar cross checks for other agencies and is fairly straightforward to do. A representative of the Dept. of Corrections

said the bill would provide one more tool to discover if a felon has a weapon. Ramsey County Sheriff Bob Fletcher said the bill does not require the collection of any new information. The cross check will also clear up confusion among deer hunters, Fletcher said. The bill was approved and re-referred to the Finance Committee.

Foley carried the final two bills before the committee. S.F. 607 requires the revisor of statutes to gather into a new chapter containing cross-references to collateral sanction laws located throughout the statutes. Collateral sanctions are defined in the bill as meaning a legal penalty, disability or disadvantage that is imposed on a person automatically when that person is convicted of or found to have committed a crime. Anoka County Attorney Bob Johnson said an example of a collateral sanction is being prohibited from carrying a firearm after being convicted of and sentenced for a felony. Johnson said the bill would allow the gathering, in one place, of all the things that can impact a person who is convicted of a crime. The person would have a better understanding of the consequences arising from a crime, the county attorney said. The measure was approved and recommended for placement on the Consent Calendar.

The second bill, S.F. 855, limits representation by public defenders to statutorily designated persons and provides for public defender access to criminal conviction records of witnesses in criminal cases. Kevin Kajer, chief administrator, Minnesota Board of Public Defense, said the bill is exactly the same as one the committee approved last year. Kajer said some judges have been assigning public defenders even though the defendant has ample financial resources.

Several members expressed concern about the section of the bill limiting representation and how the limitation affected children in need of protection and services (ChIPS). Foley moved to delete the section. The amendment was adopted. Sen. Jane Ranum (DFL-Mpls.), Sen. Linda Berglin (DFL-Mpls.) and Sen. Thomas Neuville (R-Northfield) continued to raise questions about ChIPS cases. Kajer said public defenders have been handling ChIPS cases, but counties, which are responsible for funding the cases, do not have the money nor do the public defenders. Kajer said the public

defenders have petitioned the court for some relief from ChIPS cases.

Judith Brumfield, Scott County social services, said many of the counties had concerns about the bill, but the deletion of the first section limiting public defender appointments relieved many of the concerns. However, Brumfield said there were still concerns about payment for ChIPS cases. She said counties would encourage full funding of the public defenders as a remedy. District Court Judge Susan Miles also spoke on the bill. She said there are still remaining concerns over appropriate representation in ChIPS cases.

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

Early Childhood Policy and Budget Division

State advisory board bill gains

A bill establishing a state advisory board on school readiness gained approval when the Early Childhood Policy and Budget Division, chaired by Sen. John Hottinger (DFL-St. Peter), met Thurs., Mar. 3.

S.F. 380, carried by Sen. Charles "Chuck" Wiger (DFL-North St. Paul), creates an 11-member State Advisory Board on School Readiness to advise the governor and Legislature on developing early childhood programs. Under the bill, board members will serve staggered three year terms and convene special work groups to address issues such as financing, system design, health care in early childhood programs, quality and cost measurements, and wage and supply levels of early childhood professionals.

Senators approved the measure and sent it to the full Finance Committee.

The division also heard a Department of Human Services (DHS) report on school readiness in child care settings. Barb Yates, director, child development services, and Deb Sweson-Klatt, early childhood education specialist, presented the report. The report assessed 226 children from 22 different accredited childcare centers in order to study school readiness for children in early childhood programs. Yates and Sweson-Klatt said the report also examined whether or not early childhood staff can effectively use an assessment tool of some kind to determine the school readiness of children approach-

ing kindergarten age. According to the study, children in accredited child care centers performed better than their counterparts throughout the state. The study also showed accredited child care programs to be especially successful at eliminating performance gaps between children from low income families and those from high income families and between students of color and white students, they said.

Based on the findings of the study, Yates said the department recommends the support of childhood assessment in child care programs to support program improvement and build quality. She said the department also recommends piloting child assessments in other types of child care settings and strengthening the design of future child assessments through random sampling, collecting data on program quality and studying the links between quality programs and school readiness.

Education

MDE technical bill reviewed

Members of the Education Committee met Tues., Mar. 1, to consider the Dept. of Education's technical bill. S.F. 1148, carried by Committee Chair Steve Kelley (DFL-Hopkins), was laid over for further consideration. Several sections that were not technical in nature were removed at Kelley's request. The sections required school boards to allow resident charter school students to participate in extracurricular activities and allowed the department to approve up to five charitable organizations to sponsor charter schools. Kelley said the sections were not appropriate for a technical bill, but would be considered separately if members indicated interest.

NCLB reactions heard

A variety of state reactions to the federal No Child Left Behind Act (NCLB), and to the possibility that the law will be expanded to cover high schools, were heard at the Thurs., Mar. 3, meeting of the Education Committee. The panel, chaired by Sen. Steve Kelley, advanced all the proposals.

S.F. 1092, authored by Sen. Geoff Michel (R-Edina), is a resolution urging Congress not to expand NCLB requirements to the high school level. This is a

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A crowd of several thousand brave the cold and raise their voices during a Rally for Public Education in front of the Capitol, Mon., Feb. 28.

Photo by Shelley Hawes

request for a "time out" on NCLB, Michel said. We hear from constituents that there is a lot to absorb and digest under the current scope of NCLB, he said, while Congress is talking about another phase of the law. The resolution says "no thank you, let's hold off," Michel said. We should draw the line here, in a respectful way, he said, while acknowledging that Minnesota is working on closing the achievement gap, one of the goals of the federal law. S.F. 1092 was sent to the full Senate.

Kelley carried two NCLB-related bills. S.F. 1244 lists a series of 15 conditions for the continued implementation of NCLB in Minnesota after June 30, 2006. Among the conditions is permission for Minnesota to measure student achievement in a value-added way, permission to average three years of data to identify schools needing improvement and permission to exclude from sanctions schools that have not made adequate yearly progress solely due to a subgroup of

students with disabilities not testing at a proficient level.

The federal secretary of education has the power to grant exceptions and waivers to whole states, Kelley said. He said it has become apparent that, as far as the federal department is concerned, the squeaky wheel-states get the grease. We have ideas about accountability, he said, "and we can do this without the federal government micro-managing." As long as the federal government says yes, Kelley said, we do not have to worry about suing the federal government over constitutionality or opting out of NCLB. All we want is for the federal government to admit that there are things to be fixed and that it is willing to work with states, he said. The bill was advanced to the Finance Committee.

S.F. 1245 is a resolution urging Congress to amend NCLB in accord with recommendations from the National Conference of State Legislatures, which appointed a task force to study the federal

law. The resolution also urges Congress to allow states to work toward closing the achievement gap without the threat of funding losses and urges Congress to request a U.S. Government Accountability Office evaluation of the state and local cost of NCLB implementation. Sen. Michele Bachmann (R-Stillwater) offered an amendment urging Congress to convert federal education funds to block grants to the states. Kelley said it is important to continue urging a federal-state partnership. The amendment was not adopted. S.F. 1245 was sent to the full Senate.

Before the committee took action on the bills, several education professionals discussed difficulties with NCLB. Bob Schmidt, Minnesota Association of Secondary School Principals, said the federal law weighs students instead of nourishing them for growth. There is already a lot of activity going on to improve high schools, said Craig Paul, principal of Wayzata High School.

Accountability should be kept at the state and local level, he said, and should avoid threatening schools with a state takeover. The message is being sent that our schools are not doing well, said Jan Alswager of Education Minnesota, but we know that is not true. She said there are also significant tensions over special education between NCLB and the federal Individuals with Disabilities Education Improvement Act.

However, Jessie Montano said the state Department of Education supports continued implementation of NCLB in Minnesota. The department has concerns about the law, she said, but Minnesotans have also seen positive changes in their schools as a result of NCLB. Montano said she has observed real reform in schools, not just trends that come and go. Before NCLB, schools often had different sets of standards for different students, with lower standards for underserved populations, Montano said. She said teachers are starting to take ownership for their students and what the students achieve.

In other action, committee members approved two bills relating to tax benefits for education expenses and contributions. S.F. 397, carried by Kelley, provides for conformity with federal law relating to income tax deductions taken by teachers for classroom expenses. The bill was forwarded to the Tax Committee. S.F. 1153, also sponsored by Kelley, provides for a state income tax refund program for contributions made to classroom teachers. The maximum annual refund, under the bill, is \$50 for an individual or \$100 for a married couple filing jointly. The measure was sent to the Judiciary Committee.

Elections

FACE bill falters

A bill lowering contribution limits to state office-seekers in exchange for increased public subsidy of campaigns was rejected by members of the Elections Committee at their Mon., Feb. 28, meeting.

S.F. 863, carried by Sen. John Hottinger (DFL-St. Peter), also known as the Fair and Clean Elections Act (FACE), was heard by the committee at its previous meeting. Members resumed their consideration of the bill by taking up several amendments. Two, offered by Hottinger, were adopted. The amendments remove the need for a separate fund

to finance elections and clarify that political committees, political funds and party units must include, in required reports, affidavits that expenditures were made independently of candidates.

Another amendment, offered by Sen. John Marty (DFL-Roseville), removes a provision increasing spending limits for candidates by 25 percent if the funds come from a political party unit. Marty said the provision is unfair to candidates not supported by parties. Hottinger said the provision attempts to strike a balance by letting parties coordinate with candidates, but within spending limits. The amendment was not adopted. A motion to forward S.F. 863 to the Finance Committee was defeated on an announced 4-5 vote.

In other action, committee members, chaired by Sen. Charles "Chuck" Wiger (DFL-North St. Paul), approved two bills. S.F. 879, carried by Sen. Michelle Fischbach (R-Paynesville), permits counties or municipalities to eliminate the state primary if there are no contested races in the primary in the county or municipality. The bill was recommended for placement on the Consent Calendar. Marty sponsored S.F. 489, which conditions the receipt of public subsidies to political parties on a prohibition of independent expenditures. The bill also reduces the list of allowable multicandidate expenditures. The measure was advanced to the full Senate.

The panel heard two other bills, but laid them over for further consideration. S.F. 858, carried by Sen. Steve Dille (R-Dassel), requires Legislators to be elected without party labels on the ballot. S.F. 827, authored by Sen. Dave Kleis (R-St. Cloud), provides for quarterly election days for state and local contests. Committee members adopted an amendment to S.F. 827, offered by Kleis, adding a fifth election day.

Environment and Natural Resources

Clean Water Legacy Act discussion continues

Members of the Environment and Natural Resources Committee, chaired by Sen. John Marty (DFL-Roseville), continued their consideration of the Clean Water Legacy Act, Mon., Feb. 28.

The act, S.F. 762, is authored by Sen. Dennis Frederickson (R-New Ulm). "The

intent of the bill," said Frederickson "is to bring us into compliance with the Clean Water Act of 1972 and to identify and restore impaired waters." He said S.F. 762 is the product of a variety of groups working together for the past two years on the issue of cleaning up Minnesota's water. Mike Robertson, Minnesota Chamber of Commerce, said the coalition included representation ranging from business to agriculture groups and had input both from the public and private sectors. The bill is necessary because Minnesota must protect its waters, said Robertson. Minnesota has the second highest amount of shoreline in the United States and that tourism is the state's second largest industry, he said.

Several Senators said they had concerns about how the bill will be financed. Sen. Michael Jungbauer (R-East Bethel) addressed the fee rates on septic systems for citizens versus corporations. "Are we taxing the little guys to pay for what the big guys are doing—polluting?" he asked. Robertson responded that the bill is structured so that businesses will pay their proportionate share. However, Sen. Sean Nienow (R-Cambridge) pointed out that a citizen will pay \$3 a month on his system while industrial users, who use thousands of gallons a month, will pay only \$25. "It's hard to justify those rates as an equitable solution" said Nienow. Robertson said the coalition looked at over 40 different finance options, including a fee based on load per user, but chose the fee system in the bill because of its simplicity.

Many newer septic tanks in his district did not have an effect on water discharge, Nienow said. Craig Johnson, League Minnesota Cities, replied that daily activities, such as driving a car, impair water quality. Johnson said the fee worked because "we all contribute to the problem and we all benefit from the solution." Nienow said there is disconnect in the finance system. "To say we need to tax your septic system because you drive a car? That makes no sense... We need to focus on who's contributing to the problem and charge accordingly," he said.

Jungbauer said he wanted the coalition to develop a new finance system, saying, "Tax where the problem is." He offered an amendment specifying that only septic systems installed before April 1, 1996, be subject to the new fees. Frederickson said he preferred the bill go

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forward without the amendment since fiscal notes on the measure are still being developed. Minnesota Pollution Control Agency (MPCA) Assistant Commissioner Lisa Thorvig said that many septic systems installed after 1996 are failing. The amendment was not adopted.

Sen. Tom Saxhaug (DFL-Grand Rapids) said he was worried about city level finances. "This fee isn't going to take care of everything," he said. Johnson noted that the bill includes retroactive grants to cities to help clean water of pollutants such as phosphate and generates \$40 to \$45 million annually for cities to clean up their water.

Regulation of total maximum daily loads (TMDLs) was another topic on which many Senators said they had concerns. S.F. 762 specifies that MPCA may use local groups and third-parties to develop TMDLs. Sen. LeRoy Stumpf (DFL-Thief River Falls) said that the bill shifts responsibility for TMDLs away from the agency. Current law is silent on the issue, said Thorvig, who added that it is not unusual for local and third parties to help with TMDL work. "The language in

the bill actually puts stronger controls on how one might use TMDLs," said Sen. John Hottinger (DFL-St. Peter). Hottinger also said that he would be concerned if the language resulted in the use of private groups developing TMDLs. Frederickson said the bill requires MPCA to approve all TMDL levels. Jungbauer said the measure creates a new level of bureaucracy at MPCA.

Stumpf offered an amendment deleting language on third-party TMDLs, but the amendment was not adopted.

Members laid the bill over for further discussion.

Land exchange bills heard

The Environment and Natural Resources Subcommittee on Public Lands and Waters met Tues., Mar. 1, to hear several bills providing for land sales and land exchanges. The subcommittee, chaired by Sen. Tom Saxhaug (DFL-Chisholm), recommended that most of the bills be laid over for possible inclusion in the panel's omnibus bill.

S.F. 709, sponsored by Sen. Thomas Bakk (DFL-Cook), modifies acquisition

and use provisions for scientific and natural areas S.F. 845, sponsored by Saxhaug, authorizes the acquisition of lakeshore with county environmental trust fund resources. S.F. 846, also carried by Saxhaug, authorizes the private sale of consolidated conservation land in Aitkin County. Saxhaug carried two additional bills. S.F. 1102 and S.F. 1188 both provide for tax-forfeited land sales in Itasca County.

S.F. 896, carried by Bakk, authorizes the private sale of surplus land in Hubbard, Lake and Wabasha Counties. S.F. 896 will become the vehicle for the omnibus lands bill and all of the above bills were laid over for possible inclusion in the measure.

Members also considered S.F. 390. The bill, authored by Sen. Brian LeClair (R-Woodbury), authorizes the sale of surplus state land in Washington County. The measure was laid over for further consideration.

S.F. 712, sponsored by Sen. LeRoy Stumpf (DFL-Plummer), provides for the evaluation of construction aggregate located on school trust lands. The



Students from St. Thomas Academy in Mendota Heights line the Capitol Rotunda's second floor railing during a gathering of the Joint Religious Legislative Coalition, Tues., Mar. 1.

Photo by Shelley Hawes

measure was approved and advanced to the full committee. S.F. 1214, authored by Sen. Carrie Ruud (R-Breezy Point), provides for the Crow Wing County Board to create a sewer district, provides for the appointment of a sewer commissioner and authorizes the levying of property taxes or service charges. The bill was advanced to the full committee without recommendation.

Clean Water Legacy Act approved

Members of the Environment and Natural Resources Committee wrapped up consideration of the Clean Water Legacy Act, Wed., Mar. 2. The panel, chaired by Sen. John Marty (DFL-Roseville), also approved three other bills.

Several Senators offered amendments to the bill, S.F. 762, carried by Sen. Dennis Frederickson (R-New Ulm). Frederickson offered the first amendment, which prohibits private entities from taking the lead on developing total maximum daily loads (TMDLs). He said the EPA already has requirements similar to those in the amendment, adding, "With this amendment, we are paralleling federal rules." The amendment was adopted.

A second amendment, offered by Sen. Tom Saxhaug (DFL-Grand Rapids), specifies the information a TMDL report is required to have. Under the amendment, a report must include research and scientific data supporting the TMDL, the cost of compliance, a description of less costly alternatives and why they were rejected and an implementation plan for the TMDL. "This performs a cost-benefit analysis," said Saxhaug. Minnesota Pollution Control Agency (MPCA) Assistant Commissioner Lisa Thorvig said a similar amendment was being discussed in the House. That amendment, said Thorvig, requires a statement of facts on which the TMDL is based, a range of estimates of implementation costs, a list of potential implementation options and individual waste load data for point sources addressed by the TMDL. Senators incorporated the content of the House amendment into Saxhaug's amendment and adopted it.

Sen. Michael Jungbauer (R-East Bethel) offered an amendment requiring MPCA to submit biennial reports to the Legislature identifying economic development projects that have been delayed by TMDL mandates. Frederickson said S.F. 762 already contains a provision requiring

reports from the Clean Water Council. He added that the specifications of Jungbauer's amendment could easily be included in the council's report. Jungbauer withdrew his amendment.

Sen. Sean Nienow (R-Cambridge) put forth an amendment regarding the financing of the bill. The amendment removes fees on businesses, instead leaving a blank appropriation. Nienow said that current fees in the bill mean that homeowners with septic tanks pay 1,000 percent more than businesses owners do for water use. "I can't vote for a bill that makes septic owners pay 1,000 percent more than businesses," he said. Sen. John Hottinger (DFL-St. Peter) said he supported the amendment. "A blank appropriation is not unusual," he said, "it doesn't do harm but rather benefits the bill." Kris Sigford, Minnesota Center for Environmental Advocacy, said the amendment leaves a \$13 million hole in the bill and leaves the financial burden entirely in homeowners. Nienow responded that the amendment does not delete the fees but rather leaves their amount blank.

Senators adopted the amendment.

Next, Jungbauer offered an amendment allowing for a charge according to acreage or tank, whichever is greater. Hottinger said the amendment might be outside the scope of the policy committee. The amendment was not adopted.

Speaking on S.F. 762 as a whole, Sen. LeRoy Stumpf (DFL-Thief River Falls) said the measure creates a new tier of administration. "There's a whole host of agencies already doing the work that is in this proposal," he said.

Members approved S.F. 762 as amended and re-referred it to the State and Local Government Operations Committee.

S.F. 686, authored by Sen. Don Betzold (DFL-Fridley), also gained approval. The measure gives the commissioner of natural resources the ability to issue civil penalty orders of up to \$10,000 for violation of existing laws. Currently, said Betzold, such violations would need to be heard in court. The bill also provides for an expedited administrative hearing process to deal with challenges to the orders. Betzold said revenue from the fines will go into the general fund.

Senators approved the bill and sent it to the State and Local Government Operations Committee.

A department bill, S.F. 569, carried by Sen. Satveer Chaudhary (DFL-Fridley), also gained approval. The bill addresses a number of areas, said Chaudhary. Under the bill, the commissioner is authorized to conduct criminal background checks on volunteer instructor applicants to the department. The measure also provides for minor changes to ATV and firearm safety courses. Finally, the bill clarifies the validation of hunting licenses for 12 year olds and specifies the use of charitable gambling funds for youth and adult safety training programs.

Senators approved the bill and re-referred it to the Agriculture, Veterans, and Gaming Committee.

The final bill to be approved, S.F. 956, was sponsored by Frederickson. The bill raises from \$10 to \$50 the amount the commissioner may give away to members of the public to promote or create awareness of conservation. The measure also allows the commissioner to lower park fees on days when parks experience low usage and specifies that money in the state parks account will be appropriated to the commissioner to operate the state park system. Frederickson said the bill also reinstates state park day open houses, but allows the department to vary which day the open house occurs according to park.

Environment, Agriculture and Economic Development Budget Division

Zoo debt forgiveness okayed

Members of the Environment, Agriculture and Economic Development Budget Division, meeting Tues., Mar. 1, approved a bill forgiving debt service on bonds sold to finance the Marine Education Center at the Minnesota Zoo. S.F. 62, carried by Sen. Richard Cohen (DFL-St. Paul), was advanced to the Finance Committee.

In other action, the division, chaired by Sen. Dallas Sams (DFL-Staples), reviewed the governor's recommended appropriations for the Workers Compensation Court of Appeals, the Minnesota Zoo, the Minnesota Conservation Corps and the Science Museum of Minnesota.

Budgets reviewed

Members of the Environment, Agriculture and Economic Development

Committee update

Budget Division, used their Thurs., Mar. 3, meeting to consider the budgets for several state agencies. The panel, chaired by Sen. Dallas Sams (DFL-Staples), examined the budgets for the Iron Range Resources and Rehabilitation Board, Bureau of Mediation Services, Board of Accountancy, Board of Electricity and Department of Agriculture.

Health and Family Security

Interpreter bill gains

Members of the Health and Family Security Committee, chaired by Sen. Becky Lourey (DFL-Kerrick), resumed their consideration, Tues., Mar. 1, of a bill requiring health plans to pay the cost of medical interpreters.

Dr. Douglas Pryce, Hennepin County Medical Center, spoke in support of S.F. 795, carried by Sen. Linda Higgins (DFL-Mpls.). He said medical interpreters are mandated by federal law, a requirement that is also backed up in state law. "More importantly," added Pryce, "it is bad medicine not to do this."

Carolyn Jones, Minnesota Chamber of Commerce, spoke in opposition to the bill, saying the measure does not provide new coverage, but simply shifts the responsibility for interpreters from providers to health plans. "To take a federal mandate on providers and use state law to shift that mandate to health plans sets a terrible precedent," said Jones. Representing Medica, Dannette Coleman said the bill does nothing more than add costs as providers will likely continue their services and plans will be charged for interpreters, too.

Sen. Sheila Kiscaden (IP-Rochester) said the fundamental question of the bill is who is responsible for supplying interpreters. "Ultimately, I think it is the provider's responsibility to make sure services can be provided," said Kiscaden. Sen. Steve Kelley (DFL-Hopkins) said the bill brought up issues of economic efficiency and consistency in changing health law. "This is shifting costs, and in an environment where the cost of care is the most important factor, I want to know if we save money by meddling with the system," said Kelley.

Judy Hawley, American Physical Therapists Association, spoke in support of the bill and the cost shift. "We literally lose money every time we see a patient who requires an interpreter," she said, "It

is not fair for providers to be expected to lose money every time they see a limited English speaking patient."

Sen. Linda Berglin (DFL-Mpls.) offered an amendment that would prevent health plans from increasing premium rates based on the cost of interpreters. The amendment failed on a tie vote. Kiscaden then offered an amendment that directs the commissioner of commerce to study and make recommendations regarding health interpreters. The amendment specifies that the recommendations include ways to meet the need for interpreters, an accreditation system for interpreters, and criteria for determining financial responsibility for interpreter services. Members adopted the amendment.

S.F. 795, as amended, was approved and re-referred to the Finance Committee.

Medication therapy management (MTM) was the topic of the next bill on the agenda. S.F. 973, authored by Lourey, provides parameters within which pharmacists may help manage their clients' medications more actively and requires Medical Assistance (MA) to cover MTM. The bill enumerates a pharmacist's ability to provide services such as performing assessments of a patient's health status, formulating a medical treatment plan, monitoring a patient's response to therapy, and providing verbal education to the patient about the patient's medications. Pharmacist Paul Rukavina and Dr. Patrick Rock said the system in the bill enables doctors and pharmacists to serve patients better. Rukavina added that doctors responded positively to the program because it allows pharmacists to help patients when appointment times are limited.

Julie Johnson, executive vice president, Minnesota Pharmacists Association, said MTM saves precious health care dollars. Brian Isetts of the Peters Institute of Pharmaceutical Care said several states, including Washington, Wisconsin, Iowa, Michigan and Florida had already shown significant cost savings as a result of implementing MTM programs.

Senators approved S.F. 973 and sent it to the Finance Committee.

Finally, Senators laid over a bill modifying the way in which independent medical exams for worker's compensation and no fault automobile accident medical claims are conducted in Minnesota. S.F. 564, sponsored by Sen. John Marty (DFL-

Roseville), changes terminology relating to the exams and requires that the exams include a physical component. The bill also limits to 24 the number of independent medical exams doctors may perform annually.

SBS bill approved

A bill promoting education to parents about the dangers of shaking infants and young children gained approval when the Health and Family Security Committee, chaired by Sen. Becky Lourey (DFL-Kerrick), met Thurs., Mar. 3.

S.F. 538, authored by Sen. Dean Johnson (DFL-Willmar), requires hospitals to make a video presentation on the dangers associated with shaking infants and young children available to parents of newborns. Shaking infants may cause shaken baby syndrome (SBS), which may result in several brain damage of death. The bill also requires the commissioner of health to establish a protocol for health care providers to educate parents and caregivers on SBS and requires the commissioner of human services to make the video presentation on the subject available to child care providers. Johnson said the bill is based on legislation already in effect in New York.

Matt and Charlene Johnson, whose son, Vance, died after being shaken at a day-care facility, spoke in support of the bill. "Shaken baby syndrome is one hundred percent preventable," said Charlene Johnson. Matt Johnson added that states such as Utah, Texas, Pennsylvania and New York already have similar legislation and that the New York legislation has led to a nearly 50 percent reduction in SBS statewide. John and Angie Fields, whose son, Michael, suffered serious brain damage after being shaken at his day-care center, also said they supported the bill.

Twila Brace, president, Citizens' Council on Health Care, said she had some concerns about the measure. "It is troubling that the government would say there is something all parents must see," she said. Brace also said she is concerned that medical charts will indicate whether or not parents have seen the video because it raises issues of data privacy. Susan Stout, Minnesota Hospital Association, said the purpose of including the information on the chart is not to track patients, but to remind caregivers to offer the video. Sen. Sean Nienow (R-Cam-

bridge) offered an amendment that changes the language on the chart so that it records whether or not parents have been offered the option of viewing the video. The amendment was adopted.

Sen. Gary Kubly (DFL-Granite Falls) authored a similar bill, but said he was happy to move forward with Johnson's bill. Senators approved S.F. and re-referred it to the Finance Committee.

S.F. 724, also sponsored by Dean Johnson, also gained approval. The measure authorizes a reimbursement rate increase of \$28.23 a day per person to a six-bed, intermediate care facility for persons with mental retardation. Cathy Johnson, Presbyterian Family Foundation, said the facility, located in Atwater, receives one of the lowest per diems in the state and that it had already cut staff and wages to deal with its declining budget. "Without an increase," said Cathy Johnson, "our facility must close and residents must move elsewhere." Sen. Linda Berglin (DFL-Mpls.) said that the Atwater facility was not unique and that several facilities faced similar problems.

Senators approved the bill and re-referred it to the Finance Committee.

Sen. Michelle Fischbach (R-Paynesville) sponsored S.F. 836, a measure modifying hospital and community health clinic grant programs. The bill authorizes the commissioner of health to award a grant for the purpose of establishing electronic health records system and expands eligibility for projects under the rural hospital capital improvement grant program to include the establishment of an electronic system. Mark Schoenbaum, MDH, said electronic health records have been a prominent subject in health care recently. S.F. 836, he said, helps to refocus grant programs on development of electronic records systems.

Members approved the bill and re-referred it to the Finance Committee.

Berglin authored the final bill to gain approval, S.F. 999. The measure reduces nursing home license surcharges to their pre-2003 level of \$990 per bed. To pay for the reduction, the bill increases the cigarette tax by 25 cents per pack. Fischbach asked why the bill did not dedicate revenue from the cigarette tax increase to pay for the fee reduction. Berglin responded that the state does not dedicate money to a nursing home fund and that the revenue will go to the general fund to be used for the project.

Senators approved the measure and sent it to the Tax Committee.

Health and Human Services Budget Division

Possible admin changes discussed

A presentation on the redesign of Minnesota's state healthcare programs led the Tues., Mar. 1, meeting of the Health and Human Services Budget Division. The panel, chaired by Sen. Linda Berglin (DFL-Mpls.), also heard presentations on health care management and value-based reimbursement for nursing facilities.

Kathleen Henry, director of health care eligibility at the Department of Human Services (DHS), spoke on the proposed restructuring. There is no single set of resources to provide families with information about all healthcare programs upfront, she said. Henry also said the current system can be confusing and inefficient because individuals frequently apply to the wrong place and applications take up to 4 months to be processed. "We need to do something to make a much more user-friendly system for our applicants and enrollees," said Henry.

Central components to any solution, Henry said, are more effective customer service, increased efficiency and improved integrity in health care programs. Stephanie Radtke, DHS, outlined why a new system is needed. "The reality is that counties and the state are not able to handle the current health care caseloads...the result is that our consumers are experiencing inconsistent service," she said. Radtke cited inconsistent services, high error rates and duplicative, inefficient services as the main administrative problems in current health care programs.

In order to address those problems, said Radtke, a new system should focus on automated, standardized service that promotes consumer access. Radtke delineated the differences between current programs and the department's proposal for a new administrative system. The new system combines Medical Assistance (MA), General Assistance Medical Care (GAMC), and MinnesotaCare (MnCare) into a single program, the Minnesota Health Care Program (MHCP). Additionally, the new system provides for the creation of HealthMatch, an automated eligibility system to evaluate applicants more efficiently. Radtke also pointed out that the new system streamlines consumer access by providing one central phone number and mailing address for consumer questions. Consumers have more access

choices under the new program, too, said Radtke, as participants would be able to contact counties or the state via phone, mail, or personal visits.

Next, Kathleen Cota, director, health services management, presented a report on potential savings in health care services. Cota said that DHS has already developed money-saving strategies in the report, such as using evidence-based medicine, reducing pharmaceutical costs, and implementing intensive management programs for the chronically ill. Of the three, evidence-based medicine was especially important, she said. An evidence-based decision making process would allow the state to pay only for necessary and effective services, she said, and would provide a review process based on medical science. "Non-medical bureaucrats can't do this," Cota said, "so we don't have anybody who can answer tough questions at an appeal." Cota also listed expanded care for the disabled, contract improvements, collaboration between state and county programs and upgraded technological infrastructure as areas for more potential savings.

The third presentation focused on a new reimbursement system for nursing facilities. Bob Held, director, DHS nursing facility rates division, outlined the new program. "Nursing homes receive rates that are quite disparate," said Held, explaining that the current rate system is based on a decade old policy. "We consider the current system broken," he said. The new system, called value-based reimbursement, integrates costs, prices, and quality measures to determine reimbursement, Held said. The plan specifies the calculation of target prices for facilities, in various quality tiers, and reimburses the facilities at whatever rate is lower plus a percentage of the difference between the prices. That percentage, said Held, is calculated based on the quality of the facility. Quality is measured by a variety of factors, including a new resident satisfaction survey, he said. Held said the new system would not adversely affect a facility based on whether it was rural or urban, non-profit or for profit. "Under this system," he concluded, "we expect to see an effect based on quality."

Health care reporting heard

Members of the Health and Human Services Budget Division, chaired by Sen. Linda Berglin (DFL-Mpls.), devoted their

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Wed., Mar. 2, meeting to a presentation from Minnesota Community Measurement.

Minnesota Community Measurement is a non-profit group providing information on health care quality, said Executive Director Jim Chase. According to Chase, the group is a relatively new, first of its kind partnership between providers and payers that reports health care quality data. "Our mission," he said, "is not to measure but to improve care in Minnesota." The group began gathering data through health plans in 2002, expanded its efforts to report on nine specific topics in 2003 and released its first public report in 2004, said Chase. The information is available on the group's website: <http://www.mnhealthcare.org>

Chase said community-driven, public reporting is important because it leads to more efficient, higher quality healthcare. Because the next step in improvement in health care will be system-related, he said, Minnesota Community Measurement conducts its studies at the medical group level. Chase added that providers have said they appreciate receiving the data because they are interested in improving their services. Currently, the group reports on 52 medical groups in the state and focuses on care areas such as diabetes treatment, immunization and well child visits, said Chase.

Chase also outlined issues the group expects to address in the future. First, he said, the group may want to move to an individual reporting level, rather than only a medical group level. Chase said risk adjustment is another factor that could affect data collection, as discrepancies between patients may create discrepancies between clinics. "We don't want risk adjustment to be a reason for us not to have higher scores for everybody," he said. Finally, Chase said the group needs to develop better, more user friendly ways to report its findings. "We must balance the need for simple public information with being fair and disclosing where data is incomplete," he said.

Sen. Yvonne Prettner Solon (DFL-Duluth) asked if providers knew they were being measured and if they were familiar with the standards. Chase replied that providers are aware they are being measured and that many work closely with the group. He said 48 of the 52 medical groups on which Minnesota Community Measurement reported last

year attended a special conference to receive their data. "There is wide acceptance and involvement of medical groups," he said, adding that some groups have requested reports on their systems. Chase also said that the group uses standards developed by the Institute for Clinical System Improvement (ICSI) which are created with provider input.

While Massachusetts and California have similar projects, said Chase, Minnesota is the national leader in the field because of the number of quality measures the state has. Still, the state faces issues in improving health care quality through reporting, he said. Chase pointed to the topics of performance based pay systems and possible over-utilization of services as areas in which Minnesota Community Measure still faces work.

Higher Education Budget Division

Reciprocity considered

Requiring Wisconsin residents studying at Minnesota public colleges and universities to pay Minnesota in-state tuition rates was examined by members of the Higher Education Budget Division, Tues., Mar. 1. The panel, chaired by Sen. Sandra Pappas (DFL-St. Paul), laid the proposal over for further consideration.

S.F. 246, carried by Sen. Yvonne Prettner Solon (DFL-Duluth), phases in the requirement until it is complete with the beginning of the 2008-09 academic year. Because students in Wisconsin pay Wisconsin in-state tuition rates for comparable schools, they pay less than Minnesota students at the same institution, Solon said. For example, she said, a Wisconsin resident attending the University of Minnesota-Duluth pays the in-state tuition for the University of Wisconsin-Milwaukee, which is more than \$1,000 less than UMD tuition. The disparity is even greater at the U's Twin Cities and Morris campuses, Solon said. Peter Zetterburg, an analyst for the U, said Wisconsin does pay Minnesota the accumulated difference, about \$6 million per year, but the money goes to the general fund, not to individual campuses.

It might be better to redirect the payment from the general fund to the specific institutions, said Sen. Bob Kierlin (R-Winona). Zetterburg said the suggestion makes sense academically, but that

Minnesota parents and students consider the tuition gap unfair. The families say their students are going to the same classes as a student from Wisconsin, but paying thousands more, he said. Executive Director Susan Heegaard said the Higher Education Services Office, which negotiates the agreements with other states, is concerned that unilateral attempts to change the terms of agreements would nullify the agreements. The office, she said, has been asked by the University to attempt to renegotiate the agreements with Wisconsin and negotiations are ongoing.

Division members also considered three other measures and laid them over for additional consideration. S.F. 411, sponsored by Sen. John Marty (DFL-Roseville), earmarks portions of the appropriation for the University of Minnesota for two associated health professional programs: occupational therapy and medical technology. Directors of the programs and representatives of health care providers spoke to the need for the programs, the need to have the programs offered at public institutions and the expenses that would be involved in attempting to recreate the programs at other institutions. S.F. 1276, authored by Sen. David Tomassoni (DFL-Chisholm), appropriates \$3 million for continued development of the MnSCU Teacher Center. S.F. 1277, also carried by Tomassoni, appropriates \$11 million for building and infrastructure repair needs in the MnSCU system.

In other action, division members heard an overview of the Mayo Medical School and the services it provides to Minnesotans.

MnSCU bills heard

Four measures appropriating money to the Minnesota State Colleges and Universities system were considered by members of the Higher Education Budget Division, Thurs., Mar. 3. The panel, chaired by Sen. Sandra Pappas (DFL-St. Paul), laid the bills over for possible inclusion in the omnibus higher education budget bill.

S.F. 1117, authored by Sen. Cal Larson (R-Fergus Falls), appropriates \$13.9 million for competitive faculty and staff salaries in high-demand disciplines. The bill permits the funds to be used for salary adjustments or incentive payments. S.F. 1205, carried by Sen. Claire Robling (R-Jordan), provides \$5.5 million for an



Ken Rodgers, president of the American Council of the Blind of Minnesota, listens to testimony on a bill funding an electronic information service as his German Shepherd, Lara, waits patiently during a Subcommittee on Telecommunications and Technology hearing, Fri., Mar. 4.

Photo by David J. Oakes

innovations fund in the system. The MnSCU innovations fund is used for curriculum design and equipment for programs seeking to meet the needs of businesses and communities and for

programs leveraging contributions from the business community. S.F. 1281, sponsored by Sen. Rod Skoe (DFL-Clearbrook), appropriates \$3 million for farm and small business management

programs. S.F. 1182, carried by Sen. Carrie Ruud (R-Breezy Point), provides \$8.1 million for online learning.

Jobs, Energy and Community Development

Telecommunications report heard

The future of telecommunication in Minnesota was the subject of the Mon., Feb. 28, Jobs, Energy and Community Development Committee meeting. Members, chaired by Sen. Ellen Anderson (DFL-St. Paul), heard a report from the Telecommunications Policy Project.

Milda Hedblom, director of the Telecommunications Information Society Policy Forum (TISP), presented an overview of the report. "The overall purpose of the project was to consider new policy approaches," she said. According to Hedblom, the group focused on one specific policy area: what is the future of tariffs in an increasingly competitive service world and are contracts a useful approach for the state to consider in telecommunications?

Three separate work groups outlined their findings. Representing the shared values work group, Joy Gullikson, ONVOY, said group members fully agreed that people should have a right to technology choices. The group reported that it fully supports established policy values of competition, interconnectivity, 911 services, privacy, and single party service. Gullikson said the group was less unified on the issue of requiring a minimum level of service from all providers.

Michael Nowick, president, Minnesota Telecom Alliance, led the consumer protection (detriffing) work group. The main question his group addressed, said Nowick, was whether or not to replace tariffs with contracts between service providers and customers. Nowick detailed the results of detriffing by speaking on the benefits and detriments of contracts. Contracts are positive, he said, because they can be changed without regulatory approval, provide for customized services, and create a stable business environment. Conversely, Nowick continued, switching to contracts creates more work for smaller telecommunication companies and removes telecommunications from the oversight of the Public Utilities Commission. Nowick also said the work group considered funding options to preserve

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social programs, such as 911, in the event of detariffing. A state general revenue appropriation or a charge on telephone numbers in use were the two most popular possibilities, he said.

Dennis Fazio, an engineer, worked with the third group on regulatory strategy questions. Fazio said the group looked at new regulatory mechanisms as they relate to driving technology and resulting changes to telecomm infrastructure. The group's report identifies five possible areas for policy re-formulation including regulation of the last physical mile, regulation of basic essential services, regulation where no competition exists, regulation of the customers, or providing incentives (certification programs) instead of regulation measures.

Assistant Attorney General Jeanne Cochran said whether or not to deregulate and the potential methods of deregulations are the crux of the issue. Another important question, she said is how rural customers will be affected by changes to telecomm policy. "There is a whole host of other issues this group really didn't address," she said. Three key issues for Legislators to consider, said Cochran, are access to quality, affordable phone service for all Minnesotans, strong consumer protection measures for telecomm services, and maintenance of an effective 911 system in which all users contribute to paying costs.

Renewable energy jobs discussed

Job growth stimulated by increased reliance on renewable sources of energy was the main topic of the Wed., Mar. 2, meeting of the Jobs, Energy and Community Development Committee, chaired by Sen. Ellen Anderson (DFL-St. Paul). The panel heard from Steve Clemmer, research director for the Cambridge, Mass.,-based Union of Concerned Scientists, and Andrew Hoerner, research director for the Oakland, Calif.,-based group Redefining Progress. The duo said increased use of renewable energy in Minnesota would result in more jobs, savings on household energy bills and reduced dependence on foreign oil, as well as a cleaner environment.

Telecom bills heard

The Jobs, Energy and Community Development Subcommittee on Telecommunications and Technology met Fri., Mar. 4, to hear several bills dealing with telecommunications.

S.F. 1064, sponsored by Sen. James Metzen (DFL-South St. Paul), establishes an accessible electronic information service for blind and disabled persons. Under the bill news and other timely information, including newspapers, is provided to eligible individuals from a multistate service center, using high-speed computers and telecommunications technology for acquisition of content and rapid distribution in an appropriate form. In addition, the bill requires the Public Utilities Commission to determine the funding mechanism for the proposal. The measure was advanced to the full committee.

The panel, chaired by Sen. Steve Kelley (DFL-Hopkins), heard three additional bills. S.F. 640, carried by Sen. Scott Dibble (DFL-Mpls.), regulates the creation and maintenance of wireless directory assistance service databases. The measure also protects consumer privacy and prohibits publication of the contents of any wireless directory assistance service database in printed or electronic form. S.F. 1353, authored by Sen. Thomas Neuville (R-Northfield), also deals with wireless telephone directories regulation. The bill specifies that a provider, or any direct or indirect affiliate or agent of a provider, may not disclose or sell a customer's wireless telephone information for inclusion in a wireless telephone directory of any form and may not sell a wireless telephone directory containing a customer's wireless telephone number without first providing the customer with an unambiguous disclosure notice. The measure also spells out the criteria for the disclosure notice.

S.F. 1068, also sponsored by Dibble, prohibits a long distance telecommunications carrier from charging a customer for long distance service after the customer has requested the carrier to cancel the service. The measure provides that if the customer has a fixed term contract and requests the carrier to cancel the long distance service, the carrier may charge the customer until the end of the contract term.

All three measures were laid over for further consideration.

Judiciary

Meth bills gain

The Judiciary Committee meeting Tues., Mar. 1, was devoted primarily to

hearing two bills dealing with methamphetamines. Committee Chair Don Betzold (DFL-Fridley) said the two bills had extensive hearings in the Crime Prevention and Public Safety Committee and that the Judiciary Committee would focus just on the issues under the panel's jurisdiction.

S.F. 901, sponsored by Sen. Wesley Skoglund (DFL-Mpls.), provides for the establishment of a tip line for citizens to report methamphetamine crimes, makes it a crime to illegally dispose of methamphetamine waste, creates a meth awareness and education account, provides for establishment of civil nuisances involving methamphetamine manufacture and requires the Legislative Audit Commission to direct the legislative auditor to conduct a study on the efficacy on various meth treatment programs for offenders. Skoglund offered an amendment specifying the Bureau of Criminal Apprehension as the agency to maintain the tip line, rather than the Dept. of Health as originally specified in the bill. The amendment was adopted.

The main items under the committee's jurisdiction were the provisions relating to landlord-tenant laws. The bill was approved and re-referred to the Finance Committee.

The second bill, S.F. 423, is sponsored by Sen. Julie Rosen (R-Fairmont). The measure increases penalties for intent to manufacture and child endangerment, establishes new meth crimes, establishes a fund for methamphetamine laboratory cleanup and contains numerous provisions relating to the treatment of property that has been used for methamphetamine manufacturing.

Committee discussion focused on provisions relating to property and to the notification of a school administrator when a child has been taken into protective custody that the child has been exposed to methamphetamine.

Sen. Thomas Neuville (R-Northfield) questioned whether the owner of property, for instance a farmer, would be liable for cleanup if someone just pulled off the road to set up a meth lab in their car. Betzold questioned whether the school administrator who had been notified could, in turn, notify the child's teacher. Neuville also questioned if unsuspecting landlords would be held responsible for cleanup of meth contaminated property.

Steve Lee, of the Pollution Control Agency, said the state's superfund law

contains provisions for a defense against being held responsible if an owner has no knowledge of the illegal activity. He also described the process of cleaning up a property. In addition, Rosen said the proponents of the bill were exploring whether insurance would cover cleanup costs.

Betzold also raised the question of how long disclosure would be need for property that had been cleaned up.

Members considered an amendment that clarified the property means publicly or privately owned real property including buildings and other structures, motor vehicles, public waters, and public rights-of-way. The amendment also clarifies that a county, or local health department or sheriff must order any property or portion of a property from being occupied, rented, sold or used until it has been assessed and remediated. Susan Dioury, Minnesota Association of Realtors, explained the balance of the amendment, which also contains additional disclosure requirements and specifies language on an affidavit that must be filed describing the owner, and description and location of property used as a clandestine meth lab.

Members also focused on the potential for lawsuits by future purchasers of property against contractors who cleaned up according to guidelines in effect at the time. Lee said the PCA is developing guidelines with the Dept. of Health that would greatly reduce hazards associated with meth labs. Sen. Warren Limmer (R-Maple Grove) asked exactly what the hazardous waste is. Lee said the waste includes waste solvents, waste ephedrine and other waste products. However, he said, in the cooking process vapors spread throughout the structure and permeate all surfaces.

The amendment was adopted.

Neuville offered two amendments suggested by the Real Property Section of the Minnesota Bar Association. The amendment specifies that upon filing the affidavit vacating the order and the other affidavit required by the bill, together with the information set forth in the affidavits, cease to constitute either actual or constructive notice. In addition, the amendment specifies failure to disclose does not mean that a buyer is denied ownership of the property. The second amendment clarifies that the map required to be attached to the affidavit be required in every case. Both amendments were adopted.

The bill was approved and advanced to the Jobs, Energy and Community Development Committee.

In other action, the committee also heard two additional bills. S.F. 608, authored by Betzold, corrects an error to allow the sharing of law enforcement information with the Dept. of Commerce by striking the words "insurance division" and inserting the words "Dept. of Commerce." The bill was approved and advanced to the Senate floor.

S.F. 647, sponsored by Sen. Richard Cohen (DFL-St. Paul), provides for the allocation of the common expenses of older condominiums be in proportion to the area of the units.

The measure was laid over for further consideration.

Family law bill draft distributed

Members of the Judiciary Committee held a brief meeting Thurs., Mar. 3, to consider two bills and to receive copies of a major child support bill. S.F. 630, sponsored by Sen. Thomas Neuville (R-Northfield), makes numerous changes in laws governing child support. Neuville distributed an amendment that removed the provisions recodifying child support laws. Neuville said he wanted to distribute the proposal so that all interested parties could obtain copies and study the language. "I sincerely would like to reach a consensus on the bill, so I would like to solicit comments from all sides of the issue," Neuville said. He said the bill contains an income shares approach to determining child support. "Essentially, the bill is the Oregon model," Neuville said. An income share approach takes into consideration the incomes of each of the parties in determining child support, he said. Neuville said a hearing on the measure would take place in the coming week.

In other action, the committee, chaired by Sen. Don Betzold (DFL-Fridley), advanced two bills. S.F. 1210, sponsored by Sen. Ann Rest (DFL-New Hope), clarifies the life span and interest rate of foreign judgments, provides for the docketing and payment in United States dollars of judgments on foreign-money claims. The measure was approved and recommended for placement on the Consent Calendar. S.F. 1231, authored by Betzold, specifies that the right of an owner or tenant of residential property to display United States and Minnesota flags

may not be limited by townhome or condominium association rules. The bill was advanced to the Senate floor.

K-12 Education Budget Division

Levies discussed

The topic of general levy increases provided the focal point for the Tues., Mar. 1 meeting of the K-12 Education Budget Division. Fiscal Analyst Eric Nauman reviewed the general levy under current law and under the governor's recommendation. Nauman also presented a spreadsheet of new K-12 levies per pupil in each school district. Chair LeRoy Stumpf (DFL-Plummer) said that for the last several years, the division has had a target of zero levy increases. Another analyst, Jack Paulson, led the division through a discussion of the effect increased levies would have on property taxes. He said on average, statewide, there would be a 2 to 3 percent increase. In all, under the governor's proposal there would be about a \$109 million increase, Paulson said.

Commissioner of Education Alice Seagren said the governor is proposing four areas for levy increases. She said the governor's proposal recommends an increase in the standard referendum cap from 18.6 percent to 28 percent of the formula allowance. The governor is proposing four areas for increased levies, Seagren said. She said the Q comp levy of \$70 per pupil equalized levy, which would not require a referendum. The other areas, a deferred maintenance levy of \$50 per student, which is scaled depending on the age of the buildings in the district, a special education levy and a discretionary levy of about \$150 per pupil are all subject to reverse referendums, Seagren said. In the area of discretionary levy, the governor is proposing to repeal many small levies, which average about \$74 per pupil and add an additional \$76 per pupil.

Tom Melcher, director, Division of Program Finance, provided an overview of the governor's recommendations and the impact on property taxes. He said the proposal increases state aid by \$412 million and levy increases of \$166.4 million. Total revenue increases amount to \$578.5 million, Melcher said.

Scott Croonquist, Association of Metropolitan School Districts, said the

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governor's proposal would add some stability to school funding. He said the reliance on levy referenda is risky if there is an economic downturn. Members also heard from Grace Schwab, Minnesota School Boards Association, Vernae Hasbargen, Minnesota Rural Education Association and Brad Lundell, Schools for Equity. Schwab said the School Boards Association supports the maintenance levy because the items covered don't lend themselves to referendum questions. She said the association is also concerned about the referendum component. Lundell said he echoed Hasbargen and Croonquist in that it is time to look at general education levies again.

Governor's bill discussed

The governor's education policy and finance bill was the focus of the Wed., Mar. 2, meeting of the K-12 Education Budget Division. S.F. 1278, carried by Sen. Gen Olson (R-Minnetrista), was not technically before the division, so members, chaired by Sen. LeRoy Stumpf (DFL-Plummer), took no action on the bill. Education Commissioner Alice Seagren and Program Finance Director Tom Melcher walked the division through the proposals. A major portion of the discussion centered on questions related to the governor's alternative teacher compensation proposal, known as Q comp, and changes to the education formula.

Public Safety Budget Division

CriMNet projects discussed

The Public Safety Budget Division, chaired by Sen. Jane Ranum (DFL-Mpls.), devoted the Mon., Feb. 28, hearing to discussion Bureau of Criminal Apprehension's (BCA) Suspense Project and Targeted Misdemeanors Project.

Dale Good, deputy director, CriMNet, said suspense is a court disposition that cannot be linked back to a fingerprint record taken at arrest, booking or at charging. He said the Bureau of Criminal Apprehension Criminal Justice Information System Suspense Team was charged with reducing the number of criminal history records in suspense. He said if a record is in suspense, there are a number of serious consequences that may result. Good outlined several of the

consequences including individuals appearing as first time offenders when, in fact, they have multiple convictions, ineligible persons being able to buy handguns and individuals subject to predatory offender registration avoiding being monitored. In addition, Good said decisions about charging, plea agreements, sentencing and treatment are made with incomplete information.

Good said the suspense team has made significant progress in reducing the number of suspense records. He said the number of suspense files has been reduced to 77,000 from 450,000, the flow of dispositions into suspense has been reduced from 20 percent to 15 percent and the Automated Fingerprint Identification System (AFIS) backlog has been eliminated. In addition, 650 law enforcement entities receive automated suspense notification.

Good said the next steps for the project include educating justice agencies on the importance of capturing fingerprints and linking numbers to be managed by the CriMNet program. The Criminal Justice Information System will manage quality assurance and do background checks for the Dept. of Human Services where there are suspense records and resolve suspense issues, Good said.

The second portion of the presentation focuses on targeted misdemeanors. Good said the Bureau of Criminal Apprehension Criminal Justice Information System and CriMNet are working to automate the inclusion of targeted misdemeanors for professionals to have the necessary information in order to make informed decisions about charging, sentencing and releasing offenders. Seven misdemeanors, fifth degree assault, domestic assault, interference with privacy, restraining order violation, order for protection violation, DWI and indecent exposure, were targeted, Good said. The targeted misdemeanors meant that agencies were required to collect fingerprints from offenders and to include targeted misdemeanor dispositions on the computerized criminal history, he said.

Good said dispositions are now passed electronically to the BCA so they may be more efficiently linked to fingerprints in the criminal history system. He said records in suspense are searchable, which means the information is available for background checks, weapons eligibility checks and background checks for employment and housing. In addition,

court dispositions for orders for protection include a flag to note a prohibition from possessing or receiving a firearm.

Good and Bob Johnson, executive director of CriMNet, also outlined policy recommendations the agency is suggesting. The CriMNet policy group has recommended changes to laws governing when and how fingerprints are taken. In addition future actions for CriMNet include educating justice agencies of the availability of targeted misdemeanor records and seeking out grant programs for additional funds.

The balance of the hearing was devoted to hearing an overview of the programs and budget proposals for the Bureau of Criminal Apprehension from Superintendent Linda Finney.

Budget overviews continue

The Public Safety Budget Division, chaired by Sen. Jane Ranum (DFL-Mpls.), continued reviewing the Dept. of Public Safety's budget proposal at the Wed., Mar. 2 hearing. The panel heard detailed overviews of Office of Justice Programs and Alcohol and Gambling Enforcement. The Office of Justice Programs include crime victims reparations, crime victims assistance grants, battered women's shelter services, and law enforcement and community grants.

The Alcohol and Gambling Enforcement Division enforces laws relating to the liquor industry and gambling. In gambling enforcement, the division conducts background checks and criminal investigations relating to lawful gambling, the Minnesota Lottery, pari-mutuel horse racing and tribal reservation gambling. In addition, the division enforces laws relating to illegal gambling. In addition, the division enforces laws relating to manufacturers and importers, wholesalers and retailers through licensing, enforcement and regulation.

State and Local Government Operations

Housing improvement bill gains

Members of the State and Local Government Operations Committee, chaired by Sen. Linda Higgins (DFL-Mpls.), met Mon., Feb. 28, to consider three bills.

The first measure, sponsored by Sen. Debbie Johnson (R-Ham Lake), extends,

for two years, the authority for a city to establish a housing improvement area. Marc Nevinski, Coon Rapids community development director, said the bill is aimed at helping older townhome associations make improvements to the common areas or exteriors of the townhomes. He said the associations may not have the necessary funds available to make the improvements, but by extending the sunset for housing improvement areas, the associations are better able to obtain financing. "The improvements will help prevent blight in areas with older townhomes," Nevinski said. Higgins questioned whether or not two years was a long enough extension. Sen. David Senjem (R-Rochester) offered an amendment to repeal the sunset all together. The amendment was adopted. The bill was approved and advanced to the full Senate.

S.F. 451, sponsored by Sen. Don Betzold (DFL-Fridley), proposes codifying

all the special laws relating to Anoka County that have been passed over the years into one chapter. Betzold said there are similar chapters for Dakota, St. Louis, Hennepin and Ramsey Counties that make it easier to find special laws. He said the bill simply takes current laws and places them in one place. The measure was approved and sent to the Senate floor.

The final bill taken under consideration, S.F. 344, sponsored by Sen. LeRoy Stumpf (DFL-Plummer), provides for reimbursement to volunteer fire departments for expenses incurred in extinguish fires within a trunk highway or interstate right-of-way if the fire departments are not reimbursed from another source. Stumpf said the bill has been before the committee in other years and has always been approved, but for one reason or another has not been signed into law. An amendment was adopted specifying that if the township is authorized to impose a service charge, the town board may certify

to the county auditor of the county in which the recipient of the services owns real property any unpaid service charge. Further, the amendment specifies the county auditor must remit to the town all service charges collected on behalf of the town. The bill was approved and referred to the Tax Committee.

Veterans, Lottery Board bills gain

The Wed., Mar. 2, meeting of the State and Local Government Operations Committee resulted in two measures advancing. The panel, chaired by Sen. Linda Higgins (DFL-Mpls.), began by considering a bill for disabled veterans.

S.F. 467, sponsored by Sen. Michele Bachmann (R-Stillwater), provides that the property occupied by the Disabled Veterans Rest Camp on Big Marine Lake in Washington County is excluded from the Big Marine Park Reserve. In addition, the bill provides that the camp be exempt from property taxes and provides for a



A few of the dozens of Minnesota veterans attending a State and Local Government Operations Committee hearing, Wed., Mar. 2, listen intently to discussion on a bill that adds zoning protection to a nonprofit camping facility serving disabled veterans and their families.

Photo by David J. Oakes

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planned unit development zoning classification for the facility. Bachmann said, "We have very few facilities for our disabled veterans. One is on Big Marine Lake and the bill is to ensure the facility is available for a long, long time." Two co-authors, Sen. James Metzen (DFL-South St. Paul and Sen. Charles "Chuck" Wiger (DFL-North St. Paul), spoke briefly in support of the bill. Before hearing proponents, members adopted an amendment granting Washington County an easement in order to provide a connection of the north and south areas of the park

Sgt. Jeff Jones said the camp was founded in 1926 for veterans of World War I and is available for veterans of all wars. Jones provided a brief history of the facility and then a number of representatives from VFW and DAV groups spoke in support of the measure. In addition, Washington County Commissioner Myra Peterson said the board is in support of the measure. The bill was approved and re-referred to the Judiciary Committee.

The committee also approved a bill establishing the State Lottery Board. S.F. 406, sponsored by Sen. Ann Rest (DFL-

New Hope), establishes the board, specifies membership and outline's the new board's responsibilities. Rest said the bill is in response to a recommendation of the Lottery Organization Task Force. Under the bill, the board will consist of seven members, subject to confirmation by the Senate. Rest said the bill specifies that board members meet a variety of geographic and professional requirements. Further, the bill requires the board to meet a least quarterly. Rest said the bill requires the board to review the operation of the lottery and make recommendations to the director about the annual budget, proposed rules, the annual performance review of the director and the financial affairs of the lottery.

The measure was approved and forwarded to the full Senate.

State Government Budget Division

Legislative budgets reviewed

The budgets for four legislative agencies, as well as for public radio and television, were the focus of the Tues.,

Mar. 1, meeting of the State Government Budget Division. The panel, chaired by Sen. Sheila Kiscaden (IP-Rochester), considered the governor's budget proposals for the Legislative Coordinating Commission, the Office of the Legislative Auditor, the Office of the Revisor of Statutes and the Legislative Reference Library. Division members also considered recommendations for grants to public television and public radio.

Admin budget reviewed

Members of the State Government Budget Division devoted their Wed., Mar. 2, meeting to consideration of the budget for the Dept. of Administration. The panel is chaired by Sen. Sheila Kiscaden (IP-Rochester).

The governor's recommended budget for the agency is \$405 million from all funds, with the general fund portion accounting for \$43.9 million. The remainder of the budget, \$361.1 million, comes from a variety of special funds and accounts, including an intertechnologies fund, a plant management fund, federal funds and a risk management fund. Fifty-



Finance Commissioner Peggy Ingison addresses the media during a press conference held to release the most recent budget forecast, Mon., Feb. 28. The latest figures predict a FY 2006-07 budget shortfall of \$466 million, over \$200 million less than previously projected.

Photo by David J. Oakes

five percent of general fund spending is operating funds, with the remaining dollars dedicated to grants or other non-operating funds. The department is responsible for providing goods and services to other agencies and units of government, including electronic government services, goods and services procurement, building maintenance and construction project management. The Office of the State Archaeologist and the State Demographic Center are also housed in the department.

Tax

February forecast discussed

The latest state economic forecast was the focus of the Tues., Mar. 1, meeting of members of the Tax Committee, chaired by Sen. Lawrence Pogemiller (DFL-Mpls.).

Finance Commissioner Peggy Ingison said the forecast shows a positive balance of \$175 million for the current biennium. Current law allocates \$25 million to restore the budget reserve to \$653 million, while the remaining \$150 million buys back a school shift, she said. Ingison said the state's Council of Economic Advisors recommends a total reserve of five percent of biennial spending. Other states, she said, have total reserves—including reserve accounts and cash flow accounts—of about five percent of annual spending. Minnesota's budget reserve and cash flow accounts total just over \$1 billion, Ingison said, putting the state about two-thirds of the way toward the five percent biennial recommendation. The forecast shows a reduced shortfall for FY 06-07, she said, from \$700 million to \$466 million. Revenues for FY 08-09 are expected to exceed current law expenditures by \$700 million, Assistant Commissioner Jim Schowalter said.

The committee also considered provisions in S.F. 971, carried by Pogemiller, the public finance bill. Many of the provisions were also in last year's omnibus tax bill and are already included in a base omnibus bill the committee is preparing. Other provisions were recommended for inclusion in the omnibus bill. One item, relating to the use of financial statements in the offering of securities, was set aside for further discussion and possible consideration by other committees.

Gov's 'turbo-charged' truth-in-taxation proposal discussed

Members of the Tax Committee began their Wed., Mar. 2, meeting with a discussion of the governor's turbo-charged truth-in-taxation proposal. Commissioner Dan Salomone, Dept. of Revenue, said the turbo-charged truth-in-taxation proposal for cities and counties replaces the current truth-in-taxation statement that is mailed to every taxpayer. The turbo-charged statement will contain the same tax information, but at the bottom will be a clip-and-mail taxpayer satisfaction survey, Salomone said. Under the proposal, the survey will ask about the taxpayer's satisfaction with city and county levies. The taxpayer checks whether or not he or she is satisfied and if a threshold number of taxpayers indicate dissatisfaction a referendum is triggered, he said. If the referendum does not pass, the previous year's levy, with some adjustments, would be imposed. Salomone said the department has still not determined the threshold level for triggering the referendum. He also said the timetable for implementing the process is very tight, but doable.

The committee, chaired by Sen. Lawrence Pogemiller (DFL-Mpls.), also considered S.F. 823. The bill, sponsored by Sen. Mee Moua (DFL-St. Paul), makes technical, policy, clarifying and administrative changes to taxes and tax related provisions. The measure, developed by the Dept. of Revenue, contains what is normally contained in separate policy and technical bills, Moua said. Staff from the department gave an article by article description of the bill's contents. Pogemiller said the measure contains provisions that are contained in the draft of another bill, known as Tax II, which contains many provisions of last year's omnibus tax bill.

Governor's tax proposal heard

The Tax Committee, chaired by Sen. Lawrence Pogemiller (DFL-Mpls.), devoted its Thurs., Mar. 3, meeting to an overview of one of the governor's tax proposals.

Carried by Sen. Julianne Ortman (R-Chanhassen), S.F. 753 addresses several tax issues. In the bill, the governor recommends moving up sales tax payments on motor vehicle leases, moving from a sales to a gross receipt tax on

alcohol, creating an investment tax credit for dairy farmers and exempting members of the Federal Tricare program, which provides medical care to those serving in active duty and their families, from the provider tax.

Another proposal in the bill, said Ortman, is the phase in of a total sales factor over the next eight years. A sales factor is a fraction in which the numerator is a taxpayer's amount of taxes paid in the state and the denominator is the taxpayer's total amount of taxes paid everywhere. Minnesota currently has a total sales factor of 75, said Ortman, but under the bill that number would increase to 100. Ortman said the measure helps Minnesota adjust to a single sales factor, meaning corporations would pay taxes proportionate to their sales in the state, as in many other states. Sen. William Belanger (R-Bloomington) said he did not see a throwback provision in the bill. Ortman responded that there is no throwback provision in the governor's proposal. She also said that the bill does not pick up federal provisions for deductions by corporations that manufacture in the United States, the option to take an itemized deduction of either consumer sales tax or individual state income tax or the increase of a deduction for married couples.

Ortman offered an amendment changing two parts of the bill. First, the amendment expands registration requirements to include out of state vendors dealing with higher education, K-12 education, cities, counties, state agencies and the Legislature. The second part of the amendment, Ortman said, restores the political contribution refund program, a program eliminated in the governor's proposal. "I just don't feel comfortable supporting that," she said.

Senators adopted the amendment, but they did not approve S.F. 753.

The committee also began work on S.F. 1209, sponsored by Pogemiller. "It seems to me that one of the things we could do to move the session forward is to pass a structural balance bill," he said. A structural balance bill requires that ongoing revenue match ongoing expenditures. "We're spending \$1 million per day more than we're taking in as a state," Pogemiller said, "A structural balance bill is a demonstration that this committee is willing to raise our half." He noted that the committee will need to find a House

Committee update

file counterpart for the bill because revenue measures must originate in the House.

Pogemiller said the bill does not include upfront sales tax on vehicle leases or a cigarette tax because both measures represent one-time money. "You don't want to use one-time money for structural balance," he said. Transfer of solid waste management tax collection, a renter's credit, and campaign contribution provisions are included in the bill, said Pogemiller.

Senators forwarded the measure to the full Senate.

Transportation

Dimler repeal approved

A bill repealing the Dimler amendment gained when the Transportation Committee met Tues., Mar. 1. The panel, chaired by Sen. Steve Murphy (DFL-Red Wing), also heard a three other bills.

S.F. 1173, sponsored by Murphy, repeals the prohibition against recording speed violations of less than 10 mile per hour over the posted limit on a driver's record. The Dimler amendment prohibited officers from reporting those violations. Pat McCormack, director of Driver and Vehicle Services, said the legislation is important in terms of the state's compliance with the federal motor safety improvement act. "We're expected to come into compliance with federal law by September of this year or we could lose up to \$23 million in federal money," said McCormack. The federal act specifies that traffic violations may not be masked and must appear on record.

Members approved the repeal and forwarded S.F. 1173 to the full Senate.

Also gaining approval was S.F. 1063. Murphy carried the measure which increases penalties for certain speed violations. Under the bill, fines for speeding violations in excess of 20 miles over the posted speed limit will double; also, if a driver is going faster than 100 mph, the bill requires the driver's license be revoked for six months. Murphy said violations in excess of 100 mph have recently increased more than 300 percent. "The sign says I-94, ramp 2, not ramp 2, Daytona 500," said Murphy.

Senators approved S.F. 1063 and sent it to the floor.

S.F. 7, authored by Sen. Charles "Chuck" Wiger (DFL-St. Paul), prohibits the use of traffic signal-override devices

except for emergency vehicles, transit vehicles, signal maintenance vehicles, and vehicles authorized by the commissioner of public safety. Several Senators said they were concerned that the bill allows buses to use the devices. Sen. Julianne Ortman (R-Chanhassen) said buses should not be allowed to use the devices because it will cause traffic problems. Sen. Scott Dibble (DFL-Mpls.) said the exemption would allow buses, such as those on rapid metro transit routes, to use the devices but that the intent of the bill was not to promote the use of the devices by all buses. Wiger said that the exemption is not a mandate but an option and a tool.

Senators laid over S.F. 7 for further work and discussion.

Wiger's second bill, S.F. 13, establishes a 25 mph speed limit in school zones. Wiger said that school boards, in conjunction with the Department of Transportation (MnDOT), may raise or lower the limit according to the kind of road by the school. Susan Marquis, who lost her son to an accident in a school zone, spoke in support of the measure. Bernie Arseneau, MnDOT, spoke in opposition to the bill. He said safety in school zones requires a comprehensive approach and that school boards may not have the knowledge and expertise necessary to set safe speed limits. "Also," Arseneau added, "artificially reducing speeds makes people believe drivers will go slower than they actually will and creates a false sense of security." A grandfather who lost his grandson in a school zone accident also addressed the committee. "Just try it," he said, "If it saves one life, it's worth it."

Members approved the bill and re-forwarded it to the Finance Committee.

The committee also continued to hear budget overviews from the Department of Public Safety. State Fire Marshal Jerry Rosendahl provided an overview of the Office of Pipeline Safety, and Kathryn Swanson spoke on the Office of Traffic Safety. While Rosendahl said pipeline safety is funded by federal grants and special revenues, Swanson said traffic safety programs require \$324,000 in state matching funds to secure \$18 to 19 million in federal money. Arseneau also spoke to Senators about the effect of speed limits on traffic safety.

Airport zoning discussed

The Transportation Subcommittee on Aeronautics, chaired by Sen. Ann Rest

(DFL-New Hope), met Thurs., Mar. 3, to hear an overview of airport zoning and consider three bills relating to airport zoning. A Mike Louis, planning director of the Dept. of Transportation Office of Aeronautics, presented a chronology of airport zoning throughout the country and an overview of the department's airport zoning process. He said airport safety zoning attempts to balance the public interest involved in safety for persons on the ground, safety of persons traveling in aircraft and the public interest in maintaining existing land uses. He also described zone A, which extends from the end of the primary surface, two-thirds the runway's length, zone B, which extends from zone A, one-third the runway's length, and zone C, which prohibits radio or electronic interference with aircraft, conflicts with airport lighting or other factors which endanger the landing, taking off or maneuvering of aircraft.

S.F. 1193, carried by Sen. Steve Murphy (DFL-Red Wing), defines safety zones and land use restrictions for runway 17-35 at the Minneapolis-St. Paul International Airport. Under the bill, zone A for the south end of runway 17-35 at MSP International Airport extends from the end of the primary surface a distance of 500 feet on each side of the extended runway centerline extending outward 4,667 feet. Further, the bill specifies zone A must not contain buildings, exposed transmission lines or similar land use structural hazards. The measure goes into more detail about zone A and zone B. The measure was approved and advanced to the full committee.

Two bills carried by Sen. Michael Jungbauer (R-Ham Lake) were also heard. S.F. 80 requires the commissioner of transportation and local units of government to adopt a model zoning ordinance to limit the height of objects around airports. S.F. 79 establishes airport land use commissions and requires the development and adoption of comprehensive airport land use plans. There was extensive testimony on both measures before members advanced S.F. 80 to the full committee and laid over S.F. 79.

Schedule available online

Next week's schedule is available at <http://www.senate.mn/schedule/2005/0307.htm>

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A rooster, held by John Hanson from the Oliver Kelly Farm, attracts the attention of eight-year-old Momilani O'Sullivan of Albertville during a Minnesota History Day rally in the Capitol Rotunda, Mon., Mar. 7.
Photo by David J. Oakes



March 11, 2005

Senate Highlights

Child support bill gains

A measure replacing Minnesota's current child support framework with an income shares model cleared its first hurdle, Thurs., Mar. 10, and gained the support of members of the Judiciary Subcommittee on Family Law. The bill, S.F. 630, will next be heard in the full Judiciary Committee.

Carried by Subcommittee Chair Thomas Neuville (R-Northfield), the bill also offers a credit against child support obligations for parenting time, requires an economic study of the proposed child support guidelines before the guidelines go into effect and prevents the change in child support guidelines from being, on its own, a sufficient basis for a modification of a child support obligation. Neuville said the majority of states have adopted an income shares approach. The bill tries to take the best provisions of the child support law from Oregon, he said, with some modifications. Even when the new guidelines do not change an existing award, Neuville said, the perception under an income shares model is that both parents contribute to supporting children.

As originally introduced, S.F. 630 also recodified the state's marriage dissolution and custody laws. Subcommittee members adopted an amendment, offered by Neuville, paring the bill down to the child support provisions. Before acting, the panel also heard from attorneys and parents on the proposal. Michael Ditburner said members of the Academy of Matrimonial Attorneys opposes any guidelines that are lower than those recommended by a 2001 task force. The group supports the income shares approach, but believes different guidelines are appropriate, he said. The guidelines in the bill also underestimate the costs of

children, Ditburner said. The parenting time credits will increase litigation as noncustodial parents seek more time to lower their support obligation, he said. Lawmakers should wait to get more information, he said. However, Neuville said no other state uses guidelines similar to the ones advocated by the academy. The guidelines the academy supports have not been shown to have a solid economic base, Neuville said.

Michele Del Castillo and Jen Peterson, members of the Association for Children for Enforcement of Support, said the bill effectively reduces support for many children. Del Castillo said many noncustodial parents fight tooth-and-nail to get parenting time rights but do not actually use their time. Del Castillo and Peterson also urged Legislators to focus on improving enforcement and collection efforts before adjusting the guidelines. Sen. Don Betzold (DFL-Fridley) said the Legislature has taken great pains to make it possible for noncustodial parents to collect on arrearages, but at some point parents who want to obscure their amounts and sources of income will be successful. Jim Huntsman said the income shares approach is appropriate, but the state needs better data on guidelines.

In other action, subcommittee members considered three other bills. S.F. 1337, carried by Sen. John Marty (DFL-Roseville), requires persons with custody of children to notify the court, the local child protection agency and the noncustodial parent if the custodial person is sharing a residence with a person convicted of a crime that disqualifies someone from getting custody. The panel also adopted an amendment, offered by Marty, requiring sex offenders to inform their supervisory agents if they are residing in homes with children. Marty also said he

was working on language placing noncustodial parents under similar requirements, since a child could be placed in a dangerous situation while visiting. The bill was advanced to the full committee.

S.F. 1152, authored by Sen. Rod Skoe (DFL-Clearbrook), allows putative fathers to register with the Fathers' Adoption Registry after the ordinary time to do so has elapsed, if the father can show that he was actively misled about the existence of the pregnancy or birth of the child. S.F. 1211, carried by Betzold, revises adoption procedures for children in need of protection. The bill requires the consent of the commissioner of human services before an adoption can go forward and requires a background check to be performed on relatives or parents before placement. Both bills were laid over for further consideration.

Bonding conferees meets

Members of the Capital Investment Conference Committee, chaired by Sen. Keith Langseth (DFL-Glyndon) and Rep. Dan Dorman (R-Albert Lea), met Wed., Mar. 9, to discuss the bonding bill.

One project on which House and Senate funding diverges is the Northstar Commuter Rail line. While the Senate appropriates \$37.5 million for the line in its bill, the House allocates \$10 million for the project.

Overall, the Senate version of H.F. 3, sponsored by Langseth, appropriates \$195.3 million more than its House counterpart sponsored by Dorman. Under the bills, the largest fiscal discrepancies exist between bonding for the University of Minnesota and the Minnesota State Colleges and University (MNSCU) system, the Department of Corrections, employment and economic development projects and grants to political subdivisions.

The Senate version provides \$118.4 million for projects at the University of Minnesota while the other body provides \$89.4 million. The Senate bill appropriates \$12 million more for Higher Education Asset Preservation (HEAPR) projects and includes \$8.7 million for a Duluth Recreational Sports Center. Under the House version, there is no funding for the Duluth facility, and all other University of Minnesota projects, except for Grand Rapids Research and Outreach, receive less money than they do under the Senate bill.

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Senators Carrie Ruud (R-Breezy Point), left, and David Senjem (R-Rochester) pore over numbers prior to the first meeting of a conference committee appointed to iron out the differences in the respective bodies' bonding bills. Photo by David J.Oakes

The Senate also appropriates more money for MNSCU than does the House. While the Senate bill provides nearly \$244 million for the system, the House bill allocates just over \$154 million. The largest funding gaps in the system, those of more than \$10 million, are on projects such as HEAPR, Central Lakes Community and Technical College Heavy Equipment purchases, and the St. Paul College renovation to support construction trades.

The Senate bill also surpasses the House bill in its spending on grants to political subdivisions by almost \$60.3 million. The Minnesota Planetarium receives \$24 million in the Senate bill,

but only \$6 million in the House bill. S.F. 1 also provides more spending for rural infrastructure and for arts projects, such as the Shubert Theater.

The Senate bill spends less money on the Department of Corrections and employment and economic development than the House bill does. The House funds corrections projects totaling \$106.4 million, while the Senate allocates \$81.7 million to the department. Employment and economic development projects receive \$113.3 million under the House's bill and \$91.7 million under the Senate bill. The House bill also includes \$17.9 million for bioscience development and \$10 million for total maximum daily load

(TMDL) grants, providing \$12.9 million and \$7 million more respectively than the Senate.

Noncontroversial bills passed

The Mon., Feb. 7, floor session was devoted to processing noncontroversial bills on the Consent Calendar. A total of 12 bills gained final passage.

H.F. 871, sponsored by Sen. Linda Higgins (DFL-Mpls.), authorizes participation of day training and habilitation services providers in state cooperative purchasing agreements and includes rehabilitation facilities, extended employment providers and day training and habilitation services in the state agency

Senate Highlights

acquisition process. S.F. 367, authored by Sheila Kiscaden (IP-Rochester), requires notice when a school or district uses certain pools for competitive high school diving. S.F. 244, also carried by Kiscaden, provides for consecutive teaching experience for a teacher whose probationary employment is interrupted by military service.

S.F. 271, carried by Sen. Linda Berglin (DFL-Mpls.), allows siblings to have access to certified death records. S.F. 718, authored by Sen. Dallas Sams (DFL-Staples), authorizes an additional hospital accrediting organization for presumptive licensure purposes. S.F. 735, sponsored by Sen. Carrie Ruud (R-Breezy Point), designates the Bradley Waage Memorial Bridge. H.F. 378, sponsored by Sen. Don Betzold (DFL-Fridley), corrects erroneous, ambiguous and omitted text and obsolete references and makes technical corrections to the statutes.

S.F. 1031, carried by Sen. Paul Koering (R-Fort Ripley), provides an exception to recreational camping area regulations in order to allow camping at the State Fair. S.F. 879, sponsored by Sen. Michelle Fischbach (R-Paynesville), provides for the elimination of the state primary in a county if no nominee must be selected at the state primary for any partisan or nonpartisan office in that municipality or county. S.F. 607, authored by Sen. Leo Foley (DFL-Coon Rapids), requires the revisor of statutes to create a new statutory chapter containing cross-references to collateral sanction laws located throughout the statutes. S.F. 532, authored by Sen. Sharon Marko (DFL-Cottage Grove), makes the Washington County Library Board advisory to the Washington County Board.

Brief floor session held

Senators met for a brief floor session Thurs., Mar. 10, to process bill introductions and committee reports in order to facilitate the movement of bills between committees. In addition, members processed three bills on the Consent Calendar.

S.F. 1210, sponsored by Sen. Ann Rest (DFL-New Hope), clarifies the life span and interest rate of foreign judgments and provides for the docketing and payment in United States dollars of judgments on foreign-money claims. S.F. 1268, carried by Sen. Michelle Fischbach (R-Paynesville), eliminates a restriction

on a veteran's preference provision. S.F. 1254, authored by Sen. Betsy Wergin (R-Princeton), designates the month of May each year as "Hire a Veteran Month" in Minnesota.

Video game bill okayed

A bill prohibiting children under 17 from purchasing or renting video games rated AO or M sparked discussion at the Crime Prevention and Public Safety Committee meeting Tues., Mar. 8. The bill, sponsored by Sen. Sandra Pappas (DFL-St. Paul), defines restricted video games as games rated AO or M by the entertainment software rating board and prohibits children from purchasing or renting the games. The bill also makes it a misdemeanor to knowingly sell or rent restricted games to persons under 17. "The games are teaching behaviors such as violence against women, violence against police—socially unacceptable behaviors," Pappas said.

Vance Stuehrenberg, a retired police officer, said the bill is needed to show parents that the state doesn't think children should be playing these types of games. Too many stores do not follow the rules already in place, he said. Peggy Smith, representing the PTA, also spoke in support of the measure. "We believe video game regulation is a shared responsibility between schools, government and parents. There are over 1,000 studies showing a causal relationship between viewing violence and violent behavior," she said. Tom Pritchard of the Minnesota Family Council said, "I think we are dealing with extremely graphic and violent material. It is common sense to say there is material children should not be given access to."

Jim Hirst, representing the Entertainment Software Association, said the industry shares the concerns about violence, but believes there are other approaches to take. In addition, Hirst said, there are First Amendment arguments against the measure. He said violence is too broad a concept to be excluded from First Amendment protections.

Members adopted an amendment changing the effective date before approving the bill. The bill was sent to the Senate floor.

The panel also heard a bill changing the membership of the Criminal and Juvenile Justice Information Policy Group, known as the CriMNet Policy

Group. S.F. 1036, sponsored by Sen. Julianne Ortman (R-Chanhassen), removes the commissioner of finance, reduces the number of judges from four to three and adds three members appointed by the governor. Committee Chair Leo Foley (DFL-Coon Rapids) said the bill would be laid over because a similar bill was going to be before the committee.

S.F. 778, sponsored by Foley, implements a number of recommendations from the DWI Task Force. The bill permits the Bureau of Criminal Apprehension to certify chemical test results directly to the Dept. of Public Safety for driver's license action, expands proof of service requirement for a petitioner appealing license plate impoundment or vehicle forfeiture order, clarifies the conditions under which new license plates may be issued and strengthens the process for assessing chemical dependency or impaired driving violators. The bill was approved and referred to the Judiciary Committee.

S.F. 102, sponsored by Sen. John Hottinger (DFL-St. Peter), changes the standard relating to the criminal responsibility of persons with a mental disease or defect.

The bill is designed to begin a discussion about updating the standard in light of the knowledge we now have about mental illness, Hottinger said. He said a 1999 report, requested by the Legislature, recommended shifting the standard from the McNaughten standard to the American Law Institute standard. The bill modernizes and improves the standards used to determine guilt or innocence, he said.

Sue Aberholden, representing the National Alliance for the Mentally Ill, spoke in support of the measure. In the 1999 report, successful insanity pleas are very rare in Minnesota, Aberholden said. Despite our progress in understanding mental illness, we are still using a very old standard, she said. Kyle White, an attorney said the McNaughten Rule is a cognitive test that does not recognize degrees of incapacity.

Dakota County Attorney James Backstrom spoke in opposition to any change in the law. The McNaughten Rule is not an antiquated and outdated rule, it has met the test of time and is a very clear standard, Backstrom said. He said the disposition phase of sentencing is a more appropriate place to take into consideration an individual's mental condition.

No action was taken on the bill.

Committee update

Agriculture, Veterans and Gaming

Rural development bill approved

A bill to improve rural economic development gained when members of the Agriculture, Veterans and Gaming Committee, chaired by Sen. Jim Vickerman (DFL-Tracy), met Mon., Mar. 7.

S.F. 1151, authored by Sen. Dallas Sams (DFL-Staples), specifies funding for rural economic development programs. Co-author, Sen. Steve Dille (R-Dassel) said the idea was one many Senators have discussed for a long time. Currently, said Dille, agriculture consumes .1 percent of the state's budget, and 40 percent of that figure goes to ethanol programs. S.F. 1151 allows the commissioner of agriculture to use any excess funds appropriated for ethanol producer payments to make direct payments to producers of rural economic infrastructure. Rural economic infrastructure is defined in the bill as the development of processes or marketing facilities that will enhance the value of agricultural processes.

Tom Peterson, director of government relations, Minnesota Farmers Union, spoke in support of the bill. He said keeping some money in agriculture is one of the group's top legislative priorities. Bruce Klaven, Farm Bureau, also spoke in support of the bill.

Sen. David Hann (R-Eden Prairie) said the proposal is fairly broad in structure and funding eligibility. "It seems as if we're saying we're going to spend a certain amount of money and that we'll be subsidizing an activity without saying what it is. What happens if we have trouble finding those activities?" Hann asked.

Senators approved the measure and re-referred it to the Finance Committee.

A bill directing the commissioner of agriculture to study the feasibility and desirability of constructing a rail container load-out facility in Willmar was also approved. S.F. 787, carried by Sen. Dean Johnson (DFL-Willmar), requires the commissioner to conduct the study and report to the governor and Legislature by Jan. 15, 2006. The bill also specifies key issues to include in the study, such as costs and benefits to the city and region and the effects on the state transportation system. Johnson noted that the bill does

not ask for money, only the authority to conduct the study.

Johnson said that Willmar is the second or third busiest terminal for railroads in Minnesota and that 28 to 30 trains pass through the city each day. Craig Damstrom, a consultant to the Department of Agriculture (DOA), said a load-out facility in the city could be a tremendous opportunity to send Minnesota products abroad. Currently, said Damstrom, there are no empty containers available in the state because it is cheaper for companies to ship empty containers back to the coasts than to keep them in Minnesota, waiting to be filled with goods. As a result, Minnesota has had problems exporting products, especially to locations in Asia, the Caribbean and South America, said Damstrom.

Members approved S.F. 787 and re-referred it to the Finance Committee. Senators also heard S.F. 1150, sponsored by Sen. Rod Skoe (DFL-Clearbrook). The bill requires a business that sells leases for agricultural equipment to file a bond. Skoe said he carried the legislation because one of his constituents had a bad experience with a dairy farm lease. "We want to allow some protections for people that sign agriculture leases without burdening businesses that are here, have bonding, and are not going anywhere," said Skoe. The bill was laid over for further discussion.

Veterans bills gain

Three bills providing benefits for veterans were heard Wed., Mar. 9, at a meeting of the Agriculture, Veterans and Gaming Committee. The panel, chaired by Sen. Jim Vickerman (DFL-Tracy), advanced all three measures to the Finance Committee.

Sen. Charles "Chuck" Wiger (DFL-North St. Paul) sponsored a bill, S.F. 681, creating a fund to reimburse members of the National Guard or other reserve unit for premiums paid for life insurance. Wiger said, "Our young soldiers rarely think of life insurance and the bill would help these young people provide for their loved ones." He said the bill requires an appropriation of \$3.7 million.

The panel also approved a bill extending the time period to give tuition reimbursement grants to members who have served in active military service. S.F. 616, carried by Sen. Dallas Sams (DFL-Staples), extends program eligibility for

two years, plus the amount of time that the person served in federal active service or federally-funded state active service. The bill also extends the eligibility for eight years for persons who are separated or discharged from the National Guard because of a service-connected injury, disease or disability.

Vickerman sponsored a bill, S.F. 734 providing several different benefits for members of the National Guard. One section of the bill authorizes the sale of special "Support Our Troops" license plates with the proceeds used to alleviate financial hardships faced by members of the Minnesota National Guard or of reserve units who have been called to active duty or active state service. The measure also provides tax credits to benefit members and their families. Finally, the bill authorizes the sale of state bonds in the amount of \$6.976 million. Vickerman said \$670,000 would be used for construction of a World War II veterans memorial on the Capitol Mall, \$6 million for asset maintenance and improvements at the state's Veterans Homes and \$282,000 for the dementia unit at the Luverne Veterans Home.

Commerce

Liquor bills heard

Six measures modifying Minnesota liquor regulations were considered by members of the Commerce Subcommittee on Liquor at their Mon., Mar. 7, meeting. The panel, chaired by Sen. Sandra Pappas (DFL-St. Paul), recommended five of the bills be included in the omnibus liquor bill.

S.F. 664, carried by Pappas, permits brewpubs to use wort, an element of the beer production process, produced outside Minnesota. S.F. 528, authored by Sen. Mark Ourada (R-Buffalo), allows on-sales of liquor at 10 a.m. on Sundays, provides a uniform statewide closure for off-sales of 10 p.m. and creates an exception to the four-hour limit on wine tastings for conventions of fine wine and gourmet food exhibitors. S.F. 553, sponsored by Sen. Betsy Wergin (R-Princeton), authorizes the Mille Lacs County Board to issue an off-sale liquor license to an exclusive liquor store in Eastside Township and within one mile of the Isle city limits.

S.F. 862, carried by Sen. John Hottinger (DFL-St. Peter), permits

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Mankato to issue an on-sale license for the Midwest Wireless Civic Center. S.F. 1199, sponsored by Sen. Claire Robling (R-Jordan), expands the license granted to the Elko Speedway to include sales to persons attending events at the racetrack and sales in a restaurant, bar or banquet facility. The bill also specifies that the license covers sales on all days of the week.

Subcommittee members also considered S.F. 1072, carried by Sen. David Hann (R-Eden Prairie). The bill permits Eden Prairie to issue an on-sale license to a caterer for use in connection with city-owned premises. The panel set the measure aside for further study.

In other action, the subcommittee heard a presentation from economist Charles de Seve, who was commissioned by the Minnesota Grocers Association to study the economic impacts of Minnesota's wholesale and retail beverage regulation system. De Seve reported that Minnesota consumers pay more than they

would in other states, primarily because of the near-monopoly status granted to wholesalers, retail outlet restrictions benefiting municipal liquor stores and high excise and sales taxes. The study also concluded that the price differential between Wisconsin and Minnesota is due to a wholesale and retail price markup, that Greater Minnesota residents pay higher differentials and that there is no economically justifiable reason for the differentials.

Cigarette tax increase okayed

The Commerce Committee, chaired by Sen. Linda Scheid (DFL-Brooklyn Park), met Wed., Mar. 9, and approved a bill eliminating three business taxes but raising the cigarette tax.

S.F. 1164, authored by Sen. Sheila Kiscaden (IP-Rochester), increases the cigarette tax by 99 cents a pack while also eliminating the Minnesota Comprehensive Health Association (MCHA) tax, the Insurance Indemnity tax and the

MinnesotaCare (MnCare) Premium tax. The bill also brings Minnesota into conformity with federal tax treatment of Health Savings Accounts (HSAs) and requires health plan companies to pass along the resulting savings to consumers.

Kiscaden said that Minnesota's current cigarette tax rate is 37th in the nation and that the bill would raise the state to the 10th position. She said increasing taxes on cigarettes provides a positive health benefit to the state and has public support. Dr. Mark Manley, executive director of the Center for Tobacco Reduction and Health Improvement at Blue Cross and Blue Shield, said increasing cigarette taxes was the single most effective approach to decreasing teen smoking. "There is no better step we could take," he said.

Philip Stalboerger, Blue Cross and Blue Shield, spoke in support of the bill. The legislation, he said, would eliminate unfair tax burdens on small businesses while also reducing their health care costs.



Native American elders and students from the Heart of the Earth Charter School in Minneapolis participate in traditional drumming in front of the Capitol, Wed., Mar. 9, as part of Urban Indian Day on the Hill.

Photo by Shelley Hawes

MCHA President Lynn Gruber said the MCHA board supports much of S.F. 1164, but is concerned that the bill does not offer a funding plan if state funding is insufficient to cover the board's operating expenses. "The bill affects MCHA's 33,000 members, as well as providers and counties," said Gruber, "It should have a safety net for funding in case the state cannot cover the program's cost."

Sen. Lawrence Pogemiller (DFL-Mpls.) said the bill contained many different issues and that the committee should separate the cigarette tax increase from the elimination of the other three taxes. "I'm not willing to transfer the burden of taxes from business to individual citizens," he said. Kiscaden replied that the three taxes fall disproportionately on self-insured individuals. "This bill is about making health insurance affordable and available. It's not about business," she said. Scheid said the committee has heard about the unfairness of the taxes for years and asked if it was fair that people who purchase their own insurance must pay. "The bill is premium relief," she said.

Pogemiller offered an amendment maintaining the cigarette tax increase and dedicating its revenue to education funding. "It is a precious thing to vote to raise taxes," he said, "I won't vote to raise taxes to give a tax cut. I will vote to raise taxes to fund education. Education is more important to me than lowering the premium taxes." Kiscaden responded that rising health care costs are a driving force in the budget and are therefore a threat to education funding. Sen. Becky Lourey (DFL-Kerrick) said many taxes are tied to certain kinds of funding and that she considered the cigarette tax as tied to health issues. "I want to keep the cigarette tax tied to its issue area," said Lourey. Pogemiller withdrew the amendment.

Lourey offered an amendment to remove the elimination of the MnCare Premium tax. She said revenue from the tax went into the health care access fund and could be used to fund other initiatives for which the fund was created. Kiscaden said she was neutral on the amendment. The amendment prevailed.

Sen. Ann Rest (DFL-New Hope) offered amendment removing the section of the bill dealing with HSAs. "It is inappropriate to have HSA conformity in this bill," she said. Kiscaden said the HSA component was added by the House

author to gain support for the bill. Scheid said that HSAs help small businesses, so they fit into the theme of the bill. Sen. Ellen Anderson (DFL-St. Paul) said she did not know enough about HSAs to feel comfortable voting on them. The amendment was not adopted.

S.F. 1164 was approved on an 8-7 roll call vote.

Senators also approved S.F. 880, authored by Sen. Brian LeClair (R-Woodbury). The bill is designed to help Minnesota seniors take full advantage of the Medicare Part D legislation passed in 2003, said LeClair. The measure changes Minnesota state law to be compliant with federal law and also provides a regulatory program to be administered by the state under the Department of Commerce. Members approved the bill and placed it on the Consent Calendar.

Crime Prevention and Public Safety

Domestic violence bill okayed

A bill adding strangulation to the crime of domestic assault was approved at the Thurs., Mar. 10, meeting of the Crime Prevention and Public Safety Committee. The bill, sponsored by Sen. Jane Ranum (DFL-Mpls.), makes it a felony to assault a family or household member by strangulation.

Ramsey County Attorney Susan Gaertner spoke in support of the measure and said, "As prosecutors, we need this tool for one primary reason, murder prevention." She said, "Strangulation is often one of the last violent acts that occur before murder in a domestic assault situation." By creating the crime of felony strangulation, we can decrease the likelihood of future homicides, Gaertner said. Typically, an offender who uses strangulation is charged with assault in the fifth degree, a misdemeanor, she said. A felony strangulation law will send a message to everyone in the justice system to ask the right questions, Gaertner said.

Lt. Ike Delugo, Minneapolis Police Department, said he sees approximately five or six strangulation cases a week, but they are misdemeanors. "We have done a lot of training with our officers regarding domestic abuse, for instance, we urge the officers use the word strangulation rather than choking," he said. Dr. Mary Carr, Hennepin County Medical Examiners

Office, described the injuries that typically occur in strangulation cases.

Sen. Wesley Skoglund (DFL-Mpls.) offered an amendment to broaden the scope of the bill to specify it is third degree assault for anyone, rather than just a family or household member, to assault someone by strangulation. The amendment was adopted. Members also adopted an amendment to add the term asphyxiation to the bill.

The bill was approved and advanced to the Finance Committee.

Committee Chair Leo Foley (DFL-Coon Rapids) sponsored S.F. 1156, a bill making changes to a number of criminal sexual conduct and harassment provisions. The bill modifies provisions prohibiting harassing behavior by including new forms of technology used by stalkers to harass victims, defines coercion for purposes of the criminal sexual conduct law to include the use of physical confinement or strength to submit the complainant to unlawful sexual conduct, authorizes step-parents to assist a minor in seeking a restraining order and waives fees for sexual assault victims to obtain a restraining order. The bill was approved and re-referred to the Finance Committee.

Early Childhood Policy and Budget Division

Gov's bill, Ed Watch heard

Members of the Early Childhood Policy and Budget Division devoted their Tues., Mar. 8, meeting to discussion on the early childhood portion of the governor's education budget bill and a presentation by Ed Watch.

S.F. 1278, carried by Sen. Gen Olson (R-Minnetrissa), targets younger children for developmental screening. Under the measure, school districts receive more money for screening three year old children and less money for older children. The bill also outlines school readiness program and reporting requirements. Finally, S.F. 1278 appropriates funding for programs such as community education and adult basic education. No action was taken on the bill.

The division also heard a presentation by Ed Watch. Karen Effrem spoke on evidence against early childhood standards, screening and programs. She said that some parts of early childhood

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program curriculum are vague and often controversial. Effrem pointed to curricular components such as appreciation of multiculturalism and encouragement of social activism as problems in the program. She also said that HeadStart has not been proven an effective program. Better early childhood legislation would include increasing personal exemption or tax credits for children so a parent could afford to stay home to care for them, reforming welfare so that paternal involvement with families is not penalized and removing regulations on private or religious groups that provide care, said Effrem.

Foundation bill heard

The Early Childhood Policy and Budget Division, chaired by Sen. John Hottinger (DFL-St. Peter), met Thurs., Mar. 10, to hear two bills.

Hottinger authored S.F. 907, which establishes the Minnesota Early Learning Foundation. The goal of the foundation, said Hottinger, is to identify cost-effective ways to deliver quality early childhood care and education for families whose children are at high risk of being unprepared for school. S.F. 907 creates a board appointed by the governor and comprised of private and public citizens, with more than half being from the private sector. The bill requires that board members represent the fields of early childhood care and education, K-12 education and business leaders. The bill also requires the foundation to match state dollars with nonpublic dollars raised by the board.

"We think early childhood education is key to giving at-risk children a chance to be successful in school and in life," said Rob Johnson, senior vice president, Cargill Corporation, who spoke in support of the measure. Johnson said the money the board raises will go to assessing current programs, developing and disseminating education materials to families and using test projects to find cost-effective ways to deliver early childhood education to at-risk children. "This is a strategy for preparing parents and other care providers to help children," he said. Byron Laher, United Way, also spoke in support of the bill. "This bill brings the business community together with the public and non-profit sectors to address an important economic issue for Minnesota," said Laher.

Senators also heard S.F. 905, sponsored by Sen. Gary Kubly (DFL-Granite Falls). The measure requires the commissioner of education to coordinate early care and education programs and related activities of the Departments of Education, Human Services and Health, to improve school readiness of children entering kindergarten. The bill also requires the commissioner of health to improve the linkages between public health nurses and local early childhood initiatives and to provide to the public information on targeted to low-income parents with young children.

Zoe Nicholie, Ready for K, spoke in support of the measure. "The bill brings together and helps coordinate activities in the three key departments for early childhood education: education, health and human services," said Nicholie.

Sen. Betsy Wergin (R-Princeton) said she had concerns about the bill. "The bill goes too far," said Wergin, highlighting parts of the measure that outline possible expansion of Medicaid into early childhood programs. "The measure does not have a voluntary feel to it," she said. "It sounds like we're going to pigeonhole children and refer them from one program to another as we see fit. The overall feel of the bill is that it is intrusive to family life."

Senators laid over S.F. 905 for possible inclusion in the division's omnibus bill.

Education

MnSCU Centers of Excellence delayed

A measure authorizing the designation of Centers of Excellence within the Minnesota State Colleges and Universities (MnSCU) system was considered by members of the Education Committee, Tues., Mar. 8. The panel, chaired by Sen. Steve Kelley (DFL-Hopkins), laid the bill over for further consideration.

S.F. 1186, carried by Sen. Cal Larson (R-Fergus Falls), requires the MnSCU Board of Trustees to designate between three and eight Centers of Excellence. The bill lists program areas for the centers, including manufacturing technology, science and engineering, health care, information technology, business and teacher education. Centers must include no more than one state university

partnering with up to two community and technical colleges, under the measure. The proposal also sets forth selection criteria to be used by the board.

To an extent, programs have become flattened, said Susan Heegaard, executive director of the Higher Education Services Office. Establishing Centers of Excellence, she said, allows flagship programs to flourish and be recognized. The proposal seeks to create better economic and educational opportunities for students, attract innovative faculty from outside Minnesota and assure the state's stature as a leader in higher education, Heegaard said. The proposal also includes \$20 million for FY 06-07 to support the centers. Heegaard said the money is to supplement, not supplant, institutional funding. Linda Baer, senior vice chancellor, said MnSCU welcomes the idea and looks forward to continuing to explore the proposal.

Committee members discussed many of the policy details of the proposal, including the prospect of funding innovation but not funding student enrollment increases. Sen. Rod Skoe (DFL-Clearbrook) said that designating one institution's program as a Center of Excellence, such as a teaching program, will imply that programs at other institutions are merely average. The intent is not to disparage other programs, Heegaard said. Kelley said the proposal lacks a clarity of defined success. Because of the many policy concerns raised by the committee, Kelley said the bill would be laid over for further work.

The panel also took up four other bills. S.F. 1069, sponsored by Sen. Mee Moua (DFL-St. Paul), provides for grants to institutions offering the Upward Bound or Talent Search Trio programs, which seek to prepare students from underserved populations for higher education. S.F. 990, authored by Sen. Sandra Pappas (DFL-St. Paul), makes the deadline for recommending student members for the MnSCU board consistent with the deadlines for other board member recommendations. S.F. 1401, carried by Sen. LeRoy Stumpf (DFL-Plummer), creates three new seats on the MnSCU board and allocates the seats to congressional districts with more than 17 counties. All three bills were advanced to the Finance Committee. The final bill considered, S.F. 168, carried by Sen. Steve Dille (R-Dassel), was laid over. The

measure requires public higher education institutions to evaluate students for proficiency in personal financial management before awarding a baccalaureate degree.

Dept., governor's bills heard

Members of the Education Committee, chaired by Sen. Steve Kelley (DFL-Hopkins), devoted their Thurs., Mar. 10, meeting to consideration of four bills.

The committee altered S.F. 1148, authored by Kelley, and S.F. 1278,

authored by Sen. Gen Olson (R-Minnetrista). Kelley said that S.F. 1148 is the department's technical bill and contains policy and a few finance provisions while S.F. 1278 is the governor's policy and budget proposal. Kelley suggested that, through a series of six amendments, the committee remove budget provisions from S.F. 1148 and put them into S.F. 1278, and also remove policy provisions from S.F. 1278 and incorporate them into S.F. 1148. "With these changes, S.F. 1148 will be as pure a

policy bill and S.F. 1278 will be as pure a budget bill as the staff construct," said Kelley. He said the amendments will allow the policy committee and budget divisions to work on their respect areas more efficiently.

Olson offered an amendment to S.F. 1278 deleting the scholarship tax credit provision. Senators sent S.F. 1278, the governor's budget bill as amended, to the Finance Committee without recommendation.

Members then discussed S.F. 1148 as amended and heard Department of Education (MDE) officials explain various provisions. Mary Litzau, MDE, spoke on a provision creating a program requiring school attendance to obtain a driver's license. Litzau said schools, public or private, may choose to participate in the program. Under the program, students must present a certificate of attendance, or a waiver if the student's school does not participate in the program, to obtain a driver's license. Schools may send truancy data to the Department of Public Safety (DPS), and the department could cancel a driver's license if a student was habitually truant, said Litzau.

Other policy provisions in S.F. 1148 include developing a growth model for Minnesota schools, providing equity in telecommunications amongst schools, improving transportation for homeless students and modifying the structure of administrative districts.

The committee laid the bill over for possible inclusion in the division's omnibus bill.

Senators also heard S.F. 711, authored by Sen. David Tomassoni (DFL-Chisholm). The measure specifies that elementary school students, starting in the 2008-2009 school year, must complete 150 minutes of physical education per week and 50 hours of health education per year. Seventh and eighth grade students must participate in at least 225 minutes of physical education per week and 50 hours of health education per year, under the bill. S.F. 711 also requires high school students to complete one credit each of physical education and health education in order to graduate.

Dr. Katie Schmitz, University of Minnesota, said adding physical education courses has been proven to improve academic performance. Speaking as a representative of the American Heart Association, Dr. Ray Gibbons outlined



Jenna Poehlmann and Zachary Ulrich, students at the Minnesota State Academy for the Deaf in Faribault, perform a skit—demonstrating the difficulties deaf individuals can encounter when trying to communicate in the hearing world—during a rally for deaf and hard of hearing people in the Capitol Rotunda, Tues., Mar. 8.

Photo by David J.Oakes

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Jenny Christensen, left, and Annie Hunziker, seventh-graders at Maternity of Mary St. Andrews School in St. Paul, give a juggling demonstration in the Capitol Rotunda, Thurs., Mar. 10, as part of a rally in support of reinstating health and physical education graduation requirements in Minnesota schools.

Photo by David J.Oakes

how the national epidemics of obesity and diabetes adversely affects children.

"Patterns are set in childhood," said Gibbons, "and physical education is an opportunity to make a positive impact on national health issues and to lower the cost of long-term health care." Nancy Anderson, Duluth Public Schools, said physical education helps students in all areas of their lives. "Mental health is connected to physical health," she said. A physical education teacher from Coon Rapids, Le Moyne Corgard, said academic performance amongst students has declined as cuts to physical education and other programs occurred. Representing the Minnesota PTA, Peggy Smith said that cuts to physical education most affect

the students who cannot afford fees for extra-curricular athletic activities.

Jenny Norlin-Weaver, Edina public schools, said she had some concerns with the minutes requirements in the bill. "The bill raises issues for us because it causes us to rob Peter to pay Paul," she said. "Do we do less reading, do we do less math, do we do less art, to pay for this?" asked Norlin-Weaver. Grace Schwab, Minnesota School Boards Association, shared a story from a New Ulm school board member. According to Schwab, the member said the district was forced to cut special programs, like physical education, in order to retain teachers and maintain lower class sizes. The member, said Schwab, thought special program decisions should be left to local districts.

Tomassoni said the bill only requires districts to maintain current physical education requirements. He also said he is willing to work with districts to work out any potential problems in the bill.

Members laid the bill over for possible inclusion in the omnibus education bill.

S.F. 1543, carried by Sen. Tom Saxhaug (DFL-Grand Rapids), was also laid over for possible inclusion in the omnibus bill. Saxhaug said the bill provides for the creation of regional education districts. The districts allow large rural school districts to collaborate to improve their services, he said.

Three superintendents spoke in support of the bill. "We want to continue to raise the bar for our schools," said Mark

Adams, superintendent, Deer River. "As our resources diminish, that goal is in jeopardy. Regional districts are a proactive effort to provide high quality education in our district," he said.

Elections

Parade candy ban tossed

A ban on candy distribution by political candidates was rejected by members of the Elections Committee, Mon., Mar. 7. The panel, chaired by Sen. Charles "Chuck" Wiger (DFL-North St. Paul), approved a bill repealing the ban.

S.F. 960, carried by Sen. Michael Jungbauer (R-East Bethel), permits candidates to distribute food or nonalcoholic beverages of nominal value at public parades. Current law permits similar distributions at private gatherings and public meetings. "This bill declassifies candy so that it is no longer considered bribery," Jungbauer said. The measure was recommended for placement on the Consent Calendar.

Committee members also recommended S.F. 1315 for placement on the Consent Calendar. The measure, sponsored by Sen. Dave Kleis (R-St. Cloud), requires precinct summary statements to be prepared by election judges for all elections, not just state elections.

Kleis also carried two other bills. S.F. 1316 sets a minimum size requirement for polling places, requires a minimum number of voting booths for each polling place, increases the number of required election judges at polling places and requires the posting of "vote here" signs outside polling places. Deputy Secretary of State Tony Kielkucki said the issues were raised by election judges. The bill tries to set a minimum standard for polling places, Kleis said, while also allowing flexibility through a provision permitting the requirements to be waived for good cause. Kent Sulem, Minnesota Association of Townships, said that many town halls are not large enough to meet the requirements of the bill, even though the town halls might be the largest public structures in some townships. The booth requirement, he said, is an unfunded mandate on local governments. The problem is not limited to townships, said Dorothy McClung, Ramsey County. Of the 104 polling places in St. Paul, she said, only about 50 meet the minimum standards in the bill. Anyone running elections is

already looking for the best place to hold elections, McClung said. If we had 104 places meeting these standards, we would be using them already, said Joe Mansky, Ramsey County. S.F. 1316 was laid over for further consideration.

Kleis' final bill, S.F. 1317, expands the distance within which a person is prohibited from lingering or soliciting from 100 feet to 200 feet. The bill also prohibits keeping a record of persons arriving at or departing from a polling place. A buffer zone around polling places prevents people from being intimidated or discouraged from voting, Kleis said. Sen. Linda Higgins (DFL-Mpls.) offered an amendment deleting the prohibition on recordkeeping. The language was a solution in search of a problem, she said. Kielkucki said voters did inform the Secretary of State's Office after the last election that they had been asked by persons outside the polling place if they had voted and had felt the practice was improper. The amendment was adopted. A motion to approve S.F. 1317 was defeated on a voice vote.

Environment and Natural Resources

Agency bills heard

The Mon., Mar. 7, meeting of the Environment and Natural Resources Committee was devoted to consideration of bills brought forward by the Dept. of Natural Resources (DNR).

Members first discussed a bill increasing the fee for permanent easements across state property by a private party. S.F. 791, sponsored by Sen. Tom Saxhaug (DFL-Grand Rapids), requires a \$2,000 application fee to help defray the costs of the department's inspection, analysis, land survey work, easement value determination and preparation of the easement terms. William Brice, DNR, said the requests by individuals usually benefit just the private party and it is reasonable for the private party to pay the costs. The bill was approved and advanced to the Finance Committee. Saxhaug also sponsored a bill, S.F. 1019, allowing the DNR to provide electronic open burning permits via the Internet and through agents who currently issue other DNR permits. The bill sets a \$5 fee for issuing the permits electronically. Members adopted an amendment specifying that \$1

of the fee be earmarked for the licensing agent. Saxhaug said the proposal allows an alternative to obtaining open burning permits. The measure was approved and re-referred to the Finance Committee.

Sen. Thomas Bakk (DFL-Cook) sponsored two bills. S.F. 897 is the department's land policy bill. Bakk said the bill is primarily a technical and housekeeping bill regarding the exchange of state-owned land with other publicly or privately held land. S.F. 802 makes changes to the State Timber Act to more efficiently administer the state timber sale program. Both measures were approved and advanced to the Finance Committee.

S.F. 703, authored by Sen. Carrie Ruud (R-Breezy Point), increases the fees for cross-country ski passes. Ruud said members of the Nordic Ski Association came to her and requested the increase in order to better maintain cross-country ski trails. Ruud said the fees were last raised in 1999. Under the bill, the cross-country ski pass daily fee will increase from \$2 to \$4, the annual fee will increase from \$9 to \$14 and the three-year fee will increase from \$24 to \$39.

Two measures authored by Sen. Dennis Frederickson (R-New Ulm) were also approved. S.F. 929 requires the commissioner's approval before vacating certain roads adjacent to public waters. Members adopted an amendment clarifying the process for state forest road designation. The measure was approved and sent to the Senate floor. S.F. 935 modifies the authority for public waters inventory and changes the public waters work permit and water use permit provisions. The bill was approved and advanced to the Crime Prevention and Public Safety Committee.

Finally, Committee Chair John Marty (DFL-Roseville) carried a measure providing for an official map of state forest roads as an alternative recording method. S.F. 1326 was approved and sent to the full Senate.

Variety of bills heard

The Environment and Natural Resources Committee tackled a variety of bills at the Wed., Mar. 9, hearing. The bills ran the gamut between the minerals management account to providing for a Crow Wing County sewage district.

The committee, chaired by Sen. John Marty (DFL-Roseville), began by approving a bill removing land in Wright

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Senators James Metzen (DFL-South St. Paul), left, and Jim Vickerman (DFL-Tracy) examine materials being passed around to members of the Environment, Agriculture and Economic Development Budget Division, Thurs., Mar. 10.

County from the Wild, Scenic, and Recreational River District. Sen. Mark Ourada (R-Buffalo), chief author, said the bill, S.F. 692, exempts about 100 acres adjacent to the Mississippi River in Otsego from the designation. Ourada said the land will be used for low and medium density housing and commercial uses consistent with Otsego's comprehensive plan. Ourada also said the Dept. of Natural Resources was in support of the measure. Members adopted an amendment that also exempts land across the river from Monticello from the designation. The bill was approved and recommended for placement on the Consent Calendar.

Several bills were advanced to the Finance Committee. S.F. 788, sponsored by Sen. Tom Saxhaug (DFL-Grand Rapids), modifies temporary permit provisions for recreational vehicles, allows refunds for registrations that were done in

error and extends the availability of critical habitat license plates to RVs and camping trailers. Bob Meier, Dept. of Natural Resources, said the bill, which he referred to as the "rec and tech" bill, makes primarily technical changes.

S.F. 712, sponsored by Sen. LeRoy Stumpf (DFL-Plummer), provides for an evaluation of construction aggregate located on school trust lands. Stumpf said the bill also contains an appropriation of \$50,000 for each year of the biennium to carry out the evaluation. S.F. 1088, also authored by Stumpf, creates a minerals management account and modifies the disposition of mineral payments. Stumpf said the proposal shifts the cost for mineral management from the general fund to the funds that currently benefit from the revenue. The permanent school fund, the university fund and other accounts that receive mineral revenues

will be charged for mineral management, under the bill.

Sen. Scott Dibble (DFL-Mpls.) said S.F. 1098 is the DNR's technical bill. He said the measure makes a number of technical changes requested by the agency. The measure modifies commercial fishing restrictions in infested waters, provides for a water recreation account, modifies the disposition of unrefunded tax receipts, modifies terms of certain reports and eliminates commissioner approval of county expenditures of county timber receipts. The bill was re-referred to the State and Local Government Operations Committee. Finally, the panel considered a bill providing for a sewer district and a sewer commission in Crow Wing County. S.F. 1214, sponsored by Sen. Carrie Ruud (R-Breezy Point), also authorizes the delegation of authority with respect to individual sewer treatment systems and provides for the levying of service charges.

Members adopted an amendment, sponsored by Sen. Michael Jungbauer (R-East Bethel), authorizing a pilot project for the establishment of a sewer district and providing additional powers for the sewer district. The bill was approved and sent to the Tax Committee.

Environment, Agriculture and Economic Development Budget Division

Spending proposals heard

Members of the Environment, Agriculture and Economic Development Budget Division continued their review of the governor's budget proposal at the Tues., Mar. 8, hearing. The panel, chaired by Sen. Dallas Sams (DFL-Staples), also considered four bills. Greg Bizicky and Bill Krueger spoke about the governor's proposal for the Dept. of Agriculture's Agronomy and Plant Production Division and the Dept. of Agriculture Laboratory, respectively.

Members also considered a bill raising the limit on gifts from the DNR to the public. S.F. 956, sponsored by Sen. Dennis Frederickson (R-New Ulm), raises the limit on promotional items the department may give to members of the public from \$10 to \$50. In addition, the bill also modifies state park permit provisions and provides for the disposition of state park permit fees. S.F. 450, authored by Sams, appropriates \$1 million in FY 2006 from the workforce development fund for a grant to the Minnesota Alliance of Boys and Girls Clubs to administer a statewide project of youth job skills development.

S.F. 1202, carried by Sen. Steve Dille (R-Dassel), appropriates \$1.25 million for a grant to Second Harvest Heartland for the purchase of milk for distribution to Minnesota's flood shelves and other charitable organizations. S.F. 710, sponsored by Sen. Thomas Bakk (DFL-Cook), authorizes the commissioner of natural resources to assess a surcharge on tree seedlings and crediting the funds to the forest nursery account for forestry education and technical assistance.

All four bills were laid over for possible inclusion in the division's omnibus bill.

Fishing bill gains

A packed hearing room was on hand to hear two issues aired at the Thurs., Mar. 10, meeting of the Environment, Agriculture and Economic Development Budget Division. The first bill, S.F. 665, sponsored by Sen. Dean Johnson (DFL-Willmar), provides a grant to the "Let's Go Fishing" organization. Johnson said the organization, which is based in Willmar, promotes fishing for senior citizens. The bill provides an appropriation of \$325,000 to the organization and requires a report to the commissioner of natural resources on the use and results of the appropriation.

Joe Holm, chair of the organization, said, "The 'Let's Go Fishing' mission is to enrich the lives of senior citizens through fishing and boating activities that build relationships and create memories." He said the organization is a non-profit organization with the goal of providing fishing and boating excursions as an activity for senior citizens. Holm said the organization provides seniors an opportunity to spend quality time on our area lakes at no cost to seniors. The motto, "Giving back to those who have given so much to us" sums up the organization's philosophy, Holm said. "One of the most exciting parts of the program is assisting many seniors who are no longer able to participate in fishing and boating because of health issues or other concerns," Holm said. He said communities support the organization through time, money and resources.

Mike O'Brien, program coordinator, said the organization seeks funding from a variety of sources, including grants and donations. He said the organization is spreading to other states. "This is an unbelievable project," O'Brien said, "It is unbelievable to see the smiles as people begin a journey." Margareta Larmon, a participant, described her trips with "Let's Go Fishing." She said participants are well taken care of and greatly enjoy the experience.

The bill was laid over for possible inclusion in the division's omnibus bill.

Division Chair Dallas Sams (DFL-Staples) said the next portion of the agenda was scheduled to coincide with Housing Day at the Capitol. He acknowledged those in the audience who were present in order to advocate for affordable housing in Minnesota.

The state of housing in Minnesota is good, although there are still challenges, said Commissioner Tim Marx, Minnesota Housing Finance Agency.

"As we look at our challenges, we do have a homelessness problem," Marx said. He said the problem is not as bad as in other states, but does require action. He said often those who experience long-term homelessness are among the most vulnerable persons in the state, with chemical dependency issues and mental health issues.

Marx went on to outline the budget and sources of revenue for the agency. In addition, he outlined the governor's recommendation for the next biennium. He said the budget includes a total of \$56.5 million from the general fund, which constitutes about 8 percent of the total budget. He said revenue bond proceeds represent the largest source of funding for the agency and comprise approximately 46 percent of the total program budget. Federal funds and agency resources make up the balance of the budget, Marx said. He said the agency's mission is meeting Minnesotans' needs for decent, safe, affordable homes and stronger communities.

Our goal is to end long-term homelessness by 2010, Marx said. Other goals, he said, include increasing minority home ownership in the state, preserving affordable housing and developing strategies so that low and moderate income groups have home ownership opportunities.

Division members then heard from representatives of Housing Minnesota. Warren Hanson, president, Greater Minnesota Housing Fund, explained the issues Housing Minnesota is confronting. Housing Minnesota is a multi-year public education, organizing and public policy advocacy campaign to increase the preservation and production of affordable housing in Minnesota. Fair valuation of rent-restricted properties, supporting \$20 million in bonding for supportive housing, creating a state affordable housing tax credit, promoting workforce housing districts and maintaining full funding of challenge grants are the top priorities for the organization.

Duluth Mayor Herb Bergson spoke on the problem of homelessness. Joe Weiss, Weiss Builders, and Rick Goodemann, executive director, Southwest Minnesota

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Housing Partners, also spoke on housing issues.

Members also considered two bills. S.F. 1271, sponsored by Sen. Scott Dibble (DFL-Mpls.), adjusts the marriage license and marriage dissolution fees to fund the displaced homemaker program. Dibble said the struggle to find funding for the displaced homemaker program has become an annual exercise since the original source of funding was eliminated several years ago. Sue Bruss, director of the Life Work Planning Center, and Dan Swalm, executive director of Career Solutions, Inc., both spoke in support of the measure. The bill increases the marriage dissolution fee from \$235 to \$265, the standard marriage license fee from \$85 to \$95 and increases the reduced license fees for couples who have undergone premarital counseling from \$20 to \$40. The last bill on the agenda, S.F. 1213, sponsored by Sams, appropriates \$500,000 for grants to gasoline service station owners install pumps for dispensing E85 gasoline. Both measures were laid over for possible inclusion in the omnibus appropriations bill.

Health and Family Security

Five bills gain

Five bills gained when the Health and Family Security Committee, chaired by Sen. Becky Lourey (DFL-Kerrick), met Tues., Mar. 8.

S.F. 1219, authored by Sen. Steve Dille (R-Dassel), clarifies the county responsible for payment of the costs of emergency care for individuals committed to 72 hour holds. Marc Sebor, Hutchinson city attorney, said counties throughout the state are not paying for medical care under the Emergency Medical Treatment and Labor Act (EMTALA). When beds are not available for patients at one facility, said Sebor, patients are shifted, along with the expense of their care, to other facilities in other counties. Sebor said Hutchinson Area Health Care, a municipal hospital, currently has 113 outstanding accounts involving fourteen Minnesota counties. "It is fair that the original counties pay for this care," he said.

Sen. Linda Berglin (DFL-Mpls.) said the bill would have a disproportionate impact on counties. She offered an amendment to shift the financial responsibility from counties to the state. "Dealing

with this from a county perspective is not going to get us to where we want to be," said Berglin. Sen. Betsy Wergin (R-Princeton) said the amendment creates an incentive for counties not to contract, as they are supposed to do under current law, to pay for the care. Berglin added language to her amendment that directs the commissioner of human services to enforce the contract requirement. Senators adopted the amendment.

Members approved S.F. 1219 and re-referred it to the Finance Committee.

A bill requiring applicants to state funded health care programs to identify their employers also gained approval. Carried by Lourey, S.F. 828 also requires the commissioner of human services to report the employer information to the Legislature. Lourey said the bill will help answers the questions of who is using Minnesota health plans and which employers are shifting health care coverage costs to the state. Bernie Hesse, United Foods and Commercial Workers (UFCW), said companies such as Walmart consistently shift the burden of health care coverage to states. Brad Lehto, Minnesota AFL-CIO, said that similar shifts have cost Wisconsin \$20 million. "We pay twice," said Janelle Rau-Clauson, Service Employees International Union (SEIU), "We pay the company to provide the service, and we pay for their employees to go on MinnesotaCare." Carolyn Jones, Minnesota Chamber of Commerce, spoke in opposition to the measure. She said some employees choose state programs on their own and that some employers have a difficult time getting employees to take company coverage. "This bill only tells half the story," said Jones, who added that study of the issue should also include why individuals might choose state coverage over coverage offered by their employers.

Senators approved the measure and re-referred it to the Finance Committee.

S.F. 1115, authored by Sen. Michelle Fischbach (R-Paynesville), was also approved. The measure requires all plumbers to be licensed by the commissioner of health and creates a new restricted category of licensure for plumbers working in cities with fewer than 5,000 residents. Currently, plumbers working in towns with fewer than 5,000 do not need to be licensed. "This bill removes the dual standard for plumbing licensure," said Fischbach.

Members approved the bill and sent it to the State and Local Government Operations Committee.

S.F. 988, sponsored by Sen. Dallas Sams (DFL-Staples), advanced to the floor. The bill provides consumer protection to individuals purchasing hearing aids by removing the charge for audiograms, requiring dispensers of the devices to return a previous hearing aid if the consumer wants it back, increasing the trial period to 45 days, and capping the return fee on hearing aids at \$250.

S.F. 525, authored by Sen. Sheila Kiscaden (IP-Rochester), also advanced to the floor. The measure requires the revisor of statutes to change language referring to mentally retarded individuals to refer to developmentally disabled individuals.

Disabilities bill gains

A bill modifying a variety of programs affecting persons with disabilities was approved when the Health and Family Security Committee, chaired by Sen. Becky Lourey (DFL-Kerrick), met Thurs., Mar. 10.

Lourey authored S.F. 984. The bill increases in Medical Assistance (MA) asset limits for recipients who are aged, blind or disabled, increases the MA personal needs allowance and restores adult dental benefits to MA, General Assistance Medical Care (GAMC), and MinnesotaCare (MnCare). S.F. 984 also authorizes a onetime payment of \$3,000 to help waived services clients move from a licensed facility to a community setting, provides an unspecified rate of increase for a variety of community providers and intermediate care facilities for persons with developmental disabilities and modifies certain case management provisions. The bill previously included a fee reduction for parents of children with disabilities on MA, said Lourey, but she removed the provision because another Senator is carrying the same legislation.

Joel Ulland, National Multiple Sclerosis Society, and John Tschida, Courage Center, outlined the bill and spoke in support of it. Ulland said one provision, the development of an incentive program to encourage MA recipients with disabilities to have regular wellness exams, will save money. He also said that raising the asset limit for certain MA recipients is a good idea because the limit has not been increased since 1983. One of

the largest impacts the bill will have, he said, is raising the income standard for aged, blind or disabled individuals to 100 percent of the federal poverty guidelines.

Meghan Mohs, Minnesota Association of County Social Services Administrators, said the modifications to case management concern counties. Three social workers said the modifications, which allow clients to choose their case managers, are problematic. "This bill has the inference that clients have ability to make informed choices. The people whom the bill affects cannot, by definition, make those choices themselves," said JoAnn Elston, Hennepin County.

Senators approved the bill and re-referred it to the State and Local Government Committee.

The committee also approved S.F. 227, authored by Sen. Yvonne Prettnier Solon (DFL-Duluth.) The measure creates a cancer drug repository program through which individuals may donate unused, unopened cancer drugs. The bill specifies that pharmacies must visually inspect the products and patients must sign a form acknowledging they received their drugs through the program.

Some Senators said they had concerns with liability issues. Sen. Brian LeClair (R-Woodbury) asked who was excluded from protection, noting that providers could be held liable in certain circumstances for directing patients to the program. Sen. Steve Kelley (DFL-Hopkins) said the bill might also protect from liability individuals who prescribe the wrong drug but do so through the repository program, making them immune to liability. "We don't want to create a liability discrepancy based on what part of the pharmacy the patient gets drugs from," said Kelley. Kelley offered an amendment to clarify the liability issues. Senators adopted the amendment.

The committee approved S.F. 227 and re-referred it to the Judiciary Committee.

Solon also sponsored S.F. 870. The bill restores a grant program for crisis nurseries, facilities to which parents can bring children during a family emergency. Conni Orth, crisis nursery program coordinator at Lutheran Social Services, said the programs are effective and have been running on other funds and volunteers since their funding was cut in 2003.

Senators approved the measure and sent it to the Finance Committee.

S.F. 1101, carried by Sen. Thomas Bakk (DFL-Cook), was also approved. The bill provides an exception to a funding provision that says only allows MA may reimburse hospitals for swing beds. Under the new legislation, certain hospitals will be able to continue receiving federal dollars for those beds, said Bakk. Sue Stout, Minnesota Hospital Association, said, "The bill allows rural hospitals to keep doing what they've been doing in the past."

Members approved S.F. 1101 and re-referred it to the Finance Committee.

S.F. 1266, authored by Sen. Julie Rosen (R-Fairmont), was laid over because of time constraints. The bill modifies provisions on critical access hospitals. Debra Boardman, Crookston Hospital, said the bill did two good things. First, she said, it simplifies and standardizes both state and federal regulations regarding critical access hospitals. Second, it helps rural communities who are more affected by critical access hospital regulation, said Boardman. Scott Thoreson, Mayo Clinic Health System, also spoke in support of the bill.

Health and Human Services Budget Division

Nursing home bills heard

Several bills relating to nursing homes provided the focal point for the Health and Human Services Budget Division, Tues., Mar. 8. The panel, chaired by Sen. Linda Berglin (DFL-Mpls.), laid over the bills for possible inclusion in the division's omnibus bill. "This is all just informational," said Berglin, "It's hard to make a decision on these nursing home bills because there are more coming. Everybody is in the same situation."

Four of the bills specified rate increases. Sen. Charles "Chuck" Wiger (DFL-North St. Paul) sponsored S.F. 127. Under the bill, Ramsey County Nursing Home would receive an increase of \$4.98 in its per diem reimbursement rate. "We provide a very viable service," said Pat Reller, the home's director. Reller also said the facility lost more than \$840,000 in 2003. Lynne Megan, who served on the Ramsey County Nursing Home Task Force, said, "Though we see a need for the nursing home, we also want it to be adequately reimbursed."

Berglin noted that Ramsey County Nursing Home did not receive a rate increase last year and still managed to operate. She asked if Ramsey County had slated any money to support the facility. Joyce Carlson, who also served on the home's task force, said the county is planning funding for 2005. Carlson added, however, that the county has not specified funding beyond 2005 and the home is looking at closure if it cannot afford to operate.

S.F. 1302, authored by Sen. Betsy Wergin (R-Princeton), provides a temporary rate increase for Elim Homes Incorporated, a nursing facility in Princeton. CEO Bob Dahl said the facility is experiencing serious financial hardship as a result of a poorly handled Department of Health (MDH) inspection. Dahl reported that MDH cited the facility for violations during an inspection, but assured him that the facility was not in denial of payment for the violations. Eleven days later, said Dahl, the survey team called the facility and said the home was in denial of payment and that the denial was retroactive. As a result, Elim could not collect payments for residents admitted in those eleven days and became unable to admit new residents, he said. When a judge threw out one citation against Elim and lowered three others, said Dahl, the commissioner of human services overturned the ruling. Elim has lost \$390,000 as a direct result of the situation, he said. "We were the victim of an overzealous team whose findings were compounded by bad information," said Dahl, "We used the appropriate process to restore our reputation only to have it overturned by the commissioner. We are on the brink of closing." Berglin said it would be appropriate to hear the department's side of the story before moving on the bill.

Dahl said the estimated cost to the state to provide the temporary rate increase is about \$130,000.

Sen. Cal Larson (R-Fergus Falls) carried S.F. 1391, a bill increasing reimbursement rates to the Battle Lake Good Samaritan Home. Representing the facility, Jim Wolf said the home had the lowest operating rate in its region. He said the low rate made the facility unable to pay competitive wages and thus hindered the facility's ability to attract high quality workers. "This facility might be classified as the bargain bill of Minnesota," he said,

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noting that only five other facilities in the state had comparable rates.

Senators also heard S.F. 928, sponsored by Sen. Bob Kierlin (R-Winona). The measure provides for an unspecified rate increase for a 50-bed nursing facility in Houston County to offset property tax costs the facility incurred when the home converted its status from nonprofit to for-profit. Berglin said the division has traditionally not funded similar requests because organizations realize they will be subject to property tax when they choose to become for-profit.

The final rate increase bill was S.F. 506, authored by Sen. Sean Nienow (R-Cambridge). Nienow said the bill puts Chisago County nursing home reimbursement rates on the same level as those in the Metro Area. "Chisago is becoming a bedroom community. It is a commuter community," said Nienow. He added that businesses in Chisago County, including nursing homes, must compete with those in the Metro Area in terms of wages. Mary Courts spoke on behalf of the Chisago County facility where she works. "It is uniquely disadvantaged," she said, "because it is located eight miles from a facility that is qualified as a metro facility while our Chisago home is qualified as a rural one."

Four other bills dealt with exceptions to the moratorium on nursing home construction. S.F. 1043, carried by Sen. Dallas Sams (DFL-Staples), allows for the relocation of 23 beds in the Lakewood healthcare system. By exempting the facility from the current construction moratorium, said Sams, Lakewood can renovate hospital space to allow residents currently living in double rooms to have semi-private rooms. The construction would not increase the number of beds, he said, but now is an ideal time for the construction to occur because Lakewood's hospital is moving to a new site. Representing Lakewood, Dan Donohue said, "There is a long-term financial savings to the state by remodeling existing space rather than needing to add new space in the future. This would be more space for less money."

Another bill, S.F. 884, sponsored by Sen. Gary Kubly (DFL-Granite Falls), extends an existing moratorium deadline for RenVilla, a nursing facility in Renville. Paul McLaughlin, an administrator at the facility, said Renville needs a 12 month extension to continue with

plans for providing resident care while it moves to a new location.

Larson carried S.F. 118, which also extends an exception to the moratorium. The measure allows a two year extension on the moratorium deadline for the Otter Tail County nursing facility project in Fergus Falls. John Zwiers, an administrator at Broen Home, said construction on the project stopped after a census decline in the area, but, now that the population has stabilized, the project should move forward again. Berglin said she was concerned about building new facilities because the nursing home industry predicts closures in Minnesota and says the state could take at least 3,000 beds out of its system. She said she was not sure if the home would be financially viable.

The final bill on the construction moratorium, S.F. 1079, was authored by Sen. Leo Foley (DFL-Coon Rapids). Under the measure, a facility in Ramsey is allowed to remove 60 beds from layaway status. Foley said there is no cost to the state, but Berglin said she disagreed. She said a new fiscal note was needed to determine the actual fiscal impact on the budget. Representatives from other nursing facilities in the area spoke in opposition to the bill. Dan Dixon, who works at a facility six miles away, said there was no reason to add new beds to the region, especially in an era of budget deficits.

Berglin said it might be more useful to fund a review process for evaluating moratorium exception requests rather than look at each one independently.

MnCare bill gains

A bill restoring benefits to MinnesotaCare (MnCare) gained approval when the Health and Human Services Budget Division, chaired by Sen. Linda Berglin (DFL-Mpls.), met Wed., Mar. 9.

S.F. 255, authored by Berglin, restores the limited benefit set to MnCare families without children. The bill also lifts the \$5,000 cap on benefits and restores eliminated benefits in areas such as optometry, psychology, and physical therapy. Without the benefits, said Berglin, overall care costs will increase because MnCare participants will be forced to seek care in hospitals instead of the out-patient setting. "These cuts are insult to injury," she said, "because people

will have to keep paying their premiums without receiving benefits because they will have to go through the application process, including a four month waiting period, if they drop out."

Those most affected by cuts to the program are people with muscular connective tissue disorders, mental disorders, and respiratory system disorders, Berglin said. She added that these types of disorders are chronic, disabling conditions that will kill individuals who have them if the individuals do not receive proper treatment.

Several individuals who will lose their coverage as a result of the eligibility reduction spoke in support of S.F. 225. Mary Simon, who has both depression and diabetes, said the \$5,000 cap made her unable to pay for her medications for the last month and a half of 2004. Simon said she cut her pills in half, took outdated insulin and sought pharmaceutical samples from her doctor to replace her medications. Tom Deyo, who is also diabetic, said he only checks his blood sugar every other day, instead of the recommended 4 to 7 times a day, and doubles the suggested interim time between medical check-ups to stretch his coverage. "I do what I can when I can," said Deyo. Lona DeCarlo, who has Crohn's disease, said she cannot afford both medication and doctors visits because of the \$5,000 cap. "I don't want to be dependent on the state," said DeCarlo, "all I'm asking for is the restoration of my medical benefits."

Representatives of several health organizations also spoke in support of the bill. Sue Abderholden, National Alliance for the Mentally Ill (NAMI), said the \$5,000 cap is especially hard on people with chronic health conditions like mental illness. The cap creates both a financial burden and a health care crisis for people, she said. Representing the American Cancer Society, Matt Flory said the cap is a problem for cancer patients. Berglin said that after the cuts, a patient would be denied even a first round of chemotherapy. Representatives of the Minnesota Psychological Association and the Minnesota Diabetes Association also spoke in support of the measure.

Sen. Brian LeClair (R-Woodbury) asked how restoring the cuts would affect funding to other health programs such as General Assistance Medical Care (GAMC). "This proposal is not part of a

comprehensive, balanced budget where we can see how we are going to pay for all the programs we're trying to provide to less fortunate Minnesotans," he said. Berglin responded, "We don't need MnCare to balance the budget. We need to have the money that was intended for this program pay for this program." Sen. Yvonne Prettner Solon (DFL-Duluth) said the bill represented a priority for the division. "A budget is a moral document," said Solon, "It's about priorities, and we have a right to be heard on what our priorities are."

Senators approved S.F. 225 on a 6-1 roll call vote and re-referred it to the Finance Committee.

Senators also heard S.F. 930, authored by Sen. Gary Kubly (DFL-Granite Falls). The measure appropriates \$150,000 for each of the next two fiscal years to the Northstar Gambling Alliance. Lance Holthusen, executive director of the organization, said the sole mission of Northstar is to serve the problem gambler and those who are affected by problem gambling.

Berglin said lottery money has traditionally been used to fund gambling programs. Six years ago, she said, the House did not agree to continue funding the programs and efforts to restore the funding have been unsuccessful since then. "This is not general fund money," said Berglin, "this is lottery money, and when the lottery was created, it was intended to give some of its proceeds to fund gambling programs." S.F. 930 will be considered for possible inclusion in the division's omnibus bill.

The division also laid over S.F. 826, sponsored by Sen. Cal Larson (R-Fergus Falls). Larson said the bill reduces childcare center license fees to their pre-2003 levels, a measure that costs the state \$217,000. Berglin said that under the governor's budget, the licensing fees are set to increase even more this year.

S.F. 695, authored by Sen. Paul Koering (R-Fort Ripley), was laid over for possible inclusion in the division's omnibus bill, too. The measure modifies the definition of gross income eligibility for MnCare. S.F. 1030, sponsored by Solon, was also laid over. Under the bill, the Bayshore Nursing Home in Duluth receives an increase in its per diem reimbursement rate.

The final bill heard was S.F. 769, carried by Berglin. The measure restores

funding to New Chance, an organization with a good track record of reducing unwanted pregnancies in high-risk populations, said Berglin. LaMontique Fairbanks, the program's director, said before the cuts, the organization had a 95 percent success rate at preventing another unwanted pregnancy. After the cuts, she said, that number has fallen to 85 percent. Senators laid the bill over for possible inclusion in the division's omnibus bill.

Higher Education Budget Division

Bills heard

Members of the Higher Education Budget Division met Tues., Mar. 8, to hear several bills. All of the measures were laid over for possible inclusion in the omnibus higher education bill.

S.F. 1200, carried by Sen. Cal Larson (R-Fergus Falls), provides grants for service learning. S.F. 446, authored by Sen. Bob Kierlin (R-Winona), increases the maximum amount, from \$2,200 to \$2,600, for child care grants for higher education students. S.F. 458, sponsored by Sen. David Tomassoni (DFL-Chisholm), extends the deadline for state grant applications from 14 days after the start of a term to 30 days after the term start date. Tomassoni also sponsored a bill, S.F. 173, dividing the state grant program, work study program and child care program into four separate programs for the University of Minnesota, the Minnesota State Colleges and Universities (MnSCU) system, private colleges that are members of the Minnesota Private College Council and non-council private colleges. Under the bill, each program sets its own guidelines for allocating grant dollars. The measure does not change requirements or eligibility standards, but does shift the funding scheme to block grants.

Sen. Jim Vickerman (DFL-Tracy) carried S.F. 550, which extends the life of the farmer lender mediation program until June 30, 2009. S.F. 220, authored by Sen. John Hottinger (DFL-St. Peter), permits state universities under the MnSCU system to award applied doctoral degrees. Sen. Rod Skoe (DFL-Clearbrook) carried S.F. 1449. The bill increases eligibility for the state grant program by two semesters, provides for a living expense allowance of \$5,405 and sets tuition and fee maximums for FY 06 and FY 07. Under the measure,

the tuition and fee maximum for FY 06 is \$9,477; for FY 07, the maximum is \$9,998.

Division members, chaired by Sen. Sandra Pappas (DFL-St. Paul), also heard about the benefits of the Campus Compact program, a service learning program, from Mark Langseth, the program's executive director, and Lindsey Fritsch, a student at the University of Minnesota.

Proposals considered

Members of the Higher Education Budget Division met Thurs., Mar. 10, to hear several bills. All of the proposals were laid over for possible inclusion in the omnibus higher education bill.

S.F. 707, carried by Sen. John Hottinger (DFL-St. Peter), imposes a two-year freeze on tuition rates at institutions within the Minnesota State Colleges and Universities (MnSCU) system. S.F. 1069, sponsored by Sen. Mee Moua (DFL-St. Paul), provides for grants to institutions offering the Upward Bound or Talent Search Trio programs, which seek to prepare students from underserved populations for higher education. S.F. 1401, carried by Sen. LeRoy Stumpf (DFL-Plummer), creates three new seats on the MnSCU board and allocates the seats to congressional districts with more than 17 counties.

Division Chair Sandra Pappas (DFL-St. Paul) carried four bills. S.F. 990 makes the deadline for recommending student members for the MnSCU board consistent with the deadlines for other board member recommendations. S.F. 454 requires the commissioner of finance to forecast expenditures under the state grant program. S.F. 1383 provides that state grant program surpluses will be split equally between the University of Minnesota and MnSCU, rather than cancel back to the general fund. The final bill, which has not been introduced, creates a state grant reserve fund.

Three measures were carried by Sen. Yvonne Prettner Solon (DFL-Duluth). S.F. 1422 creates a nursing education loan program. S.F. 1448 appropriates \$6 million annually to MnSCU to promote participation in postsecondary education of low-income students, students of color and students whose parents have no postsecondary education. S.F. 1473 appropriates \$10 million for nursing education programs at MnSCU institutions.

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In an evening meeting, division members considered three additional bills. S.F. 575, carried by Pappas, provides for a grant to support 18 resident physicians each year in family practice at united family medicine residency programs and to prepare the doctors to practice family care medicine in underserved rural and urban areas of the state. Pappas also sponsored S.F. 627, which sets qualifications for resident tuition rates at public postsecondary institutions. Under the bill, to qualify for resident tuition, a student must have attended high school within the state for at least two years and have graduated from a state high school. S.F. 1174, carried by Sen. Bob Kierlin (R-Winona), is the governor's higher education bill. The panel also discussed enrollment growth.

Jobs, Energy and Community Development

Transitional housing bill heard

The Jobs, Energy and Community Development Committee, chaired by Sen. Ellen Anderson (DFL-St. Paul), met Mon., Mar. 7, to consider bills addressing a variety of issues.

Members began by considering a bill appropriating \$15 million for emergency assistance and transitional housing. Sen. Scott Dibble (DFL-Mpls.), chief author of the bill, said homelessness is devastating blow for individuals experiencing difficulties due to mental health or chemical dependency issues. Dibble said the policy consideration in the bill, S.F. 684, is a provision that allows up to 10 percent of the \$9 million appropriation for transitional housing to be used for housing and services which extend beyond 24 months. Michael Dahl, Minnesota Coalition for the Homeless, said many of the conditions underlying homelessness take more than two years to address. He said sometimes the persons who are progressing well under their case management plans need assistance beyond the current 24 month limit. Becky Fink, Rise Transitional Housing, also spoke in support of the measure. The bill was approved and advanced to the Finance Committee.

Dibble also sponsored a bill, S.F. 1271, increasing the marriage dissolution fee from \$235 to \$265 to fund the displaced homemaker program. Dibble said the bill also increases the standard

marriage license fee from \$85 to \$95 and increases the reduced license fees for couples who have undergone premarital counseling from \$20 to \$40. The additional funds are also earmarked for the displaced homemaker program. The measure was also approved and advanced to the Finance Committee.

Several measures heard by the panel's Subcommittee on Housing were also advanced. S.F. 308, authored by Sen. Sharon Marko (DFL-Cottage Grove), clarifies that governmental units may seek remedies for building and other code violations whether or not the building is occupied. The measure also specifies that if the building is unoccupied, then only violations related to either the exterior of the structure or the exterior property area may go forward. The measure was advanced to the Senate floor. S.F. 333, sponsored by Sen. Michelle Fischbach (R-Paynesville), exempts farm labor housing from regulation as a manufactured home park. The measure was approved and sent to the Senate floor. S.F. 471, authored by Sen. Paul Koering (R-Fort Ripley), expands the power of regional development commissions to get and use real or personal property. The measure was approved and recommended for placement on the Consent Calendar.

Sen. Thomas Bakk (DFL-Cook) authored two bills, both advanced by the Dept. of Labor and Industry. S.F. 1404 reinstates language relating to "search firms" in the statutes. The term "search firm" had been inadvertently eliminated in a previous session. The bill was approved and sent to the Judiciary Committee. S.F. 1405 relates to occupational safety and health and modifies standard industrial classification list rulemaking provisions. The measure was recommended for placement on the Consent Calendar.

Tax exemption bills gain

Four bills providing tax exemptions for energy facilities were approved by members of the Jobs, Energy and Community Development Subcommittee on Energy, meeting Wed., Mar. 9. The panel, chaired by Sen. Gary Kubly (DFL-Granite Falls), advanced the bills, along with two other measures, to the full Jobs, Energy and Community Development Committee.

Three of the bills—S.F. 315, sponsored by Sen. Dick Day (R-Owatonna),

S.F. 952, carried by Sen. Sean Nienow (R-Cambridge), and S.F. 634, authored by Sen. Claire Robling (R-Jordan)—all provide property tax exemptions for electric generation facilities' personal property. S.F. 719, sponsored by Sen. Sheila Kiscaden (IP-Rochester), provides a sales tax exemption for materials used in the construction, improvement or expansion of a waste-to-energy resource recovery facility.

H.F. 218, carried by Sen. Julie Rosen (R-Fairmont), extends eligibility to receive the renewable energy production incentive. S.F. 527, authored by Sen. Mady Reiter (R-Shoreview), permits municipal councils to enter into agreements with utilities for the improvement of existing distribution systems that exceed the design and construction standards. Under the bill, the permission is conditioned on the existence of a petition signed by all affected owners.

Energy bills advance

Members of the Jobs, Energy and Community Development Subcommittee on Energy, chaired by Sen. Gary Kubly (DFL-Granite Falls), met Fri., Mar. 11, to consider four bills. All of the measures were advanced to the full committee.

S.F. 969, sponsored by Sen. Jim Vickerman (DFL-Tracy), clarifies the renewable fuel use requirement imposed on state agencies. The remaining three bills were carried by Sen. David Tomassoni (DFL-Chisholm). S.F. 820 authorizes a joint venture between the municipal utilities of Virginia and Hibbing to plan, finance, build and operate a biomass electric generation facility. S.F. 940 modifies the definition of farm-grown closed-loop biomass. S.F. 1190 provides a sales tax exemption for materials used in the construction of an electric generation facility.

Judiciary

Construction defect bill heard

A bill aimed at dealing with "sick houses" was heard at the Tues., Mar. 8, meeting of the Judiciary Committee. S.F. 1287, authored by Sen. Linda Scheid (DFL-Brooklyn Park), provides procedures to govern disputes about construction defects in residential housing. Scheid said homeowners who discover major defects in their homes, such as mold,

often experience delays and difficulties dealing with contractors. Scheid said the bill provides for an opportunity to repair by setting out a timeline for owners to provide notice, for contractors to respond, for inspections to be done and for contractors to either offer to settle by monetary payment, making repairs or a combination of both or decide no response offer will be made. If the claimant rejects the settlement offer, the contractor has 15 days to make a supplemental offer to settle. If the claimant accepts an offer and the contractor performs in accordance with the settlement, the claimant may not bring an action against the contractor. If the claimant rejects the offer, the claimant must provide notice of the rejection prior to commencing an action.

Scheid said the aim is to expedite the process by setting out concrete deadlines. Remy Stone of the Minnesota Builders Association spoke in support of the measure. She said the bill provides a mechanism to settle disputes. Tony Goulet, a builder, said the bill forces builders to take an active role early in the process. "I have found the sooner I can meet with the homeowner and resolve the problem, the better for all involved," Goulet said.

Joel Carlson, Minnesota Trial Lawyers, spoke in opposition to some of the language in the bill. He said the Minnesota Trial Lawyers were not opposed to the concept behind the bill. Carlson said, "Our concern is if a claimant does not respond or if the claimant is not satisfied with the repairs, are the claimants barred from bringing an action?" We also have concerns about the common interest ownership portion of the bill, Carlson said.

Sen. Wesley Skoglund (DFL-Mpls.) offered an amendment clarifying that if a settlement is accepted and the work is done in accordance with the settlement the claim is satisfied, but if another defect is found, the claimant is not barred from bringing an action. The amendment was adopted. The bill was laid over in order to draft amendments to address other concerns expressed by members of the committee.

The committee, chaired by Sen. Don Betzold (DFL-Fridley), also heard a bill expanding the applicability of the domestic abuse no contact order. S.F. 1143, sponsored by Sen. Jane Ranum

(DFL-Mpls.), clarifies that a domestic abuse no contact order is an order issued by a court against a defendant in a

criminal proceeding for domestic abuse, violation of an order for protection, violation of a domestic abuse no contact



From left, high school students Cassie Rethwill of LeCenter, Ashley Bleess of Mapleton and Cathy Young of LeCenter listen to speakers in the Capitol Rotunda during a rally for the Yellow Ribbon Suicide Prevention Program, Tues., Mar. 8. Hundreds of petition forms addressed to the governor and asking for resources to be directed to suicide prevention were unrolled from the second floor.

Photo by David J.Oakes

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order, harassment or stalking. Sen. John Marty (DFL-Roseville) said the language was unclear because the bill seemed to say it was a violation of a domestic abuse no contact order for violation of a domestic abuse no contact order. Ranum said the county attorney's in the Second Judicial District had determined that a domestic abuse no contact order did not include the cases specified in the bill. Members laid the bill over in order to draft clarifying language.

Members also discussed a bill limiting postconviction relief. S.F. 1207, carried by Sen. Leo Foley (DFL-Coon Rapids), limits a petition for postconviction relief may not raise grounds that could have been raised on appeal. In addition, the bill specifies that government appeals do not require payment of defendant attorney fees and costs. Betzold offered an amendment deleting the portion of the bill relating to payment of attorney fees. The amendment was adopted and the bill advanced to the Crime Prevention and Public Safety Committee.

K-12 Education Budget Division

Budget review continues

Members of the K-12 Education Budget Division continued their review of the governor's budget proposal, Tues., Mar. 8. The panel, chaired by Sen. LeRoy Stumpf (DFL-Plummer), took no action on S.F. 1278, carried by Sen. Gen Olson (R-Minnetrista).

Commissioner Alice Seagren and department staff walked division members through the bill. Much of the discussion focused on district referendum revenue, a program facilitating administrative cooperation among school districts and the governor's "Get Ready, Get Credit" initiative, which seeks to increase student participation in programs offering both high school and college credits, such as the Advanced Placement, International Baccalaureate and College-Level Examination programs. Division members also discussed a proposal to link driver's licenses to school attendance.

Proposal review draws to close

Examination of the governor's budget for education concluded at the Wed., Mar. 9, meeting of the K-12 Education Budget Division, chaired by Sen. LeRoy

Stumpf (DFL-Plummer). The governor's budget is reflected in S.F. 1278, carried by Sen. Gen Olson (R-Minnetrista).

Department of Education representatives, including Commissioner Alice Seagren and Program Finance Director Tom Melcher, reviewed elements of the proposal, including an alternative path to licensure program for persons seeking to enter teaching after time in the workforce. The program establishes an intensive teacher-training program for individuals with backgrounds in science, mathematics, world languages, English as a second language and special education. The governor's proposal also includes a staff development program for districts and school sites and clarification of superintendents' power to assign or reassign teachers and administrators to meet student and school needs. Tax credits for businesses contributing to scholarship granting organizations, which allow students to attend nonpublic schools of their parents' choice, are also part of the bill.

Public Safety Budget Division

Corrections budget examined

Members of the Public Safety Budget Division, chaired by Sen. Jane Ranum (DFL-Mpls.), met Mon., Mar. 7, and Wed., Mar. 9, to consider the budget for the Dept. of Corrections. The FY 06-07 budget includes \$824.2 million from the general fund and \$157.9 million from other funds, and is a 9.8 percent increase from FY 04-05 spending. Change items include \$7.844 million for sex offender enforcement, \$6.2 million for sex offender treatment, \$8.84 million to cover increasing inmate health services costs and \$4.8 million to cover the costs of sentencing changes for methamphetamine and sex offenders.

State and Local Government Operations

Local salaries bill gains

A bill allowing salary increases for local government employees gained when the State and Local Government Operations Committee met Mon., Mar. 7. The panel, chaired by Sen. Linda Higgins (DFL-Mpls.), also heard four other bills.

Sen. Steve Kelley (DFL-Hopkins) sponsored S.F. 953, which removes the compensation limit, currently set at 95 percent of the governor's salary, for local government employees. Local governments may apply to the Legislative Coordinating Commission (LCC) to obtain a waiver to pay their employees more, but that process is inconsistent, said Kelley. He added that the state should not micromanage local governments. "Local officials know what is best for their taxpayers and citizens," he said. Kelley also said that the structure of the cap does not make sense, pointing out that local employees are capped on compensation including benefits and salary with respect to the governor's salary alone.

Plymouth Mayor Judy Johnson spoke in support of the measure. She said Minnesota is the only state in the nation in which local government compensation is tied to the governor's salary. "This puts Minnesota at a serious disadvantage," said Johnson. "Our cities are in a national market." Kelley added, "We can't act like we're an island. These folks have other places in the country they could go."

Sen. Jim Vickerman (DFL-Tracy) asked if the change would adversely affect rural areas because wealthier suburban and urban areas could offer rural employees higher salaries. Keith Carlson, executive director, Metropolitan InterCounty Association, said the current cap hurts rural areas more than eliminating it would. The cap, he said, often limits searches to Minnesota, where employees are accustomed to the cap. Eliminating the cap would allow larger cities to compete nationally instead of having to search in Minnesota, Carlson said.

Sen. Claire Robling (R-Jordan) offered an amendment that caps compensation at 110 percent of the governor's salary. "We need to do this incrementally," said Robling. Senators adopted the amendment. Higgins offered an amendment that raised the cap to 125 percent of the governor's salary and adjusted the cap annually for inflation. The amendment was not adopted. Members approved S.F. 953, as amended, and forwarded it to the full Senate.

Kelley also carried S.F. 680. The bill, a result of work done by the electronic real estate recording task force (ERERTF), allows counties that participated in an electronic records filing pilot project to continue using the system. Joel Beckman,

director of property reference, Dakota County, said electronic filing has led to a dramatic improvement in customer service and significant cost savings. Representing Farm Credit Services, John Apitz called electronic filing a revolutionary step forward in the recording of documents in the state, one that has significant potential to improve agricultural business. Senators approved S.F. 680 and sent it to the floor.

S.F. 508, authored by Sen. Jane Ranum (DFL-Mpls.) also gained approval. The bill imposes a residency requirement for membership on the Metropolitan Council and the Metropolitan Airports Commission. Ranum said the bill requires council members to have lived in their districts six months and to have been a state resident for a year, the same requirements Legislators must meet. "I hope this is viewed as a good government bill," she said.

Ranum said she brought the bill forward after the governor appointed someone to the Metropolitan Airports Commission who had moved to the district she was to represent very recently. The bill will not go into effect until Jan. 1, 2007, said Ranum, so it will not affect any present appointments. However, she said, the bill ensures that council members will, at a minimum, reflect the people who live in their districts. "It makes a lot of sense," said Sen. Scott Dibble (DFL-Mpls.), "The council has members assigned by district for a reason." Senators approved S.F. 508 and sent it to the floor.

The final bill to gain approval was S.F. 1158, carried by Sen. David Senjem (R-Rochester). The bill is a technical measure that makes minor changes to law regarding the Office of Administrative Hearings (OAH), said Senjem. Bruce Johnson, deputy chief administrative law judge, explained the bill and spoke in support of the measure. Members approved the bill and recommended placement on the Consent Calendar.

Senators also began discussion on S.F. 1071, authored by Higgins. Under the bill, the Metropolitan Council dissolves its housing bond credit enhancement program and uses the funds to finance a study on the metropolitan region's water supply. Higgins said the study would examine the quantity and quality of water in the area, as well as whether or not there

would be enough water to serve a growing population.

Senators laid the bill over for further discussion.

OEA, PCA merger rejected

A proposal creating a new Department of Environmental Protection by combining Minnesota's existing environmental agencies was defeated at its first hearing, Wed., Mar. 9. Members of the State and Local Government Operations Committee voted to remove provisions creating the agency from one of the governor's omnibus budget bills.

S.F. 1248, carried by Sen. Steve Dille (R-Dassel), is the governor's omnibus environment, natural resources and economic development budget bill. One of the articles in the bill creates the new department by merging the Office of Environmental Assistance (OEA) and the Pollution Control Agency (PCA). David Benke, OEA, said the state needs a full array of tools to address emerging environmental issues. The new department brings together complementary skills found in the separate agencies, he said. While a primary focus of the PCA is regulation, said Cathy Moeger, the agency also focuses on providing financial and technical assistance to stakeholders. Regulators often provide tips to the assistance division so that items not yet at the regulatory threshold can be addressed in a more educational, cooperative manner.

Several Senators expressed concerns about the proposed merger. Committee Chair Linda Higgins (DFL-Mpls.) said the Pollution Control Agency is not as nimble or efficient as the Office of Environmental Assistance. Many businesses freely cooperate with the OEA, said Sen. Scott Dibble (DFL-Mpls.), but would be concerned if the office was merged into a regulatory entity. It is often hard to reconcile a situation where an agency has two missions but one master, he said. Sen. David Senjem (R-Rochester) said that, as a former stakeholder, the PCA often comes off as a "gotcha" agency. The regulatory culture is set up that way, he said, while the OEA is easier to work with because stakeholders trust the office. Dibble said a merger was likely to compromise the necessary regulatory authority of the PCA and the helpful educational role of the OEA. A motion to delete the merger article, made by Dibble, was

approved on a voice vote. S.F. 1248 was then forwarded to the Environment and Natural Resources Committee.

In other action, committee members considered four additional bills. Dille sponsored S.F. 773, which recodifies statutory provisions relating to farmed cervidae from a chapter relating to the Dept. of Natural Resources into a chapter relating to the Board of Animal Health. The only provision in the bill within the committee's jurisdiction is a section providing the board with the rulemaking authority necessary to implement farmed cervidae regulations. The measure was sent to the full Senate.

S.F. 547, authored by Sen. Linda Scheid (DFL-Brooklyn Park), ratifies collective bargaining agreements, compensation plans and agency head salaries not prepared in time for ratification last year. The bill covers agreements, plans or salaries for AFSCME Unit 8, the Minnesota Law Enforcement Association, Higher Education Services Office, Inter Faculty Organization, Minnesota Nurses Association, Teachers Retirement Association, Minnesota State Retirement System and Public Employees Retirement Association. S.F. 547 was advanced to the Finance Committee.

Higgins carried two bills. S.F. 1071 requires the Metropolitan Council to study the regional water supply and abolishes the housing bond credit enhancement program. The measure was sent to the Finance Committee. S.F. 1321 imposes a temporary cap on the number of taxicab permits at Minneapolis-St. Paul International Airport, prohibits the Metropolitan Airports Commission (MAC) from using different standards for the transfer of taxicab permits by corporations or sole proprietors, prohibits the MAC from enforcing policies in conflict with state occupational safety and health standards and requires the commission to report annually on the use of taxicab permitting fees. Michael Teklu, a taxicab driver, said the absence of a cap has hurt business by increasing the number of drivers and the amount of time drivers have to wait for a fare. He said drivers have also expressed concerns about rules requiring them to keep their trunks or rear doors open while waiting and about projections for steep permit fee increases. The MAC found that a cap created an inherent value for a permit, said Mitch Kilian. There are 46 unused permits, he

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said, and if a cap were imposed, the permits would acquire a value distinct from the ability to serve people flying into the airport. The absence of a cap might actually encourage some people to leave the cab business, Kilian said, reducing the wait time for other drivers and increasing their business. Kilian said the MAC also has concerns about the other provisions in the bill. The measure was laid over for further consideration.

State Government Budget Division

Budgets reviewed

Members of the State Government Budget Division, chaired by Sen. Sheila Kiscaden (IP-Rochester), met Tues., Mar. 8, to review several budget areas.

The panel examined the budget for the Capitol Area Architectural and Planning Board. The governor recommends no cut to the board's budget, which is \$524,000, all from the general fund. A grant of \$814,000 to support the capital needs of Minnesota Public Radio is included in the governor's budget recommendations. A similar grant of the same size is part of the current biennial budget. The panel also completed its examination of the budget recommendations for the Dept. of Administration. In other action, division members discussed the electronic real estate recording pilot project with Bert Black, an analyst in the Secretary of State's Office. A task force overseeing the project expired in June 2004.

DOER budget heard

The budget for the Dept. of Employee Relations was the focus of the Wed., Mar. 9, meeting of members of the State Government Budget Division, chaired by Sen. Sheila Kiscaden (IP-Rochester).

The department budget includes \$11.2 million in operating costs from the general fund, a 9.3 percent reduction from FY 04-05. The operating budget supports DOER's labor relations, compensation, state agency and job applicant services, human resource technology and internal administrative support activities. Additionally, the department gets over \$1 million from the general fund for the state's required workers' compensation reinsurance premium and over \$1.38 billion from other funds, primarily from

state employee insurance premiums, which account for over \$1.29 billion.

Tax

TIF bills heard

The Tax Committee, chaired by Sen. Lawrence Pogemiller (DFL-Mpls.), met Tues., Mar. 8, to consider several bills dealing with tax increment financing (TIF) districts.

S.F. 1419, authored by Sen. Jane Ranum (DFL-Mpls.), authorizes the creation of a redevelopment tax increment financing district. Ranum said the measure is for the area most affected by the opening of the new north-south runway at Minneapolis-St. Paul International Airport. A proposal, not yet introduced, for a tax increment financing district extension in Brooklyn Park was also discussed. Sen. Linda Scheid (DFL-Brooklyn Park), the chief author of the proposal, said the extension is needed for redevelopment of rental housing in the area. Both measures were recommended for inclusion in the omnibus bill containing many of the provisions in last year's omnibus bill. The omnibus bill is known in the committee as Tax II.

S.F. 1077, carried by Sen. William Belanger (R-Bloomington), extends the sunset of emergency special taxing districts in Beltrami County and Cass County. The measure was also recommended for inclusion in Tax II.

Sen. John Marty (DFL-Roseville) sponsored two bills. Both measures would limit or eliminate tax increment financing districts. S.F. 1336 prohibits the creation of new tax increment financing districts. S.F. 561 would also eliminate TIF, but would provide a more publicly accountable way to do the same thing, Marty said. The first portion of S.F. 561 contained the contents of S.F. 1336. As a result, members set aside S.F. 1336 and discussed the second bill. Marty said the measure results in more public scrutiny in subsidies granted to private businesses. Amy Ihlan, Roseville City Council, spoke in support of the measure. She said the bill is needed because often a larger subsidy is provided than is really needed. She also said that the full financial impact of TIF is not always recognized by city councils and the public. Other speakers, though, spoke in opposition and said the use of TIF sparks

economic development. Pogemiller suggested eliminating the provision prohibiting TIF districts and getting interested parties together to discuss the issue of public accountability. Thus, portions of the bill were recommended for inclusion in Tax II.

In addition, the panel approved two measures for inclusion in Tax II. S.F. 176, sponsored by Sen. Tom Saxhaug (DFL-Grand Rapids), allows Aitkin County and Independent School District 1 to conduct joint hearings. S.F. 1053, carried by Sen. Jim Vickerman (DFL-Tracy), authorizes Nobles County, the city of Worthington and Independent School District 518 to conduct joint truth-in-taxation hearings.

Local funding issues discussed

Much of the Wed., Mar. 9, meeting of the Tax Committee was devoted to a discussion of the findings of the Financing Local Government Task Force. Judy Johnson, president of the League of Minnesota Cities, and John Ellenbecker, representing the Coalition of Greater Minnesota Cities, presented the results of the task force's work. Johnson said since the early 1970s, the local government finance system has been based on the belief that, except for the property tax, cities should have limited taxing authority. In return, she said, the state-collected sales and income taxes have been distributed to cities based on need and their property tax capacity relative to other cities. Johnson said the task force concluded that the current system is not serving Minnesotans well or ensuring the state's competitiveness in an increasingly global economy. The recommendations made by the task force are intended to guide state policy makers and city officials in working together to reform the system over time, Johnson said.

The recommendations are grouped under the broad categories of accountability, certainty, adequacy, flexibility and equity, Johnson said. In terms of accountability, cities and the state must communicate effectively with each other and the public about their roles and responsibilities, she said. In addition, cities need to have more certainty and predictability in all of their available revenue sources, including the property tax and local government aid. The current practice of annual adjustments to local government aid and the imposition of levy limits do

not allow for prudent financial planning, Johnson said. In the area of adequacy, Johnson said, the revenue sources available to cities and the state must raise adequate funds to meet city needs. She said in the area of flexibility, the task force recommends that cities should have greater access to other tax and revenue sources than currently permitted because a "one-size-fits-all" system limits all cities. Finally, the task force recommends equity by having all citizens receive adequate levels of municipal services at relatively similar levels of taxation. To that end, Johnson said, the state should provide financial assistance to cities that have high needs, low fiscal capacity or both.

The committee, chaired by Sen. Lawrence Pogemiller (DFL-Mpls.), also approved one measure for inclusion in the omnibus tax bill known as Tax II. S.F. 848, sponsored by Sen. Bob Kierlin (R-Winona), exempts materials and equipment used in the construction and upgrading of a wastewater treatment facility in Chatfield from the sales tax.

Price of government set

A resolution setting the "price of government" was the single item of discussion at the Thurs., Mar. 10, meeting of the Tax Committee. The panel, chaired by Sen. Lawrence Pogemiller (DFL-Mpls.), adopted the resolution and forwarded it to the full Senate.

The price of government is a measure of the share of total personal income taken by state and local government taxes, fees and other revenues. The measurement was developed in the 1990s as a way to measure the size of state and local government. Statute requires the Legislature to adopt a concurrent resolution setting a maximum price of government for a biennium before crafting a budget. Pogemiller said projections show the actual price of government in FY 04-05 to be 16 percent. The governor's recommendation for the price of government is 16 percent in FY 06 and 15.7 percent in FY 07. The resolution sets a maximum of 16 percent in both fiscal years. Pogemiller said the resolution reflects a desire not to see government grow. However, he said, setting a maximum of 16 percent does not prohibit the Legislature from setting a budget that results in a lower actual price of government.

Transportation

Ramp meter bill advances

A bill eliminating 100 ramp meters gained when the Transportation Committee, chaired by Sen. Steve Murphy (DFL-Red Wing), met Tues., Mar. 8. Ten other bills were also approved.

Sen. Dick Day (R-Owatonna) authored S.F. 1017, which directs the commissioner of transportation to identify the 100 access ramp meters that are least effective at controlling traffic congestion and deactivate them by Aug. 1, 2005. Day said he brought a similar bill a few years ago, and the measure prompted a study of ramp meters. Back then, said Day, many thought it would cause chaos to shut off the meters. However, the study recommends a certain portion of the meters be deactivated, he said. "Let's just get rid of a hundred," said Day, "They are regulating how we all drive."

Sen. Mady Reiter (R-Shoreview) said she supported the bill. "Ramp meters are one of the most dangerous things we've ever installed," she said. A department official said that while deactivating some of the meters is appropriate, ramp meters are still a valuable and effective tool that the department wants to use.

Senators approved the measure and forwarded it to the full Senate.

A variety of veterans license plates bills also gained. S.F. 757, sponsored by Sen. Sheila Kiscaden (IP-Rochester), authorizes the creation of a Vietnam veteran personal license plate. Kiscaden said Vietnam veterans did not currently have a license plate. The measure will cost \$9,000 this year, said Kiscaden, but is expected to generate \$11,000 next year. Sen. Michele Bachman (R-Stillwater) carried S.F. 931, which specifies that members of Disabled American Veterans are included in the existing section of law authorizing special license plates for members of veterans' service groups. S.F. 950, sponsored by Sen. Sean Nienow (R-Cambridge), allows special veterans license plates to be issued to one-ton trucks, such as pick-up trucks. S.F. 605, carried by Sen. Michael Jungbauer (R-East Bethel), creates new veterans license plates for veterans of the Iraq war, the war in Afghanistan and the Global War on Terror. All four measures were approved and re-referred to the Finance Committee.

A bill prescribing an annual oversize permit fee of \$120 for manufactured storage buildings also gained. Sen. Gary Kubly (DFL-Granite Falls), who carried S.F. 729, said the permit fee is similar to those for construction equipment and farm machinery. Members advanced the measure to the floor.

Sen. Julianne Ortman (R-Chanhassen) sponsored S.F. 422. The bill reallocates existing fees for duplicate driver's licenses obtained for the purpose of adding a motorcycle endorsement to be used for motorcycle safety programs. "We are trying to make sure fees enacted for a specific purpose are used for that purpose," said Ortman. Senators approved S.F. 422 and sent it to the Finance Committee.

S.F. 594 also gained and was re-referred to the Finance Committee. The bill, authored by Sen. Mike McGinn (R-Eagan), specifies that the difference between maximum and minimum speeds allowed on controlled-access highways may not exceed ten miles per hour. A MnDOT representative said the department does not see the value of moving forward with the bill and that it would cost several thousand dollars. Senators approved the measure and sent it to the Finance Committee.

S.F. 1090, authored by Kiscaden, advanced to the floor. Kiscaden said the bill deals with a previous bill that was enacted after a state trooper was killed on I-90. That bill, she said, directed drivers to move over to the other lane when passing emergency personnel on the side of the road. Over the summer, court officials said the language of the previous bill was not clear, so S.F. 1090 is a clean-up bill, said Kiscaden. Mike Stockstead, Minnesota Professional Fire Fighters, and Olmstead County Sheriff Steve Borchardt both spoke in support of the measure. "We always think in terms of police officers being killed by guns and knives, but the biggest risk they take is being out there on the side of the road every day," said Borchardt.

Two technical bills from the department, S.F. 1293 and S.F. 1294, both carried by Sen. Mee Moua (DFL-St. Paul), were also approved and sent to the floor.

Reiter presented S.F. 198, a measure prohibiting the commissioner of public safety from giving a driver's license examination in a language other than English. Reiter said several constituents have asked her why the state administers

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the exam in languages other than English and have expressed concern over the issue. Senators did not approve the bill.

The committee also continued heard budget presentations from the department on state roads, general support and buildings and electronic communications.

Crosswalk safety highlighted

A bill creating a crosswalk safety education account in the state treasury was approved by members of the Transportation Committee at their Thurs., Mar. 10, meeting. The panel, chaired by Sen. Steve Murphy (DFL-Red Wing), advanced the proposal to the Finance Committee.

S.F. 1144, carried by Murphy, earmarks 50 percent of the fines collected from violations of failing to yield to a pedestrian in a crosswalk to the new account. The other 50 percent is split evenly between the state general fund and the local unit of government that prosecuted the violation. Crosswalk education account funds are to be used, under the bill, by the commissioner of public safety for education materials, advertisements and grants to law enforcement and local governments for crosswalk safety activities. Ramsey County Commissioner Victoria Reinhardt said many drivers are unaware of proper procedures when approaching a crosswalk where someone may be waiting to cross or actively crossing. At the same time, she said, some pedestrians cross unsafely, often against traffic signals. Tim and Terri Wald were joined by Principal Jack Dzubnar to relate their experience when Taylor Wald, a student at Lincoln Elementary in White Bear Lake, was struck by an inattentive driver while Taylor was walking to school.

Committee members also considered several other bills. S.F. 981, sponsored by Sen. Yvonne Prettner Solon (DFL-Duluth), requires revisions of the state transportation plan to include a chapter on state aviation planning. The bill was forwarded to the State and Local Government Operations Committee. S.F. 885, authored by Sen. Linda Berglin (DFL-Mpls.), provides for an additional deputy registrar in Hennepin County, operating a full-service office at the Midtown Exchange Building in Minneapolis. The bill was approved and sent to the full Senate.

Two bills authorizing municipalities to impose transportation utility fees—S.F. 366, carried by Sen. Sharon Marko

(DFL-Cottage Grove), and S.F. 818, sponsored by Sen. Michael Jungbauer (R-East Bethel)—were heard. Representatives of cities said the ability to impose a fee is important in maintaining municipalities' ability to maintain their transportation infrastructure. Jack Horner, Minnesota Multi-Housing Association, said the fee will fall disproportionately on new apartment developments, which generate a lot of traffic. He said the fee is also not clearly connected to actual usage. Truckers account for only six percent of vehicle-miles traveled annually, said Amber Backhaus of the Minnesota Trucking Association. Trucking operations already contribute substantially to property tax rolls and other revenues, she said. Most trucking companies are on state-supported roadways, Backhaus said, but are likely to be major payers under a transportation utility fee structure designed to support local infrastructure. Representatives of the Minnesota Grocers Association, Minnesota Retailers Association and National Association of Industrial and Office Properties also spoke against the proposals. Both S.F. 366 and S.F. 818 were forwarded, without recommendation, to the State and Local Government Operations Committee.

Murphy carried four additional bills. S.F. 670 prohibits local authorities from discriminating, in parking or standing ordinances, against vehicles with registered gross vehicle weights up to 15,000 pounds. The measure was approved and advanced to the State and Local Government Operations Committee. S.F. 1125 permits licensed peace officers holding class D driver's licenses to operate any vehicle or combination of vehicles while on duty. The bill was approved and sent to the full Senate. S.F. 1089, which establishes a revolving account for the state highway sign program, was approved and sent to the Finance Committee. S.F. 808, regulating motorized foot scooters, was also approved and sent to the full Senate.

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 and in any

order you like. 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.

"A Building for All..." can be purchased for \$5 per CD (both PC and Mac versions on one disc) or borrowed at no cost by contacting Senate Media Services at (651) 296-0264.

MyBills system available

The MyBills personalized bill tracking system is now available. Users can add House and Senate bills to their lists by bill number, subject, or author, and view the legislative status of their bills, with items with significant current floor action highlighted. Users can modify their lists at any time. The MyBills system is available from the Legislative website at: <http://www.house.mn/leg/billslogin.asp>

Educational Videos Available

Three videos, "Discover the Capitol," "Power in the Process: The Anti-Hazing Law," and "Rules, Laws and the Process," can now be accessed through the Legislature's website at <http://www.leg.mn/leg/youth/video.htm>

These videos are excellent sources of information on the history of the State Capitol, how laws are made in Minnesota and how even the state's youngest citizens can get involved in the legislative process.

For more information contact Senate Media Services at (651) 296-0264.

Schedule available online

Next week's schedule is available at <http://www.senate.mn/schedule/2005/0314.htm>

Senate Briefly

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Former Governors Wendell Anderson, left, and Arne Carlson enjoy a lighter moment during their presentation to the Higher Education Budget Division, Tues., Mar. 15, advocating for increased appropriations for the University of Minnesota.

Photo by David J. Oakes



March 18, 2005

Senate Highlights

Abortion alternatives bill ok'd

A bill providing grants for programs providing alternatives to abortion gained when the Health and Family Security Committee, chaired by Sen. Becky Lourey (DFL-Kerrick), met Tues., Mar. 15.

S.F. 917, authored by Sen. Dallas Sams (DFL-Staples), creates a positive alternatives to abortion grant program. The measure requires the commissioner of health to award grants to eligible applicants to assist programs that support, encourage and assist women in carrying their pregnancies to term. The measure costs \$2.5 million, plus \$50,000 in administrative and implementation costs, said Sams.

Andrea Rau, Minnesota Concerned Citizens for Life (MCCL), spoke in support of the bill. "There is nothing that precludes a grantee from discussing abortion. Grantees just may not encourage or promote abortion," said Rau. Rau cited a study by the Elliot Institute that says more than 80 percent of women who have had an abortion say they would not have had the abortion if they had felt adequately supported in carrying their pregnancies to term. "We are failing as a society if more than 80 percent of women having abortions feel forced into their decisions by a lack of support," she said. Several individuals from care centers providing services covered in the bill also spoke in support of the measure.

Tim Stanley, NARAL Pro-Choice Minnesota, spoke against the measure. He introduced Anne Halverson, also of NARAL, who outlined a negative experience she had with a center that would be eligible for the grants and said she had a positive experience with an organization that would not be eligible for the program. A clinic should be able to present all options, said Halverson. Tina

Smith, Planned Parenthood, said there were two problems with the bill. First, she said, it creates a gag rule on referrals, and second, it does not have important privacy protections for clients. Sams replied that the bill allows grantees to discuss abortion, just not to promote or encourage it. Smith also said she questioned spending money on the grant program while the state was cutting childcare and health programs.

Senators offered several amendments to S.F. 917. Sen. Mee Moua (DFL-St. Paul) offered two. The first, said Moua, removes language that restricts organizations from making referrals on abortion services. Sen. Steve Kelley (DFL-Hopkins) incorporated language clarifying that the organizations could not arrange for abortion services. The amendment was adopted. The next amendment removed a provision of the bill requiring grantees to have operated an abortion alternatives program for at least one year at the time of their grant application. Sams said the provision was included in order to ensure that grants were made to organizations with a proven record of success. Moua said she wanted to let organizations that want to develop programs eligible for the grants to do so. "I want the bill to be as encouraging as possible," she said. Senators adopted the amendment. Sen. Linda Berglin (DFL-Mpls.) offered an amendment stating that organizations must have a privacy policy in order to receive funding. The amendment was adopted. Another amendment, offered by Kelley, instructs the commissioner of health to look at the quality of programs when awarding the grants. Senators adopted the amendment. Sen. Sheila Kiscaden (IP-Rochester) offered an amendment that includes support for the continuation and completion of high

school as a requirement for programs seeking grants. A technical amendment, offered by Sen. Linda Higgins (DFL-Mpls.), was also adopted.

Members approved S.F. 917, as amended, and re-referred it to the Judiciary Committee.

S.F. 581, carried by Sen. John Marty (DFL-Roseville), also gained approval. The measure requires the commissioner of health to develop a comprehensive family life and sexual education plan for use in all school districts by the 2008-2009 school year. The bill also creates an after-school enrichment grant program. Marty said the bill is intended to reduce unwanted pregnancies and abortions. "If we can cut the number of abortions in half," he said, "then that should be something we can all agree on. This is both family planning and comprehensive sexual education."

Lynn Bretl, from Prevention Research Center University of Minnesota, said the bill was a common sense approach to preventing unwanted pregnancies. She said the after-school enrichment programs are especially important because the hours right after school are a prime time for teen sexual activity. Representing the Minnesota Organization on Adolescent Pregnancy, Prevention and Parenting (MOAPPP), Joy Miciano spoke in support of the comprehensive sexual education provisions. Surveys of students in 6th, 9th, and 12th grades show that school is one of the top three places students receive information on sexual behavior, said Miciano. Sarah Stoesz, Planned Parenthood, spoke in support of the bill overall. "Nearly half of all pregnancies are unintended, and over half of unintended pregnancies end in abortion," said Stoesz. She called S.F. 581 a comprehensive, cost-effective way to prevent unwanted pregnancies.

Sen. Sean Nienow (R-Cambridge) offered an amendment making sexual education voluntary for students and subject to the consent of a parent or guardian. "I want to make sure we are not driving a wedge between schools and parents," said Nienow. The amendment was adopted.

Senators approved S.F. 581 and sent it to the Education Committee.

OHV bill stalls

A bill modifying regulations on off-highway vehicles failed to be approved by

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members of the Environment and Natural Resources Committee, Wed., Mar. 16.

At an earlier meeting, the panel heard three OHV proposals. Committee Chair John Marty (DFL-Roseville) had announced that his bill, S.F. 720, would serve as the omnibus bill. The bill restricts the operation of an OHV at greater than 10 miles per hour near non-riders, ice-fishing houses and homes and reduces the noise emission limit for OHVs. The bill also provides gross misdemeanor penalties for knowing disregard of OHV restriction signs, violating wetland restrictions after being notified, repeat OHV violations, violations endangering other persons and causing more than \$500 in property damage. Under the bill, an OHV may be seized and forfeited for a gross misdemeanor offense. S.F. 720 also extends the life of the OHV damage account, prohibits the use of off-road vehicles on state trails or grant-in-aid trails, prohibits the use of snorkels and extreme tires on all-terrain vehicles (ATVs) and provides for the revocation of OHV registrations after a trespassing conviction.

Marty offered an amendment making technical changes to the bill. The amendment also restored to their current levels civil fines that had been increased in the bill and clarified that the restrictions on OHV use did not apply to vehicles used for work on utilities. The amendment was adopted.

A motion to approve S.F. 720 and advance the bill to the Crime Prevention and Public Safety Committee failed on a divided voice vote. Sen. Thomas Bakk (DFL-Cook) then moved to approve S.F. 1442 and forward the bill to the Finance Committee. However, Sen. Dennis Frederickson (R-New Ulm) said the motion was in appropriate because S.F. 1442, carried by Bakk, was not on the agenda for the day's committee meeting. We have rules regarding public notice, to allow the public to know which bills we will act on and to permit members to prepare amendments to bills, said Sen. John Hottinger (DFL-St. Peter). Sen. LeRoy Stumpf (DFL-Plummer) said some members and interested citizens thought all three bills were available for action. Marty said he had made clear the other two bills were put before the committee previously for discussion, but were not going to be acted on. Marty ruled the motion to advance S.F. 1442 out of order.

Child vehicle restraints bill passes

A bill requiring children under nine to use vehicle restraints gained final passage when the Senate met Mon., Mar. 14. Senators also approved five other bills and a resolution.

S.F. 298, authored by Sen. Michael McGinn (R-Eagan), gained final passage on a vote of 44-18. The measure requires the use of vehicle restraints for children under nine and weighing less than 80 pounds. McGinn said vehicles today do not have a seatbelt system that will adequately restrain a child under nine. "This is a simple fix that will reduce spinal injuries and injuries to a child's neck and abdomen," said McGinn.

Sen. Claire Robling (R-Jordan) offered an amendment that delays the enforcement of the legislation until August 2006. She said she has practical concerns about the bill and wanted to give parents time to purchase and learn how to use the booster seats. The amendment, she said, does not affect the implementation of a program educating parents about the seats. Sen. Steve Murphy (DFL-Red Wing) said he opposed the amendment. He said injuries resulting from car crashes are the leading cause of death in the age group the bill affects and that it is better to implement the legislation sooner rather than later. McGinn, who said he opposed the amendment, noted that fees for a first-time violation can be waived if a parent provides evidence of purchase and use of a booster seat within 14 days of the violation. The amendment was not adopted.

Sen. Linda Berglin (DFL-Mpls.) offered an amendment requiring that information be provided to families in financial need on how to obtain a booster seat at no cost. The amendment was adopted.

Several Senators said they had concerns about the bill. Sen. Michele Bachman (R-Stillwater) asked if the bill was practical for parents. Sen. Mady Reiter (R-Shoreview) said, "There are some bills we should never tackle in the Minnesota Senate, and this is one of those bills. Our law enforcement officials have enough to do. I would ask parents to look into the seats, because they do have value, but a mandate is not appropriate." Sen. Dave Kleis (R-St. Cloud), however, urged Members to support the bill, saying it would save lives.

Sponsored by Sen. John Marty (DFL-Roseville), S.F. 370 also gained final

passage on a vote of 56-8. The measure allows news media to enter a polling place to observe the polling process. News media previously needed prior approval and could not stay in a polling place for more than 15 minutes, said Marty. Under S.F. 370, the media does not need prior approval but media cannot converse with voters, cannot make lists of voters, and cannot get within six feet of a person voting.

On a vote of 59-5, S.F. 186 also gained final passage. Authored by Sen. Scott Dibble (DFL-Mpls.), the bill provides an exemption to the competitive bidding process for transit projects for a current Minneapolis project. Dibble said the measure allows the Minneapolis North Terminal to incorporate a transit hub and parking ramp into its project.

Reiter offered an amendment that she said would narrow the scope of the bill only to the Minneapolis North Terminal project. "The bill has a much farther reaching hand than what is immediately evident," said Reiter. She offered an amendment that narrowed the scope of the bill only to the Minneapolis North Terminal project. The amendment was not adopted.

Members also granted final passage to three additional bills on unanimous roll call votes. S.F. 451, carried by Sen. Don Betzold (DFL-Fridley), requires the revisor of statutes to codify certain laws relating to Anoka County. "Everything in the bill has already been passed by the Legislature," he said, "and this is just codifying the place of those laws in the statutes." S.F. 453, carried by Sen. Gary Kubly (DFL-Granite Falls), allows auctioneers to retain their identification numbers.

Legislation in recent years had altered the system, said Kubly, meaning that auctioneers received a new number annually, costing them extra money and time. Members also concurred with House amendments and repassed S.F. 75, authored by Sen. William Belanger (R-Bloomington), was also approved. The bill exempts household goods movers from fixed compensation requirements when they are performing charitable work.

Finally, Senators adopted a resolution on the price of government. Sen. Lawrence Pogemiller (DFL-Mpls.) said the Senate and House are statutorily obligated to agree to a concurrent resolution by March 15 stating the maximum limit of personal income the

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state may collect to pay for government. The Senate resolution, based on the November forecast, sets a rate of 16 percent for 2006-2007 and 15.7 percent for 2008-2009, while the governor's recommendation is slightly lower, with limits at 15.9 and 15.6 percent respectively, said Pogemiller. "The Senate resolution calls for keeping the price of government the same as it is," he said. Pogemiller said the price of government has been dropping since its peak of more than 17 percent in 1994. "The reason price of government is dropping," he said, "is because we are requiring less money out of peoples' incomes for schools."

Twins bill passes

A bill allowing parents to request classroom placements for twins, or children of higher order multiples, was unanimously approved when the Senate met Thurs., Mar. 17. Members also discussed a measure relating to student support services and processed bills on the Consent Calendar.

S.F. 180 was authored by Sen. Dennis Frederickson (R-New Ulm). Frederickson said his work on the bill was inspired by family members who are twins and by his legislative assistant, a mother of twins. The bill allows parents of multiple birth children to choose whether or not they want the children placed in the same or separate classrooms, as long as the request is made within fourteen days of starting school. Frederickson offered an amendment that allows schools to separate the children if their being together disrupts the classroom. Sen. Steve Kelley (DFL-Hopkins) said that, with the amendment, he supports the measure. "The bill strikes a good balance between parents and local control by schools," said Kelley. The amendment prevailed.

Senators also considered S.F. 419, carried by Sen. Charles "Chuck" Wiger (DFL-North St. Paul). The bill specifies that school districts and the Department of Education are to work to provide support services to enhance a student's physical, emotional and social well-being. The measure also directs the department and districts to explore funding opportunities such as Medical Assistance reimbursements, federal funds and public health funds to finance the services. Wiger said that access to support services improves student performance.

Sen. Michele Bachman (R-Stillwater) asked what the cost will be to districts and the state, noting that the bill directs districts to seek reimbursement from the Medical Assistance fund. Also, said Bachman, while the measure is not an unfunded mandate, because it does not require schools to provide the services, the bill sends a strong message to schools that they are supposed to offer more services. "We are enhancing the burden on our schools without securing funding for it," said Bachman. Sen. Linda Berglin (DFL-Mpls.) said the Legislature has previously done what S.F. 419 proposes.

Some Senators raised concerns about what role for schools the measure promotes. Sen. Betsy Wergin (R-Princeton) spoke in opposition to the bill. "One of the problems we have in education," she said, "is that we expect our schools to be nurses, social workers, parents, and doctors. I know there is a whole person to address, but not all of these services are necessary in schools." Berglin said, "It's not about putting psychological services into the classroom. It's about students who struggle in the classroom because they need psychological services."

Senators laid the bill on the table.

Five bills on the Consent Calendar gained final passage. S.F. 114, authored by Sen. Paul Koering (R-Fort Ripley), designates a section of Highway 371 as the "Purple Heart Memorial Highway." Koering said the section of road is particularly appropriate to be named in honor of veterans because it runs by the Minnesota veterans' cemetery and Camp Ripley. He also said there was no cost to the state because an anonymous donor has agreed to pay the cost of the signs.

Koering also carried S.F. 471, which expands the authority of regional development commissions. The bill allows the commissions to own property in order to facilitate the development of affordable housing projects.

Sen. Thomas Bakk (DFL-Cook) sponsored S.F. 1405. The bill authorizes the use of the North American industry classifications of employees. Bakk said Minnesota currently uses an older code on workplace safety, but under the bill, Minnesota businesses would be able to use either code.

S.F. 1315 was authored by Sen. Dave Kleis (R-St. Cloud). The bill requires precinct vote summaries, which are already submitted for state elections, to be submitted for all elections.

Sen. Mark Ourada (R-Buffalo) carried S.F. 692, a measure removing certain parcels of land from the Mississippi recreational river land use district in Wright and Sherburne Counties. Ourada said local government units and the DNR have already agreed to the measure.

S.F. 960, authored by Sen. Michael Jungbauer (R-East Bethel), was moved from the Consent Calendar to General Orders. The bill excludes the distribution of food and nonalcoholic beverages from the bribery prohibition under the fair elections campaign practices act. Sen. Ellen Anderson (DFL-St. Paul) said she was worried that throwing candy from cars during parades could cause a safety hazard.

Schedule available online

Next week's schedule is available online at: <http://www.senate.mn/schedule/2005/0321.htm>

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Committee update

Agriculture, Veterans and Gaming

Wild rice ban heard

A bill prohibiting the cultivation and sale of genetically engineered wild rice was heard by members of the Agriculture, Veterans and Gaming Committee, Wed., Mar. 16. The panel, chaired by Sen. Jim Vickerman (DFL-Tracy), laid the bill over for further consideration.

S.F. 1566, carried by Sen. Becky Lourey (DFL-Kerrick), implements the ban. Genetically engineered wild rice could cross pollinate, permanently contaminating our native plant, she said. She said genetically engineered wild rice could also reduce the profitability of Minnesota wild rice on the world market. Lourey said the bill is not directed at prohibiting research conducted at the University of Minnesota. Winona LaDuke, White Earth Land Recovery

Project, said genetically engineered wild rice greatly threatens Minnesota's traditional, native wild rice. There is no such thing as a test plot for wild rice, she said. Studies indicate that pollen drifts up to four miles, LaDuke said.

This legislation is not a matter of urgency, said Beth Nelson of the Minnesota Cultivated Wild Rice Council. We do not plan to produce genetically modified wild rice, she said. There are also federal regulatory steps we would have to take before producing genetically modified wild rice, an expensive process that we cannot afford, Nelson said. She said the bill is premature and the science on the matter is not conclusive. No one at the University is genetically engineering wild rice, the federal government has acted to ensure a safe food supply and restrictions on one crop may also restrict the ability to research other crops, said Regents Professor Ron Phillips. It is

unlikely that a market will develop for genetically modified wild rice, but we should not close off our options, he said, such as creating a breed of wild rice resistant to some pests. Plant geneticists use genetic modification to test theories; the bill restricts research, Phillips said.

In other action, committee members approved several bills. S.F. 569, carried by Sen. Satveer Chaudhary (DFL-Fridley), permits charitable gambling funds to be used by youth and adult Dept. of Natural Resources training and education programs. The measure was re-referred to the Crime Prevention and Public Safety Committee. S.F. 1580, carried by Sen. Linda Higgins (DFL-Mpls.), expands the definition of the term "shade tree" and appropriates \$15 million for a shade tree pest and disease control program. Current law specifies Dutch elm disease and oak wilt as shade tree diseases; the bill provides that any disorder affecting the



Sen. Sean Nienow (R-Cambridge) inspects a display—depicting the destructiveness that Emerald Ash Borer beetles have on shade trees—during an Agriculture, Veterans and Gaming Committee hearing, Wed., Mar. 16.

Photo by David J. Oakes

Committee update

growth and life of shade trees is a shade tree disease. Specialists from the Dept. of Agriculture and the Minneapolis Park and Recreation discussed threats to shade trees. The measure was approved and sent to the Finance Committee.

Sen. Tom Saxhaug (DFL-Grand Rapids) sponsored S.F. 1288, which modifies the definition of the term "video game of chance." Saxhaug offered, and the committee adopted, an amendment narrowing the scope of the modified definition. Gerald Sweeney, representing SEGA, said a video game involving raising racing horses and available in standard commercial settings, such as arcades, has been determined to fall within the current definition of "video game of chance." The product, he said, does not involve any gambling. Because of the interpretation of the term and its application to the game, the product has been pulled from Minnesota, Sweeney said. S.F. 1288 was sent to the full Senate. Sen. Carrie Ruud (R-Breezy Point) authored a bill, S.F. 1623, permitting the placement of a memorial plaque, recognizing veterans of the Gulf War, in the court of honor on the Capitol grounds. The measure was recommended for placement on the Consent Calendar.

S.F. 1555, containing the recommendations of the Gambling Control Board, was carried by Sen. Ann Rest (DFL-New Hope). The bill repeals bingo hall licensing in favor of alternative licensing for bingo premises, modifies the lawful purposes for which gambling proceeds may be used, increases the percentage of gross profits that may be spent for expenses and increases maximum tip board prizes. Rest offered an amendment making technical changes to the bill and incorporating provisions from other bills. The amendment was adopted. Sen. Steve Murphy (DFL-Red Wing) moved to delete a provision relating to raffles conditional on other purchases. Murphy said the provision restricts the ability of organizations having annual dinners to also operate a raffle in conjunction with the event. The provision was deleted. S.F. 1555 was re-referred to the Finance Committee.

Sen. Paul Koering (R-Fort Ripley) sponsored two bills. S.F. 1621 clarifies the ability of the adjutant general to rent buildings and other facilities at Camp Ripley. S.F. 1622 clarifies provisions relating to management of armory boards.

Both bills were recommended for placement on the Consent Calendar. S.F. 1624, carried by Sen. David Hann (R-Eden Prairie), clarifies the accumulation of vacation and sick leave by public employees while on military leave. The bill was re-referred to the Committee on State and Local Government Operations.

Commerce

Liquor bills approved

The Commerce Subcommittee on Liquor, chaired by Sen. Sandra Pappas (DFL-St. Paul), devoted its Mon., Mar. 14, meeting to hearing a variety of bills aimed at strengthening the restriction of underage alcohol purchasing and consumption as well as allowing cities to issue on-sale liquor licenses.

Under S.F. 1280, carried by Sen. Rod Skoe (DFL-Clearbrook), a person does not become 21, with respect to purchasing, possessing, consuming, selling, furnishing or serving alcoholic beverages, until 8 a.m. on the individual's birthday. Skoe said the bill is intended to help prevent heavy drinking during the night of a person's 21st birthday. Jim Farrell, Minnesota Licensed Beverage Association, said he did not know of any opposition to the bill. "The sooner you do this, the better," said Farrell. A mother who lost her son to binge drinking on his 21st birthday urged Senators to pass the legislation. Senators approved S.F. 1280 and sent it to the full Commerce Committee.

A bill establishing mandatory civil penalties for selling alcoholic beverages to persons under age 21 was also approved. S.F. 1444, authored by Sen. Ellen Anderson (DFL-St. Paul), imposes penalties ranging from a \$500 fine for a first violation to the revocation of a retailer's license for a fourth violation within two years. The bill also requires at least two compliance checks per year on each retail license holder. Anderson said the cost of the compliance checks is covered by the licensure system. She also noted that similar compliance checks have been conducted on cigarette retailers for years.

Dr. Tracy Toomey, University of Minnesota, spoke in support of the legislation. "Alcohol is related to nearly all other problems young people face," said Toomey. She also said research shows that the legislation would be effective in reducing the ability of minors to purchase alcohol.

Sen. Sheila Kiscaden (IP-Rochester) asked what cities already do to conduct compliance checks. She said the legislation could be viewed as a ceiling on, instead of a floor for, civil penalties when local government might want even stricter punishments. Anderson said she did not want to preclude stricter penalties and agreed to work out language establishing that the penalties articulated in the bill were minimum requirements. Anderson also put forth an amendment indicating the penalties were minimums and including municipal liquor stores in the bill. The amendment was adopted. S.F. 1444 was recommended to pass and was laid over for possible inclusion in the omnibus liquor bill.

Three bills allowing cities to issue on-sale licenses were also approved. S.F. 1535, sponsored by Sen. Scott Dibble (DFL-Mpls.), authorizes the city of Minneapolis to issue an on-sale license to the Walker Art Center. S.F. 1680, carried by Sen. Lawrence Pogemiller (DFL-Mpls.), authorizes the city of Minneapolis to issue an on-sale license to the Guthrie Theater. S.F. 1072, authored by Sen. David Hann (R-Eden Prairie), authorizes the city of Eden Prairie to issue an on-sale liquor license to Eden Prairie's City Center. Both S.F. 1680 and S.F. 1072 were approved and laid over for possible inclusion in the omnibus liquor bill. S.F. 1535 was approved and sent to the full Commerce Committee.

Members also heard three bills relating to the retail and distribution of alcohol. Dibble carried S.F. 1322, which repeals the prohibition against dual distribution in the beer market. Dr. Clifford Ong, former chairman of the alcohol and tobacco commission for the state of Indiana, spoke in opposition to the bill. Ong said the bill would induce breweries to impose serving requirements and hurt small retailers by allowing large retailers to control the best accounts.

S.F. 1130 was authored by Sen. Bob Kierlin (R-Winona). The measure removes wine from a list of alcoholic beverages exempt from a law requiring the beverages to be sold on a nondiscriminatory basis. S.F. 1435, sponsored by Sen. Dave Kleis (R-St. Cloud), requires cities that own and operate a municipal liquor store to issue an off-sale license for an exclusive liquor store to any qualified applicant. No action was taken on S.F. 1322, S.F. 1130 or S.F. 1435.

However, the subcommittee approved a memo to the Legislative Audit Commission requesting information on subjects relating to the measures. Sen. Linda Scheid (DFL-Brooklyn Park) said the memo will help Senators learn more about issues raised by the three bills. The memo asks for an evaluation of the effect of wholesaling relationships, limitations on retail licenses, and state or local economic regulation on consumer choice, competitive pricing, public safety and public health.

Crib safety bill okayed

A bill aimed at improving crib safety was approved when the Commerce Committee, chaired by Sen. Linda Scheid (DFL-Brooklyn Park), met Wed., Mar. 16.

S.F. 899, authored by Sen. Ellen Anderson (DFL-St. Paul), requires licensed child care providers to maintain documentation on brand names and model numbers of cribs they use and to check the brand and model information against the Consumer Product Safety Commission website annually. The measure also provides commercial crib safety regulations and requires a license holder to perform monthly safety inspections on cribs. "Essentially," said Anderson, "the bill requires that any crib sold in Minnesota be safe."

Jerry Kerber, Department of Human Services, and Ray Frost, Minnesota Childcare Association, spoke in support of the measure. Frost said most child care centers already do much of what is required in the bill. Anderson said she did not know of any opposition to the bill.

Sen. Sheila Kiscaden (IP-Rochester) said it made sense to establish the requirements for child care centers, but said if parents wanted a specific crib they could easily go online to purchase it outside of Minnesota. Anderson said the regulations in the bill matched federal standards. Sen. Ann Rest (DFL-New Hope) offered an amendment to eliminate the section of the bill outlining each standard. The outline, she said, is redundant because the standards are referenced earlier in the bill. Anderson said she was not opposed to the amendment and that the standards were included to make understanding the bill easier for businesses. The amendment was adopted.

Senators approved S.F. 899 and referred it to the Health and Family Security Committee.

Five other bills also gained. S.F. 1280, carried by Sen. Rod Skoe (DFL-Clearbrook), prevents a person from becoming legally 21 for the purpose of purchasing, possessing, consuming, selling, furnishing and serving alcoholic beverages until 8 a.m. on the person's birthday. Skoe said the bill sends a positive educational message about binge drinking on the eve of one's 21st birthday. Sen. Lawrence Pogemiller (DFL-Mpls.) said that while he appreciates the motivation behind the bill, he is not sure the bill would accomplish its intent. Members approved the bill and forwarded it to the full Senate.

S.F. 1535, sponsored by Sen. Scott Dibble (DFL-Mpls.), also advanced to the floor. The measure authorizes the city of Minneapolis to issue an on-sale license to the Walker Art Center.

Sen. Gary Kubly (DFL-Granite Falls) authored S.F. 1039, a measure prohibiting tampering with clock-hour meters on farm tractors. Kubly said individuals occasionally turn back clock-hour meters on tractors to make them appear as if they have been driven less and thus have greater market value. Senators approved S.F. 1039 and sent it to the Judiciary Committee.

Senators recommended placement on the Consent Calendar for two bills. S.F. 1437 was authored by Sen. Julianne Ortman (R-Chanhassen). The measure, which recodifies the Motor Vehicle Retail Installment Sales Act, is entirely technical, said Ortman. S.F. 909, carried by Sen. Sharon Marko (DFL-Cottage Grove), broadens an existing right to purchase Medicare supplement coverage. Currently, said Marko, a person receives a six-month window to reenroll in the program after obtaining coverage through being an employee. The bill specifies the individual is eligible for another six-month enrollment period after again becoming eligible for Medicare Part B.

Crime Prevention and Public Safety

'Video voyeurism' bill heard

A measure enhancing the penalties for interfering with privacy was heard by members of the Crime Prevention and Public Safety Committee, Tues., Mar. 15. The panel, chaired by Sen. Leo Foley (DFL-Coon Rapids), advanced the bill to the Finance Committee.

S.F. 123, carried by Sen. Paul Koering (R-Fort Ripley), increases the current misdemeanor penalties for first offenses to gross misdemeanors and increases the current gross misdemeanor penalties for repeat offenses and for offenses committed against minors to felonies punishable by up to two years in prison. The bill also creates a felony crime, punishable by up to 10 years in prison, for engaging in a pattern of interfering with privacy. Micky Hyatt said she found evidence that her husband was secretly taping her two daughters, aged 13 and 15, as they showered. He was arrested and subject to only one year in jail, Hyatt said, while her daughters have suffered life-altering effects, including needing to see therapists and declining academic performance. "Men who do this type of thing," she said, "need to know that they will not be able to walk away scot-free." Sara Oldakowski, who was videotaped by her stepfather over many years, said she still has nightmares.

Members considered the first section of the bill, increasing penalties for the existing crime of interfering with privacy, last year. The section creating a new crime was not part of last year's bill. Senate Counsel Kenneth Backhus said the section was modeled after the stalking statute. A pattern of video voyeurism is almost like being a sexual predator and deserves serious punishment, said Koering. Committee members, however, expressed concerns about how the section was structured. Sen. Thomas Neuville (R-Northfield) said the section appears to elevate two misdemeanor offenses into a 10-year felony offense of a pattern of interference. Neuville moved to delete the section and urged Koering to do reintroduce it as a separate bill that could receive additional attention. The section was removed.

The committee also heard five other bills. S.F. 657, sponsored by Sen. Don Betzold (DFL-Fridley), extends the deadline for holding civil commitment hearings for sexual psychopathic personalities and sexually dangerous persons from 14 days after filing a petition for commitment to 90 days after filing. Betzold said the increase in the number of petitions has made it difficult to meet the 14-day deadline. Betzold also authored S.F. 1230, which expands the crime of escape from custody to include persons civilly committed as sexual psychopathic personalities and sexually dangerous persons who abscond following the

Committee update



Senators Dan Sparks (DFL-Austin), left, and Cal Larson (R-Fergus Falls) examine a newspaper article during a recent floor session.

Photo by David J. Oakes

revocation of provisional discharge. Both bills were forwarded to the Finance Committee.

S.F. 87, carried by Sen. Dave Kleis (R-St. Cloud), expands the misdemeanor trespass crime to include persons who return to the property of another at any time after being told to leave and not return. Current law prohibits return for 30 days. Members adopted three amendments offered by Kleis. The first prohibits return for only one year, instead of at any time. The second makes it a misdemeanor to be on the roof of a school building without permission. The final amendment expands the crime to include entry onto a locked aggregate mining site. Representatives of retailers spoke in support of the measure, saying they encounter serial shoplifters who return every month over the course of years, knowing there is little a store can do. S.F. 87 was sent to the full Senate.

Sen. Wesley Skoglund (DFL-Mpls.) sponsored S.F. 676, which makes it a crime to interfere with members of an ambulance service performing their official duties. Current law prohibits interfering with police officers and firefighters performing their official duties. The measure was advanced to the Finance Committee. S.F. 1207, carried by Foley, limits postconviction relief and sets conditions on petitions for postconviction relief. The bill was sent to the full Senate.

Drug offender penalties discussed

Three bills dealing with drug offender penalties were the focus of the Crime Prevention and Public Safety Committee meeting Thurs., Mar. 17. The panel, chaired by Sen. Leo Foley (DFL-Coon Rapids), took no action on the bills.

The first measure, S.F. 1232, authored by Sen. Don Betzold (DFL-Fridley), mandates a stay of adjudication

for first-time drug offenders and requires placing the offenders on probation. Under the bill, the court may give the person the opportunity to attend and participate in an appropriate treatment program. Betzold said the aim is to divert first-time offenders into treatment and not increase prison populations.

S.F. 903, sponsored by Sen. Thomas Neuville (R-Northfield), also deals with sentencing drug offenders. Neuville said, "It is apparent that what we are doing now is not effective. Longer sentences have not had an effect on recidivism." He said there is evidence that treatment is 14 times more effective than incarceration in preventing repeat offenses. He said the bill applies to any drug offender. Under the bill, the court must certify that the offense is the result of addiction. If the court makes the certification, the person qualifies for treatment at the beginning of the sentence. Neuville said that the

sentences are not changed, but if the offender completes the program the offender becomes eligible for early release. In addition, Neuville said the bill provides that if five years after completion of the sentence there are no further offenses and the offender abstains from drug and alcohol use, the offender may apply for expungement of the offender's criminal record.

Sen. Julianne Ortman (R-Chanhassen) sponsored a bill, S.F. 1138, that she said is also an attempt to divert first-time offenders. The bill provides for a presumptive stayed sentence for first-time fourth- and fifth-degree drug offenders. The bill also provides for a shorter sentence for offenders who successfully complete treatment. The bill also contains \$3 million in appropriations for development and operation of prison-based treatment programs, for chemical dependency treatment for persons with low incomes and for reimbursements for peace officer training.

Members heard testimony on all three bills before laying them over to determine which bill will go forward through the process. Testimony was heard from representatives of law enforcement, county attorneys' offices, and the Defense Attorney's Association.

Early Childhood Policy and Budget Division

Child care access bill heard

The Early Childhood Policy and Budget Division, chaired by Sen. John Hottinger (DFL-St. Peter), met Thurs., Mar. 17, to consider five bills.

First, the division heard an overview of the governor's supplemental budget for child care from the Department of Human Services (DHS). Ann Sessoms, DHS director of transitions to economic stability, presented the overview. The supplement adjusts child care center reimbursement rates in counties where the rates were reduced as a result of 2003 legislation, said Sessoms. She said the new reimbursement rate is established at the current maximum rate of reimbursement or the highest rate reported for the county in 2002.

Sen. Linda Scheid (DFL-Brooklyn Park) authored S.F. 1110. Scheid said the bill reinstates \$86 million worth of cuts resulting from policy changes in 2003.

The bill increases income eligibility for child care assistance to 250 percent of the federal poverty guidelines, grants an additional 15 percent above the maximum reimbursement rate to accredited care centers, suspends fees related to early childhood care and lowers parent co-payments. "The bill is intended to provide some relief after the pain early childhood care has experienced in the past few years," said Scheid.

Several individuals spoke in support of the bill. Kathryn Tout, Child Trends, said the bill did three important things by providing incentives for providers, access for families, and information for families. Representing Child Care Resources and Referral, Pat Gannon said assistance with child care provides stability for low-income families. Anne Halvorson, a parent of a one year old, said, "Without daycare assistance, I wouldn't be able to work." Ruth Krueger, Minnesota Association of County Social Services Administrators (MACSSA), said the income eligibility increase is the most important measure because it allows more families to work and have child care. Fee suspensions are the most critical issue, said Michelle Thole, Minnesota Licensed Family Child Care Association.

The division laid the bill over for possible inclusion in the omnibus bill.

Sen. Cal Larson (R-Fergus Falls) carried three bills, S.F. 826, S.F. 873 and S.F. 1119. S.F. 826 restores child care center licensing fees to their pre-2003 level. "I understand there have to be fees," said Tammy Anderson, director of Children's Corner Learning Center, "but the fee went up without any increase in services for which the fee is supposed to pay." Anderson spoke in support of the bill, which effectively cuts the fee by 25 percent.

S.F. 873 requires the commissioner of human services to restore child care reimbursement rates to facilities that received a decrease in reimbursement after the rates were frozen in 2003. Anderson said she is appreciative of the governor's budget supplement and noted that the last four years have been hard on child care centers, especially centers in rural areas.

S.F. 1119 requires the commissioner to expand the categories of maximum child care rates by determining a half-day rate. Half-time programs are increasingly popular, said Anderson, but they pose

financial problems for centers because of the current reimbursement structure. Currently, the commissioner determines only hourly, full day and weekly maximum rates, even though many families use child care half-time, she said. As a result, parents must pay the difference between the time they actually use the center and the level of determined rate, said Anderson. All three bills were laid over for possible inclusion in the division's omnibus bill.

Sen. Bob Kierlin (R-Winona) sponsored S.F. 447. The bill authorizes accredited Montessori child care centers to be paid a 10 percent bonus above the maximum child care assistance rate. Ann Luce, Brightwater Montessori, spoke in support of the bill. "Montessori schools are hard to set up, but they provide an incredibly effective early childhood environment. Children really thrive in Montessori schools," she said. Senators laid the bill over for possible inclusion in the omnibus bill.

Education

Rochester university bills heard

Two bills providing for, in one, case a citizen's council and, in another, a planning committee, to plan a four-year university in Rochester were heard at the Tues., Mar. 15, meeting of the Education Committee. S.F. 1004, sponsored by Sen. Sheila Kiscaden (IP-Rochester), creates a citizen's council to make recommendations for the creation of a mission-driven educational entity that focuses on state and regional opportunities and needs in the areas of science, technology, agribusiness and management. S.F. 1159, carried by Sen. David Senjem (R-Rochester), establishes a planning committee for a four-year university at Rochester.

Kiscaden said the plan was to amend the bills so that both bills contain identical language. She said, "Rochester has been working for many years to promote higher education in our area. We have long felt if we got the right mix in our community we would be able to grow a high tech, bio-medical triangle in Minnesota." Kiscaden said the one thing missing has been a four-year institution of higher education. She said Rochester's community and technical college is a valuable asset to the community, but the community lacks a four-year university.

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Senjem said, "I believe in these bills we have the beginning of a great university that in 100 years will be a beacon of biosciences in the country and the world."

An amendment was distributed to make the language in both measures identical.

Valerie Pace of the Greater Rochester University Center said the three elements of technology, biosciences and medicine come together to form an ideal circumstance for a four-year university. Drew Flaada, IBM, Al Berring, CEO of Pemstar, and Kathy Meyerle, Mayo Clinic, all spoke in support of the idea of a four-year university in Rochester. Southeastern Minnesota has the highest demand for highly-educated workers in Minnesota, outside the Metro Area, said Commissioner Matt Kramer, Dept. of Employment and Economic Development.

Committee Chair Steve Kelley (DFL-Hopkins) said the proposed university described in the amendment that was distributed puts the planning process on a course of establishing a university that is not the University of Minnesota. Pace said there is no doubt that in the Rochester community there is interest in increasing the role of the University of Minnesota, but there is also interest in using the initial planning appropriation to determine exactly what is best suited for Rochester. Meyerle said although much of what is envisioned would rely on the resources of an institution such as the University of Minnesota, we are not prepared to say that we want to establish a branch of the University of Minnesota. Kelley said he was hearing the speakers say there are capabilities available in the Twin Cities that need to be expanded to the Rochester area, but there is no need to establish two biometrics or genomics facilities. Kelley offered a second amendment that would be less directive about the creation of a Rochester university. Kiscaden said the community sees both bills as the natural evolution of activities that have been undertaken for some time and as ways of keeping options open.

Gregory Wright, faculty president, Rochester Community and Technical College said the faculty supports growth of higher education in Rochester, but is concerned about the future of the Rochester Community and Technical College. "It is unclear to us what happens to it in this governance process," Wright said.

Susan Heegaard, Higher Education Service Office, said the intention of the bill is to leave the door open, not to create a new university. Members adopted the Kelley amendment and advanced both bills to the Finance Committee.

In other action, the committee heard several additional bills. S.F. 784, authored by Sen. Sandra Pappas (DFL-St. Paul), provides for a state coordinator for school world languages programs and provides grants to model extended world languages programs. Anita Ratwick, Minnesota New Visions, said the ability to speak other languages is vital in a world economy. Pappas said it is important for children to have a wide knowledge of other countries and one of the best ways is through studying foreign languages. In addition, Pappas said, studying other languages also helps in other areas of study. The United States is the only country that routinely graduates students without knowledge of a second language, Pappas said. The measure was laid over for possible inclusion in the committee's omnibus bill.

S.F. 764, sponsored by Kelley, authorizes a task force to study the delivery and funding of special education for students in nonpublic school. The task force is to compare and evaluate how the individual needs of each child are being met, if services are provided in the least restrictive environment and whether best practices and program efficiencies are being used in the specific areas of transportation, location of services and shared time aid. The measure was approved and re-referred to the State and Local Government Operations Committee. A second bill sponsored by Kelley, S.F. 1291, was also approved. The bill provides for licensing teachers of interdisciplinary teaching and facilitates learning in innovative schools and programs. The bill was approved and re-referred to the State and Local Government Operations Committee. S.F. 586, authored by Sen. Dallas Sams (DFL-Staples), but presented by Sen. LeRoy Stumpf (DFL-Plummer), modifies teacher license variances for special education teachers in low-incidence regions. The measure was approved and advanced to the Senate floor.

Internet filters requirement heard

A measure requiring schools and libraries to install filtering software to block access to obscene material was heard by members of the Education

Committee, Thurs., Mar. 17. S.F. 1529 was laid over for possible inclusion in the omnibus education policy bill.

The proposal, carried by Sen. Betsy Wergin (R-Princeton), withholds state funds for school libraries, computer labs and media centers from schools that do not install the software. Similarly, the bill withholds all state funding from public libraries not complying with the requirement. However, the legislation does not mandate a specific commercial product or brand.

Most children do not go looking for obscene material, said Wergin, but accidentally come upon it online. Exposure to the material is harmful to young people with vulnerable minds, she said. Representatives of a leading manufacturer of filtering software demonstrated how their product works. Wergin said the requirement has already been imposed on schools and libraries by the federal government. The bill adds state consequences for failing to comply, she said.

Only one school district and three public library systems in Minnesota have not complied with the federal requirement, said Elaine Keefe, representing the Minnesota Library Association and the Minnesota Educational Media Organization. The associations have concerns about the grave consequences of failing to comply, she said. Keefe said the federal penalty for noncompliance is loss of internet-related funding, not all library-related funding. Librarians and educators also object to filtering requirements because filters are blunt tools that block legitimate research material and miss some objectionable sites, she said.

Committee members, chaired by Sen. Steve Kelley (DFL-Hopkins), considered four other bills before laying them over for possible inclusion in the omnibus education policy bill. S.F. 731, sponsored by Sen. David Gaither (R-Eden Prairie), provides for a unified, internet-based, student information and reporting system. S.F. 1180, authored by Kelley, requires school districts to comply with the schools interoperability framework specifications. Two measures, S.F. 919 and S.F. 1793, both carried by Kelley, modify funding for online learning programs.

In other action, the committee advanced S.F. 1193 to the Finance Committee. The bill, sponsored by Sen. Ann Rest (DFL-New Hope), increases funding for area learning center students.

Elections

State primary date change rejected

A bill moving the state primary back from September to June failed to gain the approval of members of the Elections Committee, Mon., Mar. 14.

S.F. 1389, carried by Sen. Linda Higgins (DFL-Mpls.), sets the date for the state primary at the second Tuesday in June, rather than the first Tuesday after the second Monday in September. We spend too much time arguing within our parties, Higgins said, rather than debating policy between parties. Annette Meeks, representing the Center of the American Experiment, said primaries are an integral part of the nominating process, not of the general election. Placement close to the general election, she said, confuses voters into believing the primary contests are related to the general election contests. More time between the primary and general elections means more time to discuss issues, Meeks said. She said an earlier primary date also makes it easier for Minnesotans abroad, especially activated reservists and members of the National Guard, to vote absentee.

Tom Deans, School Boards Association, said the bill complicates school district elections by pushing back the filing period for school board seats to March. Sen. Dave Kleis (R-St. Cloud) noted that a plurality of states use a September primary. The election process is long enough, he said, without stretching out the general election contest. The longer a campaign drags out, the less people pay attention, said Sen. John Marty (DFL-Roseville).

Higgins said she sensed, from the committee's discussion, that support for a June primary was lacking. She offered, and the committee adopted, an amendment setting the primary date as the second Tuesday in August. After further discussion, Sen. John Hottinger (DFL-St. Peter) offered an amendment reverting to the June primary. The amendment was adopted. A final vote to advance the bill failed on an announced 5-5 tie.

The panel, chaired by Sen. Charles "Chuck" Wiger (DFL-North St. Paul), also considered four other measures. S.F. 1051, carried by Hottinger, permits persons to file for ongoing absentee voter status. Under the bill, an ongoing absen-

tee voter is automatically provided with absentee ballots for elections until the designation is removed. Members adopted an amendment, offered by Sen. Michelle Fischbach (R-Paynesville), providing that ongoing absentee voters must show that they meet the existing requirements for absentee voting. The measure was approved and sent to the full Senate.

S.F. 1249, sponsored by Sen. Michael Jungbauer (R-East Bethel), proposes a constitutional amendment providing for recall of elected state officials—including constitutional officers, Legislators and judges—for any cause identified by petitioners seeking the recall. Under current law, a petition for recall of a non-judge must be based on malfeasance, nonfeasance or conviction for a serious crime. Petitions for recall of judges must be based on grounds established by the Supreme Court, under current law. Jungbauer said a judge in Dakota County was recently revealed to have granted custody of a child to a convicted sex offender. Voters should be able to recall judges they believe have made seriously erroneous decisions or who they believe are soft on crime, Jungbauer said, but the Supreme Court's rules do not permit recall for the use of discretionary authority. Sandra Neren, representing the District Judges Association, said judges make hundreds of decisions every day that upset many people. A California-style recall permitting any reason or no reason for a petition is inappropriate, she said. Judges stand for elections, Neren said, and are disciplined for improper judicial conduct by the Board on Judicial Standards. Kleis said it was unlikely that a raft of frivolous petitions would be filed, because the threshold for a recall election is set at 25 percent of voters. The measure was laid over.

Sen. Sean Nienow (R-Cambridge) carried two bills. S.F. 1493 requires an additional report by principal campaign committees. The report is required, under the bill, to be filed 30 days after the general election. The measure was laid over. S.F. 1494 provides that suggestion solicitation cards mailed by incumbents to constituents, and paid for with campaign funds, are constituent services. As constituent services, spending on producing and mailing the cards are not subject to campaign spending limits, under the bill. A motion to advance the bill was defeated on an announced 5-5 tie.

Environment and Natural Resources

OHV bills heard

Members of the Environment and Natural Resources Committee met Mon., Mar. 14, to consider several measures pertaining to off-highway vehicles (OHVs).

S.F. 720, sponsored by Committee Chair John Marty (DFL-Roseville), restricts the operation of an OHV at greater than 10 miles per hour near non-riders, ice-fishing houses and homes and reduces the noise emission limit for OHVs. The bill also provides gross misdemeanor penalties for knowing disregard of OHV restriction signs, violating wetland restrictions after being notified, repeat OHV violations, violations endangering other persons and causing more than \$500 in property damage. Under the bill, an OHV may be seized and forfeited for a gross misdemeanor offense. S.F. 720 also extends the life of the OHV damage account, prohibits the use of off-road vehicles on state trails or grant-in-aid trails, prohibits the use of snorkels and extreme tires on all-terrain vehicles (ATVs) and provides for the revocation of OHV registrations after a trespassing conviction. The bill takes a big step forward in protecting public lands and protecting the rights of private landowners, Marty said.

S.F. 1442, carried by Sen. Thomas Bakk (DFL-Cook), increases fines for repeat violations of wetland restrictions and creates an OHV safety and conservation grant program to encourage clubs to assist in safety and educational efforts. Ray Bohn, representing the ATV Association of Minnesota (ATVAM), said a similar program has been successful in Wisconsin. The bill also requires ATV riders to complete a safety training course, permits counties to allow ATVs on minimum-maintenance roads, allows ATVs on portions of the North Shore Trail and permits the commissioner of natural resources to remove and modify trail designations. The measure also includes several appropriations, including an appropriation to fund the safety and conservation grant program and an appropriation to increase the number of grant-in-aid trails. Bohn said the bill represents a proactive approach by riders to address serious issues in OHV use and wetland protection.

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S.F. 1406, authored by Sen. LeRoy Stumpf (DFL-Plummer), requires the commissioner of natural resources to include forest classified as “limited” in a study of forest classifications. Under the bill, after a forest has been reviewed, its lands—either totally or partially—must be designated as either limited or closed. The bill classifies all forest land north of U.S. Highway 2 as managed.

The committee heard public comment on the three proposals from interested parties. Susan Solterman, Audubon Minnesota, urged policymakers not to add managed forests back into the classification mix. Instead, she said, the state should commit to the current plan: designating forests for OHV use. OHVs

do not mix well with bird watchers, cross-country skiers, families camping and other, traditional recreational uses of Minnesota’s resources, she said. Matt Norton of the Minnesota Center for Environmental Advocacy described the devastating effects of OHVs on wetlands, especially in northern regions, such as along the North Shore Trail and in the Beltrami Island State Forest.

Lois Campbell, representing the Four-Wheel Drive Association, said current enforcement of OHV laws is working. The facts do not warrant the removal of off-road vehicles on state trails, she said, as contemplated in S.F. 720. The association supports the education grant program included in S.F. 1442 and requiring

violators to take additional classes, Campbell said. Other members of the association said they use Minnesota’s resources for camping and hiking, as well as occasional trail riding. The average rider is set up to fail, because of the complexity of regulation, without education, said Dave Hendricks of ATVAM. We want more education for riders, he said. ATVAM’s goal is more trails, more education and effective enforcement, Hendricks said. Phill Morud, ATVAM, said marked trails work and prevent damage to resources. Nobody supports enforcement more than we do, said Bohn.

Committee members also heard two other bills. S.F. 1066, carried by Sen. Carrie Ruud (R-Breezy Point), requires



Senators Keith Langseth (DFL-Glyndon), left, and Tom Saxhaug (DFL-Grand Rapids) converse in the Senate chamber.

Photo by David J. Oakes

the commissioners of natural resources, revenue and transportation to study the amount of unrefunded gas tax attributable to all-terrain vehicle use on forest roads, forest trails and grant-in-aid trails. Marty sponsored S.F. 1047, which contains recommendations from the DNR clarifying provisions in existing OHV regulation. Both bills were approved and sent to the full Senate.

Land sales bills heard

The Environment and Natural Resources Subcommittee on Public Lands and Water Resources met Tues., Mar. 15, to consider several bills authorizing the sale of public lands. The panel, chaired by Sen. Tom Saxhaug (DFL-Grand Rapids), laid the bills over for inclusion in the subcommittee's omnibus land bill, S.F. 896.

S.F. 1105, carried by Sen. Michele Bachmann (R-Stillwater), authorizes the sale of tax-forfeited land in Washington County. S.F. 1508, sponsored by Sen. Gen Olson (R-Minnetrista), authorizes the conveyance of tax-forfeited land in Hennepin County. S.F. 1527, authored by Sen. Rod Skoe (DFL-Clear Lake), provides for the sale of tax-forfeited land in Beltrami County. S.F. 1633, sponsored by Sen. Thomas Bakk (DFL-Cook), authorizes the sale of tax-forfeited lands in St. Louis County.

Environment, Agriculture and Economic Development Budget Division

Rehabilitation grant considered

A grant to the Vinland Center for rehabilitation services was one of many topics considered by members of the Environment, Agriculture and Economic Development Budget Division, Tues., Mar. 15. The panel, chaired by Sen. Dallas Sams (DFL-Staples), laid the proposal over for possible inclusion in its omnibus budget bill.

S.F. 958, carried by Sen. Jim Vickerman (DFL-Tracy), provides \$300,000 to the center from the workers' compensation fund. The grant is to be used for programs addressing multiple barriers to employment, a self-sufficient lifestyle and physical, mental, emotional or cognitive work injuries or disabilities. Division members also heard a presenta-

tion on the center, which offers services in vocational rehabilitation, inclusive community programs and specially adapted chemical dependency treatment for people with cognitive disabilities. The center was founded in 1976 as a bicentennial gift to the United States from the government of Norway.

The panel also considered S.F. 691, sponsored by Sams, which provides \$200,000 to Central Lakes College and Ridgewater College for mental health counseling support to farm families and business operators through farm business management programs. S.F. 405, carried by Vickerman, appropriates \$280,000 for floodplain management in the Minnesota River basin. Sen. Mee Moua (DFL-St. Paul) sponsored S.F. 460, which provides a grant of \$500,000 each to the Chicanos Latinos Unidos En Servicio (CLUES), American Indian Family Center (AIFC), and Hmong American Partnership (HAP) for renovations to their facilities in St. Paul.

Division members also heard budget overviews for Metropolitan Area regional parks, Explore Minnesota Tourism, the Board of Electricity and the Board of Architecture, Engineering, Land Survey, Landscape Architecture, Geoscience and Interior Design.

PUC budget heard

The budget for the Public Utilities Commission was heard by members of the Environment, Agriculture and Economic Development Budget Division, led by Vice Chair Scott Dibble (DFL-Mpls.), Thurs., Mar. 17.

The PUC budget includes \$8.326 million from the general fund, plus a \$3.626 million statutory appropriation from a special revenue fund. The commission's mission is to ensure that vendors of electric, natural gas and telephone services provide safe, adequate, and reliable service at fair and reasonable rates. Its broad policy objectives are to guide the transition to effective competition in telecommunications markets and to assure safe and reliable gas and electric services at reasonable rates.

In other action, the panel heard S.F. 540. The bill, carried by Sen. Linda Berglin (DFL-Mpls.), requires the commissioners of human services and commerce to establish a Minnesota Partnership for Long-Term Care Program to provide for the financing of long-term

care through a combination of private insurance and Medical Assistance. The measure, which was heard because the division has jurisdiction over the Dept. of Commerce budget, was re-referred to the Finance Committee. Division members also heard public comment on the governor's budget recommendations.

Health and Family Security

Critical access hospitals bill gains

A bill bringing critical access hospitals (CAHs) into conformity with federal law gained when the Health and Family Security Committee, chaired by Sen. Becky Lourey (DFL-Kerrick), met Thurs., Mar. 17.

S.F. 1266, carried by Sen. Julie Rosen (R-Fairmount), modifies the definition of "eligible rural hospital," establishes a hospital construction moratorium exception for certain CAHs and expands the amount of swing bed care a CAH may provide. The swing bed portion of the bill is particularly important, said Rosen. Under the bill, the number of days a CAH is able to provide swing bed care increases from 1,460 to 2,000. Rosen said the bill, with the exception of one clause, represents a compromise between long-term care facilities and hospitals on the swing bed issue.

Michael Milbrath, executive vice president, Waseca Medical Center, said the provision increasing swing bed use is critical because rural nursing facilities are often unable to provide swing bed level care. Swing beds are used by patients who require semi-skilled care, such as administering intravenous (IV) therapy. According to Milbrath, eliminating the cap altogether would be the best option, but he said he is willing to support raising the limit.

Patti Cullen, Care Providers of Minnesota, said a clause in the bill allowing health systems to transfer unused swing bed days amongst hospitals within the system, as long as a single hospital does not exceed 4,000 days annually, is problematic. She said the measure will adversely affect rural nursing homes. John Hustad, Minnesota Health and Housing Alliance, said he agreed the legislation threatens rural nursing homes because it opens up swing beds to patients who currently receive care in skilled beds in nursing homes. Mark Schoenbaum, Department of Health (MDH), said the

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clause is a flexibility tool for patient planning and that there is no evidence that shows increasing the limit on swing beds would have a significant effect on the facilities. Schoenbaum also noted that the bill directs MDH to study the swing bed issue and report to the Legislature in 2007.

Sen. Linda Berglin (DFL-Mpls.) offered an amendment to delete the transfer clause. Sen. Sheila Kiscaden (IP-Rochester) said the clause essentially has two parts: allowing health systems to transfer swing bed days and the specific number of days a hospital may use per year. Hustad said the number of beds, and not the transfer option, is the provision to which nursing homes object. Kiscaden suggested maintaining the clause but reducing to 2,000 the total number of days a CAH may use swing beds. Berglin changed her amendment to retain the clause but to reflect the reduction. The amendment was adopted.

Senators approved S.F. 1266 and re-referred it to the Finance Committee.

S.F. 1260 was carried by Sen. Yvonne Prettnier Solon (DFL-Duluth). The bill establishes regulations on the sale and delivery of certain tobacco products purchased online. Solon said the bill is intended to reduce youth smoking by making it difficult for children to purchase tobacco over the internet. Under the bill, a retailer must acquire a valid, government-issued form of identification from a purchaser. The retailer must also obtain an adult's signature upon delivery of the tobacco and ship the product in packaging marked "tobacco product," said Solon. Solon also said the bill provides for all state laws that apply to instate tobacco product retailers also apply to Internet sellers.

Members approved the bill and re-referred it to the Crime Prevention and Public Safety Committee.

The committee also heard a presentation on the Minnesota Family Investment Program. (MFIP). Lynda McDonnell, Scott Chazdon and Ellen Shelton provided the overview. McDonnell, executive director of St. Thomas's Urban Journalism Workshop, said that MFIP is the Minnesota version of the federal Temporary Assistance for Needy Families (TANF) program and emphasizes finding jobs as the best way to help people off welfare. Chazdon, DHS, said MFIP began as an experimental program in 1994 and

was implemented statewide in 1998 following federal welfare reforms in 1997. At that time, said Chazdon, the program changed slightly, imposing a 60 month time limit on benefits, reducing the exit level to 120 percent of poverty and eliminating cash payments for food. Shelton, Wilder Research Center, spoke on the results of several studies of the program. Examination of 50 studies on the program revealed that the most successful families have more initial advantages, that work does not always improve a family's well-being, that the least successful families often have multiple and serious disabilities and that there are significant racial disparities in outcomes.

Civil commitment bill okayed

The Health and Family Security Committee, chaired by Sen. Becky Lourey (DFL-Kerrick), held an evening meeting, Thurs., Mar. 17, and approved a bill providing for the civil commitment of chemically dependent pregnant women. Senators also approved four other measures.

Sen. Don Betzold (DFL-Fridley) carried S.F. 643. The measure expands early intervention treatment by allowing the court to order the treatment if a pregnant woman is engaging in excessive substance use, on either controlled or non-controlled substances, in a way that will likely cause damage to the fetus's brain or physical development. Dr. Carol Krush said the bill was not intended to scare women away from prenatal care but rather help women and fetuses obtain important health treatment.

Sen. Mee Moua (DFL-St. Paul) asked what the length of the commitment would be. Betzold said early intervention statutes limit treatment to 10 days. Moua said she was not sure if that was enough to address the situation adequately. Krush said 10 days was probably not enough but that the commitment would be effective at getting the woman's attention and directing her to further help. "It's better than what we have now, which is nothing," she said.

Jim Tarsney, Minnesota Lawyers for Life, said the bill opens the door to coerced abortion. "The bill makes abortion a get out of jail free card," he said. "You can only commit a woman if she's abusing a substance while pregnant. If she's not pregnant, you can't hold her

anymore," said Tarsney. Betzold responded that most of the women the bill would affect are well beyond their first trimester, meaning that abortion is not an option for them. Sen. Yvonne Prettnier Solon (DFL-Duluth) added, "The bill is aimed at protecting the brains of unborn children. We're trying to protect them, not hurt them."

Sen. Sean Nienow (R-Cambridge) asked what constituted non-controlled substances and said that many non-controlled substances could be abused in a way that might be harmful to a fetus. Sen. Linda Higgins (DFL-Mpls.) offered an amendment changing "non-controlled substances" to "alcohol or inhalants." The amendment was adopted.

The committee approved S.F. 643, as amended, and sent it to the Finance Committee.

Senators also approved S.F. 1000, sponsored by Sen. Linda Berglin (DFL-Mpls.), a measure modifying provisions dealing with inmates with mental illness. The bill authorizes the commissioner of corrections to contract to purchase prescription drugs for the inmates. The bill also expands eligibility for discharge and requires an offender's designated agent to assist an offender in obtaining needed transition services, including enrolling eligible offenders in Medical Assistance (MA) or General Assistance Medical Care (GAMC). Ron Wilborg, Hennepin County, said, "The bill creates a mechanism for counties to qualify people for services earlier in the process, so the state does not have to bear the cost while individuals wait to be qualified." The bill was approved and re-referred to the Crime Prevention and Public Safety Committee.

Berglin also carried S.F. 993, which expands Medical Assistance (MA) services to include mental health screening. The screening process would use a screening instrument approved by the commissioner according to criteria updated annually, said Berglin. Louise Brown, director, Children's Health Partnership, spoke in support of the bill. The screening, she said, would help all people, especially children, get mental health treatment when they need it. The measure will produce cost-savings, too, said Brown.

Karen Effrem, Ed Watch, said there are several downsides and dangers to mental health screening. One of the main

problems with screening is vagueness in screening standards, said Effrem. Screenings could also constitute a violation of a child's privacy, she said. Representing the Citizens Commission on Human Rights, Nancy Schumacher said the screening could lead to false diagnosis and over-medicating children. Andrea Ayers, Family and Children Service, said the screening merely took a person's mental health temperature.

Senators approved the bill and sent it to the Finance Committee.

Berglin's final bill was S.F. 1028. The bill requires the commissioner of human services, along with the commissioner of corrections, to develop a discharge plan for every offender with serious and persistent mental illness who has been incarcerated for more than three months. Under the bill, discharged offenders must receive a photo identification card with their address on it. The bill also provides an appropriation to the commissioner of human services to provide the discharge plans. A previous offender who experienced trouble getting his medication after he was released spoke in support of the bill.

Members approved S.F. 1028 and re-referred it to the Crime Prevention and Public Safety Committee.

Lourey authored S.F. 908. The measure changes the facilitator of the donated dental services program from the Board of Dentistry to the commissioner of health, removes the \$500 annual benefit limit for adults on Medical Assistance (MA) and restores MA dental services to their pre-2003 level. The president of the Minnesota Dental Association and the dean of the University of Minnesota Dental School both spoke in strong support of the measure. Senators approved the measure and re-referred it to the Finance Committee.

Health and Human Services Budget Division

Nursing home bills heard

A series of bills relating to nursing home rates and facilities was the focus of Health and Human Services Budget Division meeting, Tues., Mar. 15. The panel, chaired by Sen. Linda Berglin (DFL-Mpls.), also heard a discussion of nursing home legislation by the Department of Human Services (DHS). Berglin

reminded Senators that there is currently no money in the budget for the projects. No action was taken on any bill.

Five of the bills specified rate increases for particular nursing homes. S.F. 954, authored by Sen. Thomas Neuville (R-Northfield), designates a nursing home in Rice County as a metro facility for the purpose of receiving higher Medical Assistance (MA) reimbursements. Pat Vincent, CEO, Three Links Care Center, said the home receives \$21 less per day than its metro counterparts because of its unusual geographic location between Dakota and Rice Counties.

Sen. Bob Kierlin (R-Winona) carried S.F. 1477. Under the bill, the Lutheran Home in Caledonia would receive a rate increase elevating its reimbursement rate to the statewide average. Grant Thayer, the home's administrator, said the facility, only 35 miles from the Mayo Clinic, faces difficulties in recruiting staff as a result of its location.

S.F. 1499 was authored by Sen. Becky Lourey (DFL-Kerrick). The measure specifies a rate increase of \$3.21 per day to Interfaith Care Center, a non-profit nursing home in Carver County. Larry Penk, administrator, said the increase is needed to cover higher operational costs incurred by the home's total replacement of its facility in 2001. "When you build a new facility," said Penk, "you transfer old operating costs. You do not receive an increase in payment for operating costs." With twice the square footage of its predecessor, Interfaith has higher operating costs because of increased utilities and maintenance staff needs, he said.

Sen. Gary Kubly (DFL-Granite Falls) sponsored S.F. 1273, which increases the MA reimbursement for a nursing home in Renville County. Under the bill, the facility receives an increase of \$3.80 per day to reflect the amount of Public Employee Retirement Association (PERA) payments made to the facility last year. Kubly said the increase is required to offset an anticipated decrease in the reimbursement when the city, which currently owns the facility, sells the home to St. Francis Health Centers. Laverne Hoffman, CEO, said the request would help the home protect employee pensions.

S.F. 1414, carried by Sen. Jim Vickerman (DFL-Tracy), provides a rate increase to Lakeview Home, a 35 bed facility in Jackson County. Ron Donacik, the home's administrator, said Lakeview

has the lowest rates in the state, even though the facility provides a high level of care. Donacik said Lakeview receives \$10-15 per day less than the average nursing facility. "This is a unique situation in the region and in the state," he said. Berglin noted that the same request was approved last year and included in the division's omnibus bill.

Two bills requested exceptions from the moratorium on nursing home construction. S.F. 1297, authored by Sen. Tom Saxhaug (DFL-Grand Rapids), grants a deadline extension to the Riverwood Healthcare Center in Aitkin County. Mike Hagen, CEO, said Riverwood delayed its construction project after the commissioner of health granted the facility an exception in 2002. The reason for the delay, he said, is because the hospital to which Riverwood is attached began a large construction project. Now that the hospital's project is finished, Riverwood feels it is time to complete its own construction project to make necessary improvements for its residents, said Hagen.

Sen. Julianne Ortman (R-Chanhassen) sponsored S.F. 800. The measure provides an exception to the nursing facility construction moratorium for the Auburn West Nursing Home in Waconia. "This is not your typical exemption," said Ortman. She said Auburn West is hoping to replace its entire facility, which was built in 1943. While the current home has 37 beds, said Ortman, the new facility would have 43 beds and generate a long-term cost of \$109,000 to the state.

Prescription drug bills heard

Members of the Health and Human Services Budget Division heard two bills on prescription drugs, Wed., Mar. 16. The panel, chaired by Sen. Linda Berglin (DFL-Mpls.) also considered seven other bills.

S.F. 22, authored by Sen. Yvonne Prettner Solon (DFL-Duluth), directs the commissioner of human services to establish and administer an intrastate prescription drug bulk purchasing program. The bill also directs the commissioner to establish or join an existing interstate program and requires the commissioner to direct the Department of Administration to negotiate with state-approved Canadian or European pharmacies and wholesalers to purchase prescrip-

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tion drugs. The drugs purchased must be distributed in Minnesota pharmacies unless an alternative distributing system is chosen, said Solon.

Berglin said she was not sure having the Department of Human Services (DHS) administer the program is the most cost-effective option. She also noted that the DHS has requested a full-time employee to conduct the program. Cody Wiberg, DHS pharmacy program manager, said the employee is needed to study various purchasing options. Solon said much of the work is already being done and that there is no language in the current bill asking DHS to study purchasing pools.

The fiscal note on the bill is five times larger than it was last year, even though the current bill is not significantly different from last year's bill, said Solon. Senators approved the bill and sent the measure to the full Finance Committee.

Solon also carried S.F. 23, a measure requiring drug manufacturers to report specific pricing information to the commissioner of human services in order to be licensed. The measure gives the state the ability to detect inflated pricing and brings transparency to the system, said Solon. She added that the bill could potentially save the state millions of dollars in reimbursement rates.

Assistant Attorney General Mike Vanselow said the state does not currently have the ability to detect when it is being defrauded by the drug industry. "We are largely dependent on information from whistleblowers and providers," said Vanselow. "We have to go about this in an anecdotal, ad hoc way to figure out where we're being ripped off," he said. Vanselow added that no law prohibits the Legislature from getting the drug information directly and said Texas has enacted similar legislation. As a result of the Texas legislation, he said, the state settled litigation on drug pricing fraud for \$40 million.

Berglin offered an amendment that dedicates savings from the program to a healthcare quality improvement account. "I would like to have any money we capture be used for our drug program," said Berglin. Solon said she supports the amendment. The amendment was adopted.

Berglin said that while the idea of purchasing pools has merit, it would be helpful to conduct further work on the

bill with the Attorney General's Office and DHS officials. Senators re-referred the bill to the full committee.

Solon also carried S.F. 24, a measure directing the commissioner of health to develop a comprehensive, statewide cervical cancer prevention plan. Matt Flory, American Cancer Society, and Jim Chase, executive director of Minnesota Community Measurement, both spoke in support of the bill. Senators sent the bill to the full committee.

Solon's final bill was S.F. 116. The bill provides an appropriation of \$150,000 each year of the next biennium to the Lake Superior Area Family Services center. The money, said Solon, is to be used for gambling outreach and counseling programs and will come from the lottery prize fund. Members laid the bill over for possible inclusion in the division's omnibus bill.

Berglin authored S.F. 540. The bill allows Minnesota to join a long-term care partnership program if Congress opens the program to all states. Currently, said Berglin, only five states have been allowed to join the program. She said the program allows people to purchase certain types of long-term care insurance so, if they maintain the insurance, they can avoid having to meet spend down requirements to receive Medicaid for long-term care. "The bill is drafted for maximum flexibility," said Berglin. "We want to provide an incentive for people to invest in their own long-term care needs," she said.

Debra Newman, Newman Long Term Care, said she supports the general idea of long-term care partnerships, but has concerns about the bill. She said Minnesota should participate in a national partnership but not create a state program. "The purpose of this legislation is so that if Congress allows other states to join, we have authorizing legislation to join right away," she said. Berglin also said the measure has no fiscal impact on the budget.

Senators re-referred S.F. 540 to the full committee.

Berglin also sponsored S.F. 1163. The bill expands the healthcare loan forgiveness program to individuals who will teach nursing 20 hours per week in post-secondary programs. "This program does two things," said Berglin, "It provides loan forgiveness, and it targets that forgiveness at educators, even if they only teach part time." She said the average age of Minne-

sota health care educators is 58 years old. "There's little incentive for people to go into health care education because the private sector is more lucrative," said Berglin.

Members laid the bill over for possible inclusion in the division's omnibus bill.

S.F. 1378, carried by Sen. Sheila Kiscaden (IP-Rochester), modifies medical education funding (MERC). Kiscaden said the bill makes technical changes allowing the state to provide funding again to training sites with less than .5 full-time employees. The bill also allows the programs to submit data every two years instead of every year, she said. Kiscaden said the bill changes provisions enacted in 2003 that adversely affected rural sites.

Senators approved the bill and re-referred it to the Finance Committee.

S.F. 223, sponsored by Sen. Gary Kubly (DFL-Granite Falls), was also approved and sent to the Finance Committee. The bill modifies the definition of ambulance licensees to include Indian tribes. Mary Hedges, Emergency Services Regulatory Board, said the proposal will not have a fiscal impact on the program's fund.

Finally, the division heard S.F. 1258, carried by Sen. Becky Lourey (DFL-Kerrick). The measure appropriates \$300,000 in FY 2006 and FY 2007 for a grant to a nonprofit organization currently operating the CLEARCorps lead hazard reduction project. Under the bill, the money must be used to continue the lead hazard reduction project and reduce and prevent lead poisoning in Minnesota's children. Senators laid the bill over.

Higher Education Budget Division

Governors urge funding 'U'

Two former governors supported granting the full budget request of the University of Minnesota at the Tues., Mar. 15, meeting of the Higher Education Budget Division. Panel members, chaired by Sen. Sandra Pappas (DFL-St. Paul), were considering S.F. 1350, carried by Sen. Richard Cohen (DFL-St. Paul). The bill appropriates \$1.319 billion to the University in FY 06-07.

The University is our economic engine, said Arne Carlson, governor from



Senators David Hann (R-Eden Prairie) and Gen Olson (R-Minnetrista) consult during a recent floor session.

Photo by David J. Oakes

1991 to 1999. Like all engines, it needs fuel, he said. Carlson said the Legislature needs to ask where the state is going and what we want it to look like in 10 years. We are now in a survival mode, he said, instead of looking down the pike. There is no invisible hand sitting over the U.S. economy, guaranteeing us success and picking Minnesota to win, Carlson said. He acknowledged that he is known as a major supporter of the University, but Carlson said he is also very critical of the institution. One of the things the University does not do well is highlight its past accomplishments, he said.

Fifteen recipients of the Nobel Prize were housed at the University, Carlson said, but the fact is not widely advertised. We have a rich history of achievement, but we do not nurture the history into more achievement, he said. Minnesota cannot afford to accept losing blue-chip faculty or watching the University's physical infrastructure deteriorate, Carlson said.

The world's major religions recognize many duties we all share, said Wendell Anderson, governor from 1971 to 1976. Among the duties are to feed the hungry and heal the sick, he said. Norman Borlaug fed the world by starting the Green Revolution, Anderson said, which would not have been possible without state support for the University of Minnesota and the educational facilities Borlaug had. Minnesota, through the University, has been a leader in medical advancements, Anderson said. The University can claim a role in many firsts, such as numerous transplants, and in many creations, like pacemakers and MRIs, he said. For the first time in history, in 2006, the University will get more of its budget from tuition than from the state, Anderson said. He noted that the business community has publicly supported a tax increase to fund transportation. If that makes business sense, he said, then we should raise taxes for education at all levels, from early childhood through

the research activity at the University. That is where the jobs come from, Anderson said.

Cohen said the University is an excellent institution, but that it loses its excellence incrementally, with every professor who goes elsewhere and every student who chooses another university. The competition is national and global, it isn't just against the University of Wisconsin and the University of Michigan, he said. "This is about the heart and soul of the state of Minnesota," Cohen said.

S.F. 1350 was laid over for possible inclusion in the omnibus higher education bill.

The panel also heard several other bills. The measures were also laid over.

S.F. 1196, sponsored by Sen. Claire Robling (R-Jordan), provides \$35 million to the University for research support. S.F. 1282, authored by Sen. Rod Skoe (DFL-Clearbrook), appropriates \$19.5 million to the University to attract and

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retain students. S.F. 1461, carried by Sen. Lawrence Pogemiller (DFL-Mpls.), provides \$15 million for competitive faculty compensation at the University. Pogemiller also sponsored S.F. 1518, which provides \$21 million to the University for new technology.

Pappas carried two bills. S.F. 1396 appropriates \$36 million to the University for the Biosciences for a Healthy Society initiative. S.F. 1384 waives tuition and fees for deaf students enrolled at the University of Minnesota or an institution in the Minnesota State Colleges and Universities system. The waiver applies after deducting any federal or state grants or other public or private grants.

Accountability discussed

A proposal for a new, comprehensive accountability assessment of Minnesota's higher education framework was the focus of the Thurs., Mar. 17, meeting of the Higher Education Budget Division.

Division members, chaired by Sen. Sandra Pappas (DFL-St. Paul), first heard from representatives of the University of Minnesota and the Minnesota State Colleges and Universities system. Both institutions already have internal accountability assessment programs, which were detailed for panel members. Mark Misukanis, Higher Education Services Office (HESO), said the new assessment is needed because it brings a broader perspective to accountability evaluations. The proposal also ensures an independent evaluation of institutions, he said. Much like we do not allow students to evaluate themselves, we need an independent assessment of our institutions, Misukanis said. He said an assessment including all public and private institutions also allows Legislators to examine broad policy questions, such as whether the structure of the state's framework is appropriate or if funding incentives are working properly. Misukanis said a comprehensive accountability evaluation also permits a linkage between outcomes and economic goals in a global marketplace.

The panel also completed its consideration of the governor's proposed higher education budget, including updates to the proposal made after the February economic forecast was released. The governor's proposal is contained in S.F. 1174, carried by Sen. Bob Kierlin (R-Winona). David Laird, president of the Minnesota Private Colleges Council, said

the private colleges oppose a provision in the governor's budget merging the Higher Education Facilities Authority (HEFA) into HESO. The proposal, Laird said, substitutes the judgment of a political appointee for the judgment of a nonpartisan citizens board and the boards of trustees of the private colleges. HEFA was created in 1971 to assist nonprofit institutions of higher education in the construction, financing and refinancing of capital projects.

Jobs, Energy and Community Development

Panel hears tech bills

The Jobs, Energy and Community Development Subcommittee on Telecommunications and Technology met Mon., Mar. 14, to consider three bills relating to technology. The panel, chaired by Sen. Steve Kelley (DFL-Hopkins), advanced one measure to the full committee. S.F. 927, authored by Sen. Dan Sparks (DFL-Austin), prohibits unwanted commercial electronic mail messages. The "anti-spam" bill sets forth definitions, sets criminal penalties and provides for civil penalties.

Two measures were laid over. S.F. 1370, carried by Kelley, requires the Public Utilities Commission to develop standards for contracts under which a service provider may choose to offer service to Minnesota residential and business customers. S.F. 1225, also carried by Kelley, sets up a broadband revolving loan fund to provide loans for local communications infrastructure, including any technology that can deliver broadband to residential and institutional customers.

Caregiver bill gains

Members of the Jobs, Energy and Community Development Committee met Mon., Mar. 14, to consider a variety of bills.

S.F. 378, sponsored by Sen. Sheila Kiscaden (IP-Rochester), provides support to individuals who care for family members at home. Kiscaden said the bill expands the use of sick leave to care for family members. She said the bill allows employees to use personal sick leave benefits for absences due to an illness or injury to a parent, grandparent or stepparent. Currently, sick leave may be used to care for a child. In

addition, the bill provides for an internet based caregiver support program, Kiscaden said. Members adopted an amendment deleting a provision that authorized a tax credit for individuals who are caregivers. The bill was approved and forwarded to the Finance Committee.

The committee, chaired by Sen. Ellen Anderson (DFL-St. Paul), also heard provisions of the methamphetamine bill, S.F. 423, sponsored by Sen. Julie Rosen (R-Fairmount), which fall under the scope of the committee. Rosen said those provisions primarily deal with the establishment of a revolving fund to provide loans to assist counties and cities in conducting methamphetamine laboratory clean up. "What to do with contaminated properties is a serious issue facing many states," Rosen said. She said the revolving loan fund idea is a combination of ideas used by other states to confront the problem. It is very important for counties and individuals who could not afford to clean up the properties, Rosen said. Terry Kuhlman, executive director, Public Facilities Authority, spoke in support of the provision. He said the revolving loan fund will make it easier to clean up the sites of the clandestine labs and will allow repayment over a period of time. The measure was approved and advanced to the Finance Committee.

A bill providing that employees of private food service companies operating in elementary or secondary schools are eligible for unemployment insurance benefits between academic school years was also heard. Sen. Dan Sparks (DFL-Austin) said the bill, S.F. 546, also makes the eligibility permanent. Don Gerdesmeier, Minnesota Teamsters, said the Legislature has enacted similar legislation over a period of years, but the measures have always included a sunset provision. The bill was approved and sent to the Senate floor.

S.F. 853, carried by Sen. David Senjem (R-Rochester), allows specific state boards, councils and local government units to hold electronic meetings. Senjem said the bill also sets forth the requirements for the meetings. The bill was approved and re-referred to the Judiciary Committee.

Anderson carried two bills. S.F. 904 provides an appropriation for the Twin Cities Rise job training program. Under the bill, \$500,000 is appropriated each year of the biennium. The bill was

approved and sent to the Finance Committee. S.F. 944 is an omnibus unemployment insurance bill, said Anderson. The bill conforms various provisions to federal requirements and makes technical and housekeeping changes. The bill was approved and re-referred to the Crime Prevention and Public Safety Committee.

In addition, the committee approved several bills that had been heard in subcommittee. All five bills deal with providing tax exemptions for electric generation facilities. S.F. 634, sponsored by Sen. Claire Robling (R-Jordan), provides that an electric generation facility in Scott County is exempt from property tax. S.F. 952, sponsored by Sen. Sean Nienow (R-Cambridge), provides a property tax exemption for electric generation facility personal property in Isanti County. S.F. 719, carried by Kiscaden, provides a sales tax exemption for a waste-to-energy electric generation facility. S.F. 1190, sponsored by Sen. David Tomassoni (DFL-Chisholm), exempts from sales and use taxes construction materials used to construct electric generation facilities used pursuant to a joint power purchase agreement to meet the biomass mandate in statute. S.F. 315, sponsored by Sen. Dick Day (R-Owatonna), exempts from property tax an electric generation facility in Faribault, Minnesota. All five bills were forwarded to the Tax Committee.

Energy bills heard

A number of energy bills were the topic of discussion at the Wed., Mar. 16, of the Jobs, Energy and Community Development Subcommittee on Energy. The subcommittee, chaired by Sen. Gary Kubly (DFL-Granite Falls), approved two of the bills and advanced them to the full committee. The first measure, S.F. 775, carried by Sen. Julie Rosen (R-Fairmont), provides a sales tax exemption for biomass fuel burning stoves. Rosen said the stoves complement Minnesota's emphasis on using alternative fuels. S.F. 1465, sponsored by Kubly, extends the construction date requirement for a property tax exemption for a poultry litter biomass electric generation facility. The measure was approved and advanced to the full committee.

Sen. Ellen Anderson (DFL-St. Paul) carried five bills, all of which were laid over. Anderson said her plan was to hear testimony on the measures, lay them over

and allow interested stakeholders to work out areas of difference. S.F. 1443 requires the Public Utilities Commission to establish a community-based wind energy development tariff to encourage development of wind energy projects throughout the state. S.F. 1460 also deals with community-based generation projects. The latter bill allows the Public Utilities Commission to develop financial incentives for utilities to encourage community-based projects and to encourage the purchase of renewable energy. Anderson said the bills are an effort to shift the return to allow the projects to be financed at the beginning.

S.F. 1368 requires the establishment and adoption of community-based energy development tariffs. S.F. 1332 provides for automatic recovery of electricity transmission costs, amends the certification requirements for high-voltage transmission lines and establishes a stakeholder group to study state certification and routing processes. S.F. 1502 exempts certain wind energy facilities from obtaining a certificate of need and provides for automatic recovery of certain electricity transmission costs.

Telecom bills heard

The Jobs, Energy and Community Development Subcommittee on Telecommunications and Technology met Fri., Mar. 18, to consider several bills dealing with telecommunications. S.F. 1540, sponsored by Sen. Steve Kelley (DFL-Hopkins), the panel's chair, provides for alternative regulation by the Public Utilities Commission for basic services of telephone companies providing local exchange service. The bill sets for implementation procedures and provides for tariffs and regulating rates. S.F. 1612, carried by Sen. Dan Sparks (DFL-Austin), also provides for basic services alternative regulation of telephone companies providing local exchange service by the Public Utilities Commission.

Members also considered two measures relating to providing 911 services. S.F. 1045, authored by Sen. Jane Ranum (DFL-Mpls.), increases the 911 emergency telecommunications service fee, authorizes the sale of Metropolitan Council bonds to implement phases two and three of the 800 megahertz public safety radio system and provides for a levy to secure payment of system operating costs. S.F. 1647, sponsored by Sen. Ellen

Anderson (DFL-St. Paul), requires the Public Utilities Commission to establish a combined per number fee to apply to service providers and limiting the amount of the fee to the costs of funding telecommunications programs such as the telephone assistance plan, the 911 emergency telephone system and regulatory activities. The bill specifies that the per number fee is to be based on the amount of numbers allocated for the state under the North American numbering plan administration. Further, the measure provides that it will take legislative action to change the amount of the fee or the allocation of fee revenues.

A bill changing the requirements for granting additional cable communications franchises, S.F. 688, was also heard. The bill, sponsored by Kelley, requires additional franchises to ensure subscribers receive local public, educational and government access and local origination channels. The bill also requires existing franchise providers to permit additional franchise providers to connect with local public, educational and government access and local origination channel feeds.

Judiciary

Employee status bill debated

The Judiciary Committee, chaired by Sen. Don Betzold (DFL-Fridley), spent the lion's share of the Tues., Mar. 15, hearing discussing a bill relating to misrepresentation of employee status. S.F. 588, authored by Sen. Satveer Chaudhary (DFL-Fridley), prohibits an employer from misrepresenting the nature of its employment relationship with its employees. Chaudhary said the bill is aimed at getting at the problem of employers saying employees are independent contractors in order to avoid paying workers compensation insurance, unemployment insurance or for other reasons. Chaudhary said some employees are unaware their employer considers them independent contractors until they receive 1099 forms, rather than W2 forms, at the end of the year.

Jeffrey Miller, representing the Carpenters Union, spoke in support of the measure and told of instances in which employers avoided paying for workers compensation by misclassifying employees. Chaudhary emphasized the bill only deals with the situation in which employers are breaking existing law. The bill provides for civil remedies and prohibits

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employers from requiring employees to enter into any agreement that results in the misclassification of the employee as an independent contractor. In addition, supporters said employers who abide by the law and pay for workers compensation insurance and for other benefits are penalized in bidding on contracts because employers who do not abide by the law can underbid them.

Sen. Julianne Ortman (R-Chanhassen) moved to lay the bill on the table. The motion failed on a divided voice vote. Sen. Thomas Neuville (R-Northfield) moved to amend the measure to specify that an employer misrepresents the nature of its employment relationship with its employees if it knowingly fails to report individuals as employees when legally required to do so. Chaudhary asked that members reject the amendment because earlier language had been worked out by interested parties. The amendment was withdrawn and members adopted an amendment that clarified the language. Ortman moved to delete the provision in the bill authorizing civil remedies. The amendment failed. Neuville offered an amendment to delete language relating to a rebuttable presumption. The amendment failed. Sen. David Hann (R-Eden Prairie) offered an amendment specifying that an employer may not require or request any employee to enter into any agreement, or sign any document, with the intention of misclassifying the employee. Hann said the amendment was designed to clarify that an error in classification was not covered by the bill. The amendment was not adopted. The bill was approved and re-referred to the Jobs, Energy and Community Development Committee.

In other action, the committee advanced two additional bills. S.F. 467, carried by Sen. Michele Bachmann (R-Stillwater), exempts the Disabled Veterans Rest Camp on Big Marine Lake in Washington County from condemnation proceedings. The measure also provides that the camp is exempt from property taxes and provides for a planned unit development zoning classification for the facility. Bachmann said the bill is designed to preserve the camp for future use by veterans. Betzold and Sen. Wesley Skoglund (DFL-Mpls.) said the bill applied statewide and that the measure might have unintended consequences for other veteran's properties. Members

adopted an amendment clarifying the bill applies only to Washington County. Members also expressed concern about codifying the language in statute, rather than in session law. The bill was approved and re-referred to the Tax Committee.

A bill, S.F. 308, clarifying that governmental units may seek remedies for building and other code violations whether or not the building is occupied, was also approved. The measure, authored by Sen. Sharon Marko (DFL-Cottage Grove), was recommended for placement on the Consent Calendar.

Data practices bills heard

Four bills were processed at the Thurs., Mar. 17, meeting of the Judiciary Subcommittee on Data Practices. S.F. 1023, authored by Sen. James Metzen (DFL-South St. Paul), modifies the classification of human services licensing data. Under the bill, information about injuries and deaths in licensed welfare programs, the names of the perpetrators of maltreatment, the nature of a disqualification for which a variance from a licensing rule was allowed and disclosure that a person has successfully passed a background study are all made public. Metzen said the bill makes public information about licensed day care providers that have had problems, in order to better inform the public. Dakota County Commissioner Nancy Schouweiler spoke in support of the bill. She said, "The right to privacy does not outweigh the safety of a child." The measure was approved for inclusion in the subcommittee's omnibus data practices bill.

Two bills sponsored by Sen. Steve Kelley (DFL-Hopkins) were also heard. S.F. 1153 authorizes a classroom contribution refund. Kelley said the refund would operate in much the same way political contribution refunds operate. He said a taxpayer may claim a refund equal to the amount of the contribution or if single, \$50, or if married filing jointly, \$100, whichever is less. The bill also classifies information relating to the identities of individuals claiming a refund and the amount of each contribution as private. The bill was approved and advanced to the full committee. A second bill sponsored by Kelley, S.F. 1212, provides that claims experience and related information received by Minnesota service cooperatives in connection with group health and dental plans is available to only three

types of requesters. Kelley said, the bill specifies that companies who want to submit a competitive bid, governmental units that are part of the service cooperative and representatives of exclusive bargaining units who need the information for negotiations are the only entities allowed access to the data. The measure was approved for inclusion in the omnibus bill.

The subcommittee, chaired by Sen. Wesley Skoglund (DFL-Mpls.), approved one additional bill. S.F. 926, sponsored by Sen. Don Betzold (DFL-Fridley), classifies specific investigative and licensing data relating to the identity of a perpetrator of maltreatment of vulnerable adults as public. The measure was approved for inclusion in the omnibus bill.

K-12 Education Budget Division

NCLB opt-out approved

A bill opting Minnesota out of the federal No Child Left Behind educational framework unless changes are made to the law gained the approval of members of the K-12 Education Budget Division at their Tues., Mar. 15, meeting.

Under S.F. 1244, carried by Sen. Steve Kelley (DFL-Hopkins), Minnesota will stop complying with the No Child Left Behind Act (NCLB) on July 1, 2006. The measure provides for continued compliance if the Legislature determines that the state Dept. of Education has successfully negotiated changes, exceptions or waivers to the law from the federal department. There are many ways for a school to fail under NCLB, said Kelley, but no clear ways to be labeled successful. He said the law needs to be fixed before its scheduled reauthorization in 2007. The federal law as it sits is bad for our kids, Kelley said, and without a change in the law, getting out is the right thing to do.

The bill also includes an appropriation to cover any lost federal funds. A report from the legislative auditor, Kelley said, showed federal funding tied to NCLB was just enough to cover the enhanced reporting and testing requirements of the law. He said the federal government could respond by withholding the \$50 million directly tied to NCLB, \$90 million in Title I educational funds or the entire federal contribution to K-12 education,

\$225 million. The last option was threatened against Utah, Kelley said, when the state considered opting out. It is unlikely the federal government would follow through, he said, because of the reaction the choice would provoke.

NCLB is a clumsy accountability system, but it has had positive effects by getting schools and systems to look hard at closing the achievement gap, said Charlie Kyte, Minnesota Association of School Administrators. Educators and policymakers have a sense of the changes needed to make NCLB more effective and flexible, he said, and they are cataloged in

S.F. 1244. A recent trip by association members to Washington, D.C., revealed that Congressional staff want to know why Minnesota is not pushing harder to get changes to or waivers from the federal law, Kyte said.

Minnesota should not opt out of the NCLB framework, said Jim Bartholomew of the Minnesota Business Partnership. The law needs modifications, but Minnesota needs to work cooperatively with the federal government, not threaten to opt out, he said. Bartholomew also noted that Minnesota schools cannot afford to lose \$225 million annually. "Wimpiness does

not get us very far," said Sen. Gen Olson (R-Minnetrista). We have tried working cooperatively, but now we need something to prod the federal government, she said. Kelley said the state has exhausted its other options and must now be blunt: the current incarnation of NCLB is bad for our kids.

S.F. 1244 was advanced to the Finance Committee.

In other action, division members also considered S.F. 591. The bill, carried by Division Chair LeRoy Stumpf (DFL-Plummer), permits ISD 2580, East Central, to sell its middle school building. Under the bill, the proceeds of the sale are applied to the outstanding balance of a capital loan made to former ISD 566, Askov, which merged with another district to form District 2580. After the proceeds are applied, under the bill, the remaining outstanding balance is forgiven. The measure was laid over for possible inclusion in the omnibus K-12 funding bill.

Fund transfer bills heard

Several bills permitting school districts to permanently transfer money between funds were heard by members of the K-12 Education Budget Division at their Wed., Mar. 16, meeting. Statutory provisions prohibit districts from transferring dollars from an operating fund to a nonoperating fund, from a nonoperating fund to another nonoperating fund or from a nonoperating fund to an operating fund.

The division, chaired by Sen. LeRoy Stumpf (DFL-Plummer), laid the bills over for possible inclusion in the omnibus K-12 education budget bill. S.F. 132, carried by Sen. Mark Ourada (R-Buffalo), permits ISD 883, Rockford, to transfer up to \$660,000 from its debt redemption fund to the undesignated balance of its general fund without making a levy reduction. S.F. 455, sponsored by Sen. Steve Dille (R-Dassel), permits ISD 2887, McLeod West, to transfer up to \$200,000 from its reserved operating capital account in its general fund to the undesignated fund balance. S.F. 829, authored by Sen. Jim Vickerman (DFL-Tracy), permits ISD 584, Ruthton, to transfer up to \$140,000 from its reserved for operating capital account to the undesignated general fund balance.

Sen. Steve Kelley (DFL-Hopkins), on behalf of Sen. Dallas Sams (DFL-Staples),



Senators Dallas Sams (DFL-Staples) and Mee Moua (DFL-St. Paul) engage in conversation during a recent floor session.

Photo by David J. Oakes

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presented S.F. 864, which permits ISD 771, Chokio-Alberta, to transfer up to \$150,000 from its reserved operating capital account and up to \$50,000 from its reserved account for disabled accessibility to the undesignated general fund balance. S.F. 1033, carried by Sen. Thomas Bakk (DFL-Cook), allows ISD 381, Lake Superior, to transfer up to \$940,000 from its debt redemption fund to the undesignated balance of its general fund without making a levy reduction. S.F. 1251, authored by Sen. Dennis Frederickson (R-New Ulm), permits ISD 418, Russell, to transfer up to \$50,000 from its reserved capital accounts in its general fund to its undesignated fund balance. Frederickson also carried S.F. 1590, allowing ISD 836, Butterfield, to transfer up to \$50,000 from its reserved operating capital account in its general fund to its undesignated general fund balance and \$60,000 from its reserved bus purchase account in its general fund to its undesignated general fund balance.

S.F. 1361, sponsored by Sen. Gary Kubly (DFL-Granite Falls), permits ISD 2180, MACCRAY, to transfer up to \$230,000 from its reserved account for handicapped access to its undesignated general fund balance. Before making the transfer, under the bill, the district must demonstrate to the commissioner of education that its buildings are accessible to students or employees with disabilities. Sen. Michelle Fischbach (R-Paynesville) carried two bills. S.F. 1515 allows ISD 750, Rocori, to transfer up to \$100,000 from its debt redemption fund to the undesignated balance in its general fund without making a levy reduction. S.F. 1516 permits ISD 738, Holdingford, to transfer up to \$200,000 from its debt redemption fund to the undesignated balance of its general fund without making a levy reduction. S.F. 1690, carried by Sen. Dave Kleis (R-St. Cloud), allows ISD 742, St. Cloud, on June 30, 2005, may permanently transfer up to \$800,000 from its debt redemption fund to the reserved operating capital account in its general fund without making a levy reduction.

Rules and Administration

Panel members named

Members of the Rules and Administration Subcommittee on Committees, chaired by Sen. Dean Johnson (DFL-

Willmar), met briefly, Mon., Mar. 14, to consider appointments to five panels. The subcommittee named 12 people to the Candidate Advisory Council for the MnSCU Board of Trustees. The panel also named Johnson and Sen. Julie Rosen (R-Fairmont) to the Chicano/Latino Affairs Council and Sen. Linda Higgins (DFL-Mpls.) and Sen. Mike McGinn (R-Eagan) to the Council on Black Minnesotans. Five Senators were named to the Legislative Commission on Pensions and Retirement: Sen. Don Betzold (DFL-Fridley), Sen. Keith Langseth (DFL-Glyndon), Sen. Cal Larson (R-Fergus Falls), Sen. Geoff Michel (R-Edina) and Sen. Lawrence Pogemiller (DFL-Mpls.). Sen. Linda Berglin (DFL-Mpls.), Sen. Leo Foley (DFL-Coon Rapids), Sen. Becky Lourey (DFL-Kerrick), Sen. Julianne Ortman (R-Chanhassen) and Sen. Sandra Pappas (DFL-St. Paul) were appointed to the Legislative Commission on the Economic Status of Women.

State and Local Government Operations

Early retirement bill advanced

A bill providing incentives for early retirement for public employees sparked most of the discussion at the Mon., Mar. 14, meeting of the State and Local Government Operations Committee.

S.F. 1057, authored by Sen. Lawrence Pogemiller (DFL-Mpls.), also provides for voluntary unpaid leaves of absence on the part of state employees and for employees to voluntarily reduce hours under a phased retirement plan. Pogemiller said the bill is aimed at providing more flexibility for agencies and employees as the state experiences budget difficulties.

Gary Denault, executive director of the Middle Management Association, said, "We anticipate the state will undergo significant lay-offs in the next biennium under the governor's budget proposal." He said the bill is designed to encourage the more senior, experienced employees to transition out of state employment. He said most state contracts allow senior employees who are laid off to either bump less senior employees or, depending on location, receive relocation costs for another position. He said the costs involved in lay-offs are significant. If more senior employees retire, less senior employees will fill the positions at a lower

salary, Denault said. He said if all the state costs are added up, the incentives end up costing about the same.

However, Paul Larson, Dept. of Employee Relations, said the department does have concerns about the bill. He said the costs outlined by Denault in employee layoffs are not always encountered.

Sen. Betsy Wergin (R-Princeton) questioned the effect of the bill on pension funds. Dave Bergstrom, director, Minnesota State Retirement System, said the bill provides a limited window for employees to take advantage of the incentives and would not have a significant effect on pension solvency.

Members adopted an amendment including employees of the Board of Public Defense in the provisions of the bill. The bill was approved and advanced to the Finance Committee.

The committee, chaired by Sen. Linda Higgins (DFL-Mpls.), heard several additional bills. Sen. Sandra Pappas (DFL-St. Paul) sponsored a bill, S.F. 1253, allowing the city of St. Paul to create a nonprofit organization to manage the RiverCentre complex and the convention and visitors bureau. Pappas said the bill is designed to increase efficiency and eliminate duplication. The bill was approved and re-referred to the Judiciary Committee.

S.F. 686, sponsored by Sen. Don Betzold (DFL-Fridley), authorizes the Dept. of Natural Resources to issue administrative penalty orders for violations affecting public waters. Betzold said the administrative penalty orders would allow for quicker resolutions of disputes than filing lawsuits for restoration of the resource. Members adopted an amendment providing for an expedited rule making process. Members approved the bill and re-referred the measure to the Judiciary Committee. S.F. 1146, carried by Sen. Jim Vickerman (DFL-Tracy), clarifies that county fairgrounds are exempt from local zoning ordinances throughout the year.

Design-build bill gains

A bill authorizing three methods of contracting for state construction was one highlight of the Wed., Mar. 16, meeting of the State and Local Government Operations Committee. S.F. 1335, authored by Sen. Richard Cohen (DFL-St. Paul), specifies that the commissioner of administration may use three new

methods for letting contracts for construction of state projects. Under the bill, design-build, construction manager at-risk and job order contracting are all authorized. The bill spells out definitions for each method and sets the conditions and limitations for each method. In addition, the bill authorizes the University of Minnesota to use the design-build process. The measure was approved and advanced to the Senate floor.

The committee, chaired by Sen. Linda Higgins (DFL-Mpls.), also heard a bill creating a study panel on the governance and management structure of the city of Minneapolis. S.F. 1234, authored by Sen. Lawrence Pogemiller (DFL-Mpls.), provides for the membership of the study panel, limits the panel's duration to one year, and requires the panel to report recommendations to the Minneapolis Charter Commission and the Legislature by Feb. 1, next year.

Pogemiller said, "It is not appropriate for the Legislature to tell the city how to run itself, but it is appropriate to ask questions about the city's governance." He said, "I don't know if a different management system would benefit the city, but I think it is worth studying to find out." The measure was approved and re-referred to the Tax Committee.

The committee also advanced several additional bills to the Senate floor. S.F. 1275, sponsored by Sen. Steve Murphy (DFL-Red Wing), permits the city of Wabasha to establish a port authority commission. S.F. 1272, also carried by Murphy, adds an ex officio member to the Indian Affairs Council. He said the ex officio member would represent the Dept. of Transportation. He said having the department as a member of the council might improve communication and avoid conflicts over planned construction. S.F. 483, authored by Sen. Don Betzold (DFL-Fridley), provides that chaplains employed by the state are in the classified civil service. S.F. 493, authored by Sen. Gary Kubly (DFL-Granite Falls), provides for board membership in the Yellow Medicine County Hospital District. S.F. 1208, carried by Sen. Claire Robling (R-Jordan), modifies state employment provisions by adding to the number of unclassified positions, provides that the commissioner may transmit information for open enrollment electronically and makes changes to conform to provisions enacted last year. Members deleted the

section of the bill adding to the number of unclassified employees before approving the bill.

State Government Budget Division

Workforce report heard

Members of the State Government Budget Division, chaired by Sen. Sheila Kiscaden (IP-Rochester), devoted their Tues., Mar. 15, meeting to hearing the Minnesota State Workforce Report. Representatives from the Department of Employee Relations (DOER) presented the report, which included information on over 36,000 state workers. The DOER representatives spoke on the diversity of workers, employee wages and benefits, age of employees, vacation and sick leave and mobility of employees.

Dept. of Admin. budget heard

The State Government Budget Division, chaired by Sen. Sheila Kiscaden (IP-Rochester), met Wed., Mar. 16, to hear a budget presentation by the Department of Administration.

Keith Payden, state chief information officer, outlined the budget. He said the department is planning a base level reduction of \$2.2 million. Of that figure, said Payden, \$837,000 will be cut from the Land Management Information Center (LMIC), \$299,000 will be cut from the Local Planning Assistance Center (LPAC) and \$602,000 will be cut from the Office of Technology's restructuring efforts.

Commissioner Dana Badgerow spoke on a one-time rent reduction of \$1.7 million for the Department of Revenue. Badgerow said the Department of Administration had previously overcharged the Department of Revenue for rent. "We had no base of information for cost on their building, and we were overly conservative in the amount of rent that we charged," she said. The Department of Administration decided to reduce the Department of Revenue's rent for one year to rectify the overcharge, said Badgerow.

Tax

Resort property tax bills heard

The Tax Committee met Tues., Mar. 15, to hear several bills. Two bills that

sparked considerable discussion related to reducing the property tax rate for small resorts. S.F. 1476, authored by Sen. Dallas Sams (DFL-Staples), decreases the classification rate for 1c commercial seasonal recreational property from 1 percent to 0.55 percent on the first \$500,000 of market value. In addition, the bill adds 1c commercial seasonal recreational property to the limited market value program. The bill specifies the valuation on resort property must not exceed the greater of 130 percent of its 2002 assessment or its 2002 assessment plus 40 percent of the difference in value between its 2005 and 2002 assessments. The bill also includes sales tax exemptions for up to \$10,000 in expenditures for materials used to expand or improve the resorts. Finally, the bill establishes an investment credit of 10 percent for construction, acquisition or improvement of depreciable capital items during a six year period beginning Jan. 1, 2006.

Sen. Rod Skoe (DFL-Clearbrook) authored a bill, S.F. 779, reducing the tax rate that applies to homestead resorts. The measure reduces the classification rate for small resorts from 1 percent to .055 percent on the first \$600,000.

A number of resort owners were available to testify on the measures. Jim Peters, Peters Sunset Resort, said owners of smaller resorts throughout the state are worried about survival. He noted the great number of resorts that have gone out of business in recent years.

Both measures were placed on the committee's C list for inclusion in the omnibus bill known as Tax II.

The committee, chaired by Sen. Lawrence Pogemiller (DFL-Mpls.), heard several additional bills. S.F. 812, sponsored by Sen. David Gaither (R-Plymouth), authorizes early payment on returns filed electronically. The panel approved the bill for inclusion in Tax II. S.F. 26, authored by Sen. Yvonne Prettner Solon (DFL-Duluth), delays until 2007 the requirement that the Dept. of Revenue administer local sales taxes for the city of Duluth. Solon said Duluth has been administering the city sales tax for many years. Mark Winston, chief administrative officer for the city, said the reason the state was scheduled to take over the administration was the implementation of the federal streamlined sales tax proposal. However, Winston said there is no date scheduled for complying with the stream-

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"Red Hat Ladies" listen to a speaker in the Capitol rotunda Tues., Mar. 15, during an AARP rally.
Photo by Shelley Hawes

lined sales tax and the city would benefit from administering the tax. The measure was recommended for the B list for Tax II.

S.F. 1338, sponsored by Sen. William Belanger (R-Bloomington), provides filing requirements for use taxes and limits the de minimus exemption for use taxes. The bill specifies that individuals who are subject to the use tax may file and pay the tax on the individual income tax return, on the form for making payments of individual income tax estimated payments or on the individual use tax return for purchases made in a calendar quarter, to be filed before the 20th day of the month following the close of the quarter. Further, the bill limits the de minimus exemption on paying use tax on purchases under \$750 for items for personal use by individuals whose gross income does not exceed \$40,000 for a single individual or \$60,000 for married individuals filing a joint return. Belanger said the bill would add revenue to the general fund that is currently not being collected. A representative from the department, though, said the bill causes the department some concern because of the way the current income tax filing system is set up. He said the cost of administering the bill would outweigh the revenue collected. Members recommended the bill be placed on the C

list.

S.F. 1484, sponsored by Sen. Mee Moua (DFL-St. Paul), authorizes the St. Paul Housing and Redevelopment Authority to establish tax increment financing subdistricts. The measure was recommended for the A list for Tax II. S.F. 1497, carried by Pogemiller, clarifies revenue recapture provisions to provide for the collection of fines for petty misdemeanors. The bill was recommended for inclusion in Tax II. S.F. 833, sponsored by Sams, extends the special agricultural homestead to include grandsons and granddaughters. The bill was recommended for the A list for Tax II.

Variety of bills heard

The Tax Committee met Wed., Mar. 16, to consider a variety of bills for inclusion in the committee's omnibus bill, known as Tax II.

S.F. 1132, sponsored by Sen. Steve Murphy (DFL-Red Wing), sparked considerable discussion. The bill adds soil and water conservation districts to the definition of special taxing district. Under the bill, instead of the county levying for the district, the district would have the authority to levy property taxes. Murphy said the measure makes it clear that the districts are included in the organizations

that receive revenue. In addition, the districts would appear as separate items on truth-in-taxation forms, Murphy said. The bill was recommended for inclusion in the omnibus bill.

Members also approved several additional bills. S.F. 1183, sponsored by Sen. Carrie Ruud (R-Breezy Point), clarifies the property tax classification of noncommercial aircraft storage hangars abutting public airports. S.F. 551, authored by Sen. Cal Larson (R-Fergus Falls), increases the amount a county or city may appropriate for the prevention of cruelty to animals. S.F. 1002, authored by Sen. Ellen Anderson (DFL-St. Paul), exempts a specific property used for educational instruction from property taxation. S.F. 1008, sponsored by Sen. Betsy Wergin (R-Princeton), conforms Minnesota tax law to the federal Military Family Relief Act of 2003. All of the bills were recommended for inclusion in Tax II. S.F. 1366, authored by Committee Chair Lawrence Pogemiller (DFL-Mpls.), provides for the additional financing of Metropolitan Area transit and paratransit capital expenditures, authorizes the issuance of bonds and repeals the restrictions on the issuance of general obligation bonds for the Hiawatha light rail transit line. The measure was also recommended for inclusion in Tax II.

Sen. Rod Skoe (DFL-Clearbrook) explained a bill that, though not on the agenda the previous day, had considerable testimony at the previous meeting. The bill, S.F. 779, reduces the class rate on small homestead resorts. The panel adopted an amendment and approved the bill for inclusion in Tax II.

Two bills sponsored by Sen. Thomas Bakk (DFL-Cook) were also heard and approved for the omnibus bill. S.F. 1256 increases the reserve from the public facilities pool for Western Lake Superior Sanitary District projects. S.F. 1341 clarifies the production tax rate of direct reduced ore.

Pogemiller also briefed members on items that are in the omnibus bill at this point. He said he deleted items that might stand in the way of a true bipartisan bill. He indicated the bill would be assembled over the course of the next few committee meetings.

Bills heard

Members of the Tax Committee, chaired by Sen. Lawrence Pogemiller

(DFL-Mpls.), used their Thurs., Mar. 17, meeting to consider bills for possible inclusion in the committee's two omnibus tax bills. The committee uses a ranking system when considering legislation, ranging from an "A" designation indicating near-certain inclusion in an omnibus bill to an "E" designation indicating the proposal does not align with the panel's tax policy goals.

Six bills were put on the A list for Tax II, the first of the omnibus bills. S.F. 1605, carried by Sen. Bob Kierlin (R-Winona), extends the life of a tax increment financing district in Winona. S.F. 867, sponsored by Sen. Dean Johnson (DFL-Willmar), permits the city of Willmar to impose a local half-cent sales tax. The tax was approved by city voters at the 2004 general election. S.F. 1081, sponsored by Pogemiller, provides a property tax reduction for homesteads contaminated by mold. S.F. 344, carried by Sen. LeRoy Stumpf (DFL-Plummer), allows township fire departments to recoup cost of motor vehicle fires. S.F. 1683, also carried by Pogemiller, exempts certain elderly-living facilities from property taxes. Pogemiller also authored S.F. 1685, which reduces the assessed market value of energy-efficient new commercial property.

S.F. 1786, carried by Sen. Rod Skoe (DFL-Clearbrook), provides that the term "agricultural products," for agricultural property tax classification purposes, includes short rotation trees. The bill was placed on the B list for Tax II.

Sen. Ann Rest (DFL-New Hope) carried S.F. 1571, which removes the expiration date on a Streamlined Sales Tax Project provision defining ready-to-eat meat and seafood as prepared food. S.F. 1190, sponsored by Sen. David Tomassoni (DFL-Chisholm), exempts from sales and use taxes construction materials used to construct electric generation facilities used pursuant to a joint power purchase agreement to meet the biomass mandate in statute. S.F. 1659, carried by Pogemiller, provides an income tax credit for expenditures for historic structure rehabilitation. The bills were placed on the C list for Tax II.

S.F. 53, authored by Sen. Yvonne Prettner Solon (DFL-Duluth) exempts from the sales tax materials used to relocate a dock on the St. Louis Bay waterfront. Pogemiller said the committee needed more time to consider the

proposal. S.F. 53 was put on C list for the second omnibus bill.

Tax II articles reviewed

Members of the Tax Committee met Fri., Mar. 18, to examine draft articles for the first omnibus tax bill, known as Tax II. The drafts include provisions previously considered by committee members, chaired by Sen. Lawrence Pogemiller (DFL-Mpls.). The panel also heard from interested parties on sections in the drafts.

Transportation

Railroad injuries, left-hand lane use measures gain approval

Two bills relating to injured railroad workers and one measure relating to left-hand lane use were approved when the Transportation Committee, chaired by Sen. Steve Murphy (DFL-Red Wing), met Tues., Mar. 15. The panel also approved seven other bills.

S.F. 1603, sponsored by Sen. Mee Moua (DFL-St. Paul), makes it unlawful for a railroad company or its employees to interfere with medical or first-aid treatment of a railroad employee injured while on the job. The measure also makes it unlawful to threaten discipline of an injured employee for requesting treatment, authorizes the commissioner of transportation to issue a penalty order of up to \$10,000 and provides an expedited administrative hearing process for the railroad company. Phillip Qualy, United Transportation Union, said the legislation was necessary because there is a clear practice in Minnesota in which railroad workers have experienced delay or denial of medical treatment for their work-related injuries. There have been seven different incidents over a period of just a few months, said Qualy. "The bill will act as a deterrent," he said. Qualy also said the bill does not overlap with any federal regulations and that nothing in federal law takes over the state's right to protect injured railroad workers.

Senators approved the bill and referred it to the Judiciary Committee.

S.F. 1606, also carried by Moua, gained as well. The bill creates a criminal penalty for delaying or denying medical treatment to an injured railroad worker. Currently, said Moua, interfering with the worker's medical treatment is a gross misdemeanor. Members approved the bill

and sent it to the Crime Prevention and Public Safety Committee.

Moua also sponsored S.F. 1056. Under the bill, the registrar of motor vehicles may distribute registration plates and stickers to be held and issued by new and used motor vehicle dealers. Moua said the current title processing procedure for motor vehicles is antiquated and that the bill will help modernize the system. Senators approved S.F. 1056 and sent to the floor.

A bill relating to left-hand lane use was also approved. S.F. 492, authored by Sen. Charles "Chuck" Wiger (DFL-North St. Paul), restricts use of the left-lane on Minnesota roads. Wiger said the original bill required right-hand lane use, but he offered an amendment that simply restricts use of the far left lane. Seven or eight other states have established similar requirements, he said, adding that the measure could reduce driving hazards and road rage. Under the bill, left-hand lane use is restricted to passing other vehicles, preparing for a left turn at an intersection, and other "common sense" exceptions, said Wiger. Sen. Ann Rest (DFL-New Hope) asked if using the left-hand lane to move aside for emergency vehicles was permissible. Wiger replied that it was. The intent of the bill, he said, is that drivers not use the left-hand lane unless they have a legitimate reason.

Sen. Dick Day (R-Owatonna) sponsored a similar bill, S.F. 977, but said he was comfortable to move forward with Wiger's bill because it was the same and had a lower number. Day said MnDOT erected signs educating people to stay to the right, but that legislation was needed to put teeth into the idea.

Sen. Claire Robling (R-Jordan) offered an amendment limiting the measure to greater Minnesota. "I don't want to tell people to stay out of a lane of traffic because we don't have enough lanes of traffic. Until we get more lane miles in the Metro, I'd feel better not telling people they can't use existing lanes," she said. Wiger opposed the amendment, saying the bill provided adequate exceptions and only restricted left-hand lane use instead of requiring right-hand lane use. The amendment was not adopted.

Robling also said people might not understand they cannot use the left lanes. She offered an amendment to include taking a provision from S.F. 977 that

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requires public education on the measure. The amendment was adopted.

Amber Backhaus, Minnesota Trucking Association, said the organization opposes a bill that requires right-hand lane use, but was neutral on bills that restrict left-hand lane use. She said other states have experienced problems after implementing right-hand lane requirements. Bernie Arseneau, MnDOT, spoke in opposition to the bill. He said freeway capacity is based on the use of all lanes and that all lanes must be used to move traffic properly. Currently, said Arseneau, the right-hand lane can handle 1,900 cars per hour while the left-hand lane can handle 2,700 cars per hour. Arseneau said the bill would cause severe congestion, make driving more dangerous, increase road maintenance costs and present enforcement problems.

Senators approved S.F. 492 and sent to the floor.

The committee also approved S.F. 1226, sponsored by Murphy. The bill provides changes to the provisional license law, stating that provisional license holders cannot drive with more than one passenger in the car (except for family members), drive between midnight and 5 a.m. or use a cell phone while driving. Under the bill, drivers holding a permit may not drive while using a cell phone. "We are not leading the nation when it comes to developing young drivers," said Murphy. Robling said she had concerns about the passenger provision because it might be problematic for teenagers who carpool. Sen. Julianne Ortman (R-Chanhassen) said she agreed and offered an amendment deleting the provision. The amendment was not adopted. Senators approved the bill and sent it to the floor.

Five other bills also gained. S.F. 152, authored by Sen. Wesley Skoglund (DFL-Mpls.), advanced to the floor. The measure makes using a cell phone while driving, even with a hands-free device, a secondary offense. Sen. Thomas Bakk (DFL-Cook) sponsored S.F. 1649, a bill prohibiting railway corporations from operating trains going in excess of 30 miles per hour within the city of Orr. Senators advanced the measure to the full Senate. S.F. 1486, authored by Sen. David Tomassoni (DFL-Chisholm), was approved and sent to the floor. The measure expands current law to prohibit the State Patrol or another law enforcement agency

from imposing traffic citation quotas. The bill also specifies that commercial vehicle inspectors and law compliance representatives must not be subject to traffic citation quotas. Sen. Dean Johnson (DFL-Willmar) carried S.F. 1472. The legislation allows vehicles used to transport adults to and from a day activity center to be equipped with pre-warning flashing signals and a stop-signal alarm, said Johnson. Senators approved the measure and recommended placement on the Consent Calendar. Murphy sponsored the final two bills, S.F. 1466 and S.F. 1226. Murphy said the first bill, S.F. 1466, simply clarifies language from a bill he carried in 2000 relating to public utility vehicles seasonal highway load restrictions. Some parts of the bill were left out during recodification, said Murphy. Senators approved the bill and recommended placement on the Consent Calendar. The second bill, S.F. 1193, relates to safety zones and land use restriction for runway 1735 at the Minneapolis-St. Paul International Airport, said Murphy. The measure attempts to establish a zone that is acceptable to the MnDOT aeronautics department, he said. Rest said a subcommittee had taken action on the bill, but because the subcommittee's report had not been distributed to the full committee, Senators were unable to take action on the bill. Murphy requested that the bill be laid on the table.

Funding proposal heard

The Transportation Committee devoted much of the Thurs., Mar. 17, hearing to discussion of a transportation funding proposal. The proposal, sponsored by Committee Chair Steve Murphy (DFL-Red Wing), appropriates \$3.906 billion from all funds for the state's transportation needs over the next biennium. The bill also includes an increase in the gasoline tax of 4 cents in FY 2006, 3 cents in FY 2007 and 3 cents in FY 2008. The gasoline tax is indexed for inflation in later years. In addition, the proposal raises a variety of fees and alters the depreciation schedule for the passenger vehicle registration tax. The proposal provides funding for all phases of transportation and many of the appropriations mirror the appropriations in the governor's budget recommendation.

The proposal contains a provision for an amendment to the Minnesota Consti-

tution to dedicate the proceeds of the motor vehicle sales tax to be used exclusively for transportation purposes. In addition, under the proposal a multimodal transportation fund is created, which consists of money from the motor vehicle sales tax, to be used for surface transportation. Another section of the proposal provides that the total county state-aid sum consists of an apportionment sum and excess sum and sets forth the formula to calculate the sums. The measure also authorizes a county wheelage tax of up to \$20 on each motor vehicle, except motorcycles, registered in the county. Revenues from the wheelage tax are to be placed in the road and bridge fund of each county. The rate for license tabs will also be increased under the bill, as will fees for driver's licenses and title transfers. The proposal also provides for a local sales tax in the Metro Area to be used for transportation purposes.

In addition, the panel took action on two bills. S.F. 1193, sponsored by Murphy, defines safety zones and land use restrictions for runway 17-35 at the Minneapolis-St. Paul International Airport. Members heard extensive testimony on the measure before voting to approve the bill on an 11-5 roll call vote. Proponents argued the change in safety zones provided more safety and less noise for businesses located in the area. Opponents cited the lengthy hearing process, involving numerous stakeholders, that developed the safety zones. The measure was sent to the full Senate.

S.F. 1794, also carried by Murphy, creates a vehicle insurance verification program and requires preparation of a database to identify uninsured motorists. In addition, the bill requires the commissioner of public safety to discontinue the current insurance verification sampling program. The bill was approved and referred to the Commerce Committee.

MyBills system available

The MyBills personalized bill tracking system is now available. Users can add House and Senate bills to their lists by bill number, subject, or author, and view the legislative status of their bills, with items with significant current floor action highlighted. Users can modify their lists at any time. The MyBills system is available from the Legislative website at: <http://www.house.mn/leg/billsblog.asp>

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Red Lake tribal member Victoria Dunkley, 12, holds a flag during a memorial service on the Capitol steps held for Red Lake High School shooting victims, Tues., Mar. 22. Photo by David J. Oakes



March 24, 2005

Senate Highlights

Gopher stadium bill okayed

A proposal for a new University of Minnesota football stadium dominated discussion at the Wed., Mar. 23, meeting of the State and Local Government Operations Committee. S.F. 237, authored by Sen. Geoff Michel (R-Edina), provides a process for state support of a football stadium at the U of M. Michel said, "This is an exciting day for the University. The bill was before this committee last year and since then the U has plunged into its share of the work." The plan is to have the opening kick-off in the fall of 2008, Michel said. The vision is a 50,000 seat, open-air, red brick football stadium, Michel said. It is a place for more than football, he said, it is a place for the band, for intramural sports, for commencement and to re-enforce the collegiate atmosphere of the University. Michel said the bill requires a 60-40 partnership, with 40 percent from the state. The state's portion would only kick in until after the University raises the other 60 percent needed, he said. Michel said, "The state needs to make its commitment to keep the momentum going."

The committee, chaired by Sen. Linda Higgins (DFL-Mpls.), reviewed the language and heard testimony before approving the bill and re-referring the measure to the Finance Committee. Richard Pfutzenreuter, CFO, University of Minnesota, outlined the history of past attempts to finance a stadium on campus. Joel Maturi, athletic director, said it is importance for athletics to be part of the collegiate experience. Maturi said athletics are a window into the University. Pfutzenreuter said the project breaks down to site preparation, district improvements such as street realignment and actual stadium construction. The total cost is anticipated to be \$235 million,

with \$141 million from the University and \$94 million from the state, Pfutzenreuter said. He said the bill requests bonding authority of \$7 million per year after the University raises the necessary 60 percent.

Sen. Charles "Chuck" Wiger (DFL-North St. Paul) offered an amendment relating to the student fee. Members adopted the amendment. Members also discussed issues associated with the proposal, including naming rights. The University anticipates raising \$75 million from stadium naming, sponsorships and private gifts, Pfutzenreuter said. Members also adopted an amendment, offered by Sen. David Tomassoni (DFL-Chisholm), requiring construction of the new stadium to use, to the extent possible, American made steel. Sen. Dick Day (R-Owatonna) said he applauded Michel for his work on the issue, but he was concerned about funding. In addition, he said he didn't think a stadium for the University was more of a priority than stadiums for the Minnesota Twins or the Minnesota Vikings. Sen. Sharon Marko (DFL-Cottage Grove) said a stadium for the University would be a sign of health for the University.

In other action, members also heard a bill modifying a variety of programs affecting persons with disabilities. The bill, S.F. 984, sponsored by Sen. Becky Lourey (DFL-Kerrick), was before the committee because of a provision relating to a disability services interagency work group. Under the bill, the work group is to make recommendations related to coordinating the availability of housing, transportation and support services needed to discharge persons with disabilities from institutions, improving information and assistance in order to make an informed choice about relocating from an

institutional placement to community-based services, identifying gaps in service and identifying funding mechanisms to assure a financially sustainable community support system. Lourey said there are a number of issues to still be resolved, but that progress is being made. The measure was approved and advanced to the Finance Committee.

A bill to increase compensation of watershed district managers was also heard. S.F. 1371, authored by Sen. Rod Skoe (DFL-Clearbrook), also clarifies who may enter onto land. Under the bill, the compensation of managers for meetings and for performance of other necessary duties is increased from \$55 to \$75 per day. Sen. Betsy Wergin (R-Princeton) moved to delete the compensation increase. Skoe spoke against the amendment and said the compensation had not been raised since 1995 and the increase reflects the hard work of the managers in carrying out their duties. The amendment failed. The bill was approved and advanced to the Environment and Natural Resources Committee.

NCLB bills approved

Two measures responding to the federal No Child Left Behind Act (NCLB) were granted final passage by Senators at their Mon., Mar. 21, session. Both bills were resolutions addressed to Congress.

S.F. 1245, sponsored by Sen. Steve Kelley (DFL-Hopkins), urges Congress to amend NCLB consistent with the recommendations of a National Conference of State Legislatures task force. We want to close the achievement gap and improve results in our schools, Kelley said, but the federal law is deeply flawed.

NCLB poses serious problems, especially with regard to the Tenth Amendment rights and powers of states, said Sen. Michele Bachmann (R-Stillwater). The federal law is an intrusion into the rights and powers of state and local governments, she said. Bachmann offered an amendment urging Congress to repeal NCLB and provide educational funding to the states as block grants. The accountability requirements of NCLB could be adopted by each state, as its policymakers see fit, she said. Kelley said the federal law is constitutionally questionable, but the amendment is unnecessary. Our voters want accountability in everything that government does, Kelley

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Sen. Geoff Michel (R-Edina), center, presents a bill providing partial state funding for a new on-campus University of Minnesota football stadium. Also appearing before the State and Local Governments Operations Committee, Wed., Mar. 23, were University CFO Richard Pfutzenreuter, left, and Athletic Director Joel Maturi.

Photo by David J. Oakes

said. The notion that we should repeal the federal law and collect the money without accountability for results is not a message we want to send, he said. Kelley said it is pretty clear that if Congress fixes NCLB, it could do so in a constitutional way. Bachmann said the amendment does not eliminate accountability. Legislators would still be accountable to voters, including parents and educators, she said. The amendment was defeated, 30-32.

The bill was granted final passage, 59-4.

S.F. 1092, carried by Sen. Geoff Michel (R-Edina), is a resolution urging Congress not to expand the No Child Left Behind requirements to high schools. We want no more NCLB mandates until we figure out the details of the first phase, Michel said. Our schools need breathing room, he said. The level of government that is best to deal with schools is the level that knows our kids names, Michel said. We need to slow this wave of increasing federal control, he said. S.F. 1092 was granted final passage, 63-0.

The Senate also granted final passage to S.F. 508, which changes residency requirements for membership on the Metropolitan Council and the Metropolitan Airports Commission. The bill, authored by Sen. Jane Ranum (DFL-Mpls.), requires appointees to have resided in the district they represent for the six months preceding appointment and in the state for the year preceding appointment. The bill passed on a 56-7 vote.

In other action, Senators concurred with amendments made in the other body to S.F. 1031, carried by Sen. Paul Koering (R-Fort Ripley). The bill, providing an exception to recreational camping area regulations for the State Fair, was re-passed, 58-0.

Consent Calendar bills approved

Senators met Tues., Mar. 22, to approve several bills on the Consent Calendar. The final committee to consider a measure may recommend placement on the Consent Calendar if the

committee determines the bill is unlikely to be opposed.

H.F. 925, carried by Sen. Brian LeClair (R-Woodbury), makes federally conforming changes in Medicare-related coverage and provides financial solvency regulation for stand-alone Medicare Part D prescription drug plans. Sen. David Senjem (R-Rochester) sponsored H.F. 1036, the Office of Administrative Hearings housekeeping bill. S.F. 308, sponsored by Sen. Sharon Marko (DFL-Cottage Grove), clarifies the ability of government units to obtain remedies for building and other code violations. Marko also carried S.F. 909, which broadens an existing right to purchase Medicare supplement coverage.

Sen. Dean Johnson (DFL-Willmar) authored S.F. 1472, authorizing day activity center buses to operate school bus warning equipment. S.F. 1466, carried by Sen. Steve Murphy (DFL-Red Wing), corrects a mistake in regulations regarding seasonal load restrictions for utility vehicles. Sen. Paul Koering (R-Fort

Senate Highlights

Ripley) sponsored two bills. S.F. 1621 clarifies the ability of the adjutant general to rent facilities at Camp Ripley. S.F. 1622 clarifies provisions relating to management of armory boards.

Budget and tax bills passed

Members began the Wed., Mar. 23, floor session by taking action on a tax bill that provides structural balance for the budget through tax compliance and adjustments. Sen. Lawrence Pogemiller (DFL-Mpls.), chief author of the bill, said the measure contains many of the governor's recommendations for achieving structural balance on the revenue side of the ledger. The bill, S.F. 1209, raises about \$223 million in revenue and reduces spending on property tax credits by about \$36 million. The bill conforms to federal income tax changes, provides for taxation of liquor and rented vehicles, modifies some sales tax exemptions, defines "direct business" for purposes of insurance taxes and modifies the home-stead market value credit.

Sen. Julianne Ortman (R-Chanhassen) offered an amendment to include the language of the governor's original tax proposal contained in S.F. 709. She said S.F. 1209 is just half a bill, and the amendment contains the rest of the governor's proposal. The amendment contains military assistance, deductions and tax credits for National Guard members, working families' tax relief and complete federal compliance, Ortman said. She said the amendment creates competitive tax advantages for Minnesota corporations and aids Minnesota cities. She said the governor's budget and tax proposal was a balanced approach. Pogemiller opposed the amendment and said the bill takes the governor's proposals to take care of the structural benefit. He added that a second tax bill contains benefits to military families along with other changes in tax policy. He said there will be opportunities to vote for some of the items in the amendment in the later bill. Ortman said the bill, without the amendment, harms cities. Pogemiller countered that the Tax Committee plans to fully fund local government aids in another bill. He said the second tax bill is essentially revenue neutral, but he added, "I think it is pretty clear that there will be an increase in investment for education that will be contained in a third bill." Ortman said the bill contains permanent

tax increases. Pogemiller responded that the bill contains the governor's recommendations to balance the books before proceeding in the budget process. The Ortman amendment failed 29-36.

Sen. William Belanger (R-Bloomington) said, "Solving the budget deficit is the fiscally responsible thing to do, but I have to take issue with the way we are going about it." He said the governor's provisions that are not in the bill provide a more balanced approach.

Ortman offered a second amendment to change the permanent cuts to the market value credit to temporary changes in the market value credits. Pogemiller said in the out years, there is room to reinstate the market value credit, but there does need to be a temporary cut to the market value credit. He said he would support the amendment. The amendment was adopted 57-7.

Pogemiller said, "I encourage members to support the bill to balance the books before we start spending new money." Sen. Dick Day (R-Owatonna) spoke against the measure. He said, "The taxpayers are not getting their money's worth in this bill and I hope we can get our work done after the break." Pogemiller said everything in the bill is the governor's recommendation and that the bill is an attempt to inch forward to resolving the budget problems for the year.

The bill was granted final passage on a 36-29 roll call vote.

Members also granted final passage to S.F. 1879. The bill, carried by Sen. Richard Cohen (DFL-St. Paul), is the measure making cuts to the state budget to structurally balance the budget. Cohen said the bill contains many of the recommendations from the governor's budget proposal. However, he said the bill does not make as deep cuts in the area of health care as recommended by the governor. He said the bill, taken in tandem with the tax bill members had just passed, provides the structural balance that eliminates the projected shortfall. The two bills eliminate the \$466 million deficit shown by the February 2005 forecast while retaining the budget reserve at \$653 million and the cash flow account at \$350 million, Cohen said. The bill provides appropriations from all funds for all the departments and agencies of state government for all of their continuing obligations, but it does not include the

recommendations of the Legislative Commission on Minnesota Resources for new initiatives paid for by the Environmental Trust Fund, he said. The bill appropriates \$26.3 billion to fund the ongoing operations of state government. The first imperative, Cohen said, is to balance the state budget before proceeding. He said the two bills indicate steady progress on solving the state budget shortfall. He said the measure is \$170 million below the budget base in the February forecast and raises \$37 million in onetime revenue.

Sen. Ellen Anderson (DFL-St. Paul) offered an amendment shifting appropriations to better fund projects promoting renewable energy. The amendment was adopted. Cohen offered, and members adopted, an amendment adjusting the amount in a fund that was incorrectly included in the bill.

Sen. Warren Limmer (R-Maple Grove) said the process of considering the two bills is setting the Legislative budget process up for meltdown. Cohen countered and said the bill is simply an attempt to provide structural balance before continuing the process of developing a complete state budget. Sen. Steve Kelley (DFL-Hopkins) said, "I hope the bill is a rest stop on the way to providing investment for our public schools, but my concern is that the bill is a detour." Sen. Linda Berglin (DFL-Mpls.) said, "I believe it is fair to say many of us, on both sides of the aisle, believe we must improve on the governor's budget—not only in education, but also in long-term care and health care." We need to find alternatives to the cuts in the governor's budget, but today we have brought forth items we can agree on to help balance the budget, she said. "It only makes sense that we do what we can agree on first, before we develop plans for further investments. It is an honest attempt to bring forth items in the governor's budget we can agree on," Berglin said.

The bill was granted final passage on a vote of 35-30.

Finally, members also granted final passage to a bill authorizing the city of Minneapolis to issue an additional on-sale liquor license. Sen. Scott Dibble (DFL-Mpls.) said the bill, S.F. 1535, allows a liquor license to be issued to the Wolfgang Puck restaurant in the new Walker Art Center. The bill was granted final passage 62-2.

Committee update

Agriculture, Veterans and Gaming

Bills approved

Members of the Agriculture, Veterans and Gaming Committee, chaired by Sen. Jim Vickerman (DFL-Tracy), approved six bills at their Mon., Mar. 21, meeting.

S.F. 1625, carried by Sen. Becky Lourey (DFL-Kerrick), permits pay and allowances in a higher grade—when considered appropriate, based on special skills or experience—for retired members of the National Guard assigned to temporary active service. The measure was recommended for placement on the Consent Calendar.

Two bills were sent to the full Senate. S.F. 1772, sponsored by Sen. Julie Rosen (R-Fairmont), modifies provisions relating to plant pests, nursery stock and wildflowers. S.F. 1774, carried by Sen. Betsy Wergin (R-Princeton), imposes criminal and administrative penalties for food handler violations.

S.F. 1730, authored by Sen. Gary Kubly (DFL-Granite Falls), requires a study of the feasibility and desirability of constructing a rail container load out facility in or near Clara City. The bill was re-referred to the Finance Committee. Kubly also carried S.F. 1726, which authorizes MinnesotaCare program enrollees in active military service to suspend enrollment without reapplication, reenrollment or a lapse in coverage and modifies the determination of eligibility and the calculation of premium payment for persons in active military service. The measure was advanced to the Health and Family Security Committee. S.F. 1771, sponsored by Sen. Sean Nienow (R-Cambridge), increases the penalty for food regulation violations and imposes a penalty for meat and poultry inspection violations. The bill was forwarded to the Committee on Crime Prevention and Public Safety.

Commerce

School insurance pool gains

A proposal to create a statewide health insurance risk-sharing pool for school district employees was the main topic of discussion at the Mon., Mar. 21, meeting of the Commerce Committee. The panel, chaired by Sen. Linda Scheid (DFL-Brooklyn Park), advanced the bill without recommendation.

S.F. 1459, carried by Sen. Don Betzold (DFL-Fridley), establishes the statewide pool, requires school districts to offer health insurance only through the pool and creates a board to supervise the pool. Betzold said the bill does not represent a one-size-fits-all solution to health insurance cost problems. The statewide pool could offer a variety of plans, he said, to meet the needs of individual districts. A study commissioned by the Legislature in 2002, he said, showed that school districts are paying about \$700 million a year for coverage and will be paying over \$1.1 billion per year within three years. A mandatory pool was found, by the study, to save over \$200 million over a six-year period, Betzold said, and reduce the year-to-year swings in insurance costs that school districts currently experience.

Representatives of school employee unions spoke in support of the measure. We are experiencing runaway costs in health care and something must be done, said Jan Alswager of Education Minnesota. Some districts are eliminating health care coverage entirely, she said. The bill maintains local control, Alswager said, while curtailing premiums and delivering cost-effective health care. Bob Cooley, a former employee benefits director for the Dept. of Employee Relations who is now a self-employed consultant, said small districts are the ones most affected by a single claim event, such as cancer treatments or a premature birth. A larger risk pool minimizes the impact of claim events on small districts, he said, and reduces administrative costs. Without adequate insurance, it will be harder and harder to find teachers, Cooley said.

School boards, school districts and school administrators opposed the bill. The plans proposed in the report on which the bill is based have the same or higher cost trends as the plans currently available, said Grace Schwab, Minnesota School Boards Association. She said the board proposed in the legislation is unaccountable. The plan discourages local innovation and rewards districts that have not worked to lower their costs, Schwab said. If the pool goes bankrupt, she said, local districts will be on the hook for costs they cannot afford. The Hopkins School District decided it needed to think differently to achieve savings, not do more of the same, said Human Resources Director Nik Lightfoot. The district and

its employees designed a plan that created a sense of ownership, he said. "This looks like an Industrial Age solution to an Information Age problem," said Jim Grathwol, representing the Minneapolis Public Schools. Voluntary risk sharing pools are already available and work, said Paul Brinkman of the Northeast Service Cooperative.

Sen. Becky Lourey (DFL-Kerrick) offered an amendment prohibiting districts and employees from entering into any new cash-in-lieu-of-insurance agreements. If we are going to have a statewide pool, then everyone is going to be in on the insurance, she said. Cash-in-lieu arrangements are usually selected by low-risk people, Lourey said, leaving the insurance pool with only high-risk individuals. The amendment was adopted.

Sen. Sheila Kiscaden (IP-Rochester) offered two amendments. The first adds three members to the board. The three new members are appointed by the governor, under the amendment; the board, under the bill, includes seven members appointed by labor organizations and seven members appointed by school boards. Adding three disinterested persons, Kiscaden said, avoids the possibility of tie votes and eliminates the need for a dispute resolution process. Lee Johansen, Education Minnesota, said an evenly split board balances interests. Some of the best pools in the nation have equally divided boards, he said. Introducing a third party, Johansen said, creates an atmosphere where both sides are lobbying the non-aligned members instead of working together. The second amendment requires the statewide pool to pay Minnesota Comprehensive Health Association (MCHA) assessments. The amendment holds MCHA harmless, Kiscaden said, by requiring districts already paying into MCHA to continue paying in through the pool. Johansen said the amendment only slightly reduces the projected savings under the pool to about \$183 million over a six-year period. Both amendments were adopted.

A motion to table the bill, made by Sen. Geoff Michel (R-Edina), was defeated on announced 6-8 vote. S.F. 1459 was then re-referred to the Health and Family Security Committee without recommendation, on a divided voice vote.

In other action, committee members approved H.F. 997, carried by Sen. Carrie Ruud (R-Breezy Point). The bill permits

Committee update



Bird trainer Melissa Babich holds Tempest, a 20-year-old bald eagle, during the Minnesota Zoo's display of animals in the Capitol Rotunda, Tues., Mar. 22, as four-year-old Michael Thompson, Minneapolis, takes a keen interest.

Photo by David J. Oakes

Pine River State Bank to open a branch in Burns Township. The measure was recommended for placement on the Consent Calendar.

Crime Prevention and Public Safety

Trafficking bill gains

The Crime Prevention and Public Safety Committee met Tues., Mar. 22, to consider a lengthy agenda.

Members, chaired by Sen. Leo Foley (DFL-Coon Rapids), approved a bill making it a felony to knowingly engage in human trafficking. Chief Author Sandra Pappas (DFL-St. Paul) said a similar measure was included in the committee's omnibus bill last year, but failed to become law. S.F. 1689 also makes it a

felony for a person to destroy or confiscate a passport, immigration document or other government identification of another person in the course of committing trafficking, solicitation, or prostitution crimes. In addition, destroying or confiscating identification in order to prevent or restrict another's liberty in order to maintain the person's labor or services is also a felony under the bill. Pappas said other parts of the bill that differ from last year's bill include a provision specifying that consent or the age of the victim is not a defense, that a trafficking victim may bring a civil lawsuit against a person convicted of violating the trafficking law and specifies that if a corporation or business enterprise is convicted of violating the trafficking provisions, the court may order other remedies. The bill also provides for

forfeiture of personal property used to commit trafficking offenses. Finally, Pappas said the bill amends the criminal statute of limitations to allow a criminal case to be commenced for a violation of the trafficking provisions if the victim was under the age of 18 at the time. Members approved the bill and advanced the bill to the Judiciary Committee.

S.F. 1000, authored by Sen. Linda Berglin (DFL-Mpls.), modifies discharge plans for offenders with serious and persistent mental illness, clarifies eligibility for Medical Assistance for offenders released for work release and authorizing the commissioner of corrections to enter into a purchasing pool for prescription drugs. Berglin said the bill also allows prisoners to have prescriptions for 60 days after release. The measure was approved and advanced to the Finance Committee.

Berglin also sponsored S.F. 1028. The bill provides for discharge plans for offenders with serious and persistent mental illness who are released from county jails or county regional jails. Berglin said the bill picks up where the former bill left off. The bill requires the discharge plan be prepared for offenders who have been incarcerated for more than three months and requires offenders to have photo identification when they are released from incarceration. The bill was approved and re-referred to the Finance Committee.

A bill making it a gross misdemeanor crime for a railroad or a person employed by a railroad to obstruct the treatment of a railroad worker injured on the job was also approved. S.F. 1606, sponsored by Sen. Mee Moua (DFL-St. Paul), also prohibits disciplining or threatening to discipline a railroad employee injured on the job for requesting treatment or first aid. Moua said there has been a persistent pattern of behavior on the part of railroads of delaying medical treatment for employees. Representatives of railroad workers spoke in support of the bill and said the measure does not interfere with federal law. Representatives from railroad companies argued the bill is not needed because railroads already have policies in place prohibiting the delay of medical treatment for injured workers. The bill was approved, but later in the hearing, Sen. Dave Kleis (R-St. Paul) moved to reconsider the vote by which the bill was approved. Kleis said he understood that there would be more discussion of the policy included in the bill. The motion to reconsider was adopted and the bill laid on the table.

Members also considered a bill to fight the rising tide of identity theft and other financial crimes. S.F. 1510, authored by Sen. Satveer Chaudhary (DFL-Fridley), establishes the Minnesota Financial Crimes Oversight Council and provides for a multijurisdictional state-wide Finance Crimes Task Force to investigate major financial crimes. The bill spells out the council's membership and duties and provides for grants to combat identity theft and financial crimes. Commander Chris Abbas, Financial Crimes Task Force, said the task force has dealt with crimes involving identity theft, counterfeit checks, stolen mail, counterfeit currency and organized financial crimes. Duluth Mayor Herb Bergson also spoke in support of the bill.

Bergson said he was speaking, not only as a mayor, but as a former police officer. He said the assistance of the Financial Crimes Task Force greatly enhanced his ability to solve financial crimes. The bill was approved and advanced to the State and Local Governmental Operations Committee.

Sen. John Marty (DFL-Roseville) said his bill, S.F. 606, is an aggressive initiative against impaired driving and chemical dependency. Marty said impaired driving offenses kill and injure more Minnesotans than any other crime, that many violent crimes are committed under the influence of drugs or alcohol and that alcohol abuse contributes to domestic violence and destroys families. Marty said the bill increases the tax on alcohol to fund several initiatives. First, he said, all offenders would undergo chemical use assessments and, if indicated, receive chemical dependency treatment on a sliding fee scale. The increased tax would also be used to fund treatment. The tax, Marty said, is the equivalent of ten cents a drink, collected at the wholesale level. In addition, Marty said the bill provides funding for more state troopers, grants to combat impaired driving, liquor license compliance checks, increased judicial training regarding chemical use assessments and chemical dependency treatment. The bill was approved and re-referred to the Health and Family Security Committee.

S.F. 660, sponsored by Sen. Wesley Skoglund (DFL-Mpls.), expands the definition of designated offense in the criminal code forfeiture law to allow the seizure and forfeiture of computers and related property used in child pornography. Skoglund said pornography has moved from dirty bookstores to the home computer and the bill expands forfeiture in order to remove the computer from the offender. The measure was approved and sent to the Senate floor.

Skoglund also sponsored a bill, S.F. 1452, authorizing the commissioner of corrections to appoint individuals to the Advisory Council on Interstate Adult Offender Supervision. Skoglund said the advisory council keeps track of the movement of offenders from state to state. Skoglund offered, and members adopted, an amendment repealing the law requiring collection of data on interstate offenders. The bill was approved and recommended for placement on the Consent Calendar.

S.F. 1090, sponsored by Sen. Sheila Kiscaden (IP-Rochester), clarifies the duty of a driver when passing a parked emergency vehicle to move away from the emergency vehicle. The measure specifies when approaching and before passing an authorized emergency vehicle with its emergency lights activated that is parked on a street or highway having two lanes in the same direction, the driver of the vehicle shall safely move to the lane farthest away from the emergency vehicle. The measure was approved and sent to the floor.

Members also approved a bill expanding the crime of fourth-degree felony assault. S.F. 804, sponsored by Sen. Steve Murphy (DFL-Red Wing), includes in the crime the infliction of bodily harm or intentional transfer of bodily fluid on any person providing care or treatment at a secure treatment facility. The measure was re-referred to the Finance Committee.

The committee also reviewed the crime-related provisions in S.F. 569. The bill, sponsored by Chaudhary, contains a number of Dept. of Natural Resources initiatives. Those areas under the committee's jurisdiction include the authorization of criminal background checks for volunteer instructor applicants for education and training courses, the requirement that courts report snow mobile and all-terrain vehicle DWI convictions to the Dept. of Natural Resources and a requirement the Dept. of Public Safety issue, on request and with proof of completion, a driver's license or Minnesota identification card bearing a graphic or written indication that the applicant successfully completed an advanced hunter education course. The measure was advanced to the Senate floor.

S.F. 545, sponsored by Sen. Don Betzold (DFL-Fridley), expands eligibility for expungements to include offenders whose criminal action was not resolved in their favor. Currently, expungements are not authorized for a person convicted of a crime, except in very limited circumstances. Betzold said the bill applies only to non-violent offenders and requires offenders to no longer be under correctional supervision for the offense. In addition, the measure provides a process for sealing records by the Bureau of Criminal Apprehension. The measure also lays out criteria for the offender to petition for expungement. Betzold asked that the bill be laid over for consideration

Committee update

next year. He said he and the House author were working on a variety of issues raised by the bill.

Early Childhood Policy and Budget Division

Division tours facility

Members of the Early Childhood Policy and Budget Division devoted their Tues., Mar. 22, meeting to a tour of the Hubbs Center for Lifelong Learning in St. Paul. The panel, chaired by Sen. John Hottinger (DFL-St. Peter), also considered a bill relating to adult basic education. S.F. 894, sponsored by Sen. Sandra Pappas (DFL-St. Paul), expands the program year under adult basic education programs and increases the state total adult basic education aid formula. The measure also establishes an adult literacy grant program for recent immigrants to the state to meet the English language needs of unanticipated refugees and immigrants. The measure was laid over for possible inclusion in the division's omnibus bill.

Education

Gifted and talented support heard

Two bills providing support for gifted and talented programs in schools were heard by members of the Education Committee, Tues., Mar. 22. The panel, chaired by Sen. Steve Kelley (DFL-Hopkins), laid both bills over for further consideration.

S.F. 1491, carried by Sen. Sheila Kiscaden (IP-Rochester), permits districts to identify students, develop programs, provide staff development and evaluate programs to provide gifted and talented students with appropriate educational programs. S.F. 1487, sponsored by Sen. David Tomassoni (DFL-Chisholm), provides guidelines by which districts must identify students, design programs, provide staff development and evaluate programs. The bill also requires districts to report annually to the commissioner of education on their gifted and talented programs. Both bills provide for gifted and talented revenue to be part of districts' general education revenue.

Kiscaden said schools are often not investing in students with extraordinary talents, because gifted and talented programs are considered optional in tight

fiscal times. Tomassoni said policymakers cannot worry only about bringing up test scores. We need to pay attention to students who are above required scores, and we need to challenge them, he said. Gifted and talented directors from Spring Lake Park and Bloomington discussed the need for quality gifted and talented programming in schools. School districts have been running gifted and talented programs for years, Kelley said, but the programs have been cut back because of funding problems, not because there was no state policy encouraging gifted and talented education. We probably do not need to tell school districts how to identify students or what service gifted and talented students need, in the way S.F. 1487 does, he said. However, he said, the state should be more prescriptive than S.F. 1491, such as requiring reporting to local communities. The bills were laid over for Kiscaden and Tomassoni to seek a middle approach to be proposed for inclusion in the omnibus education policy bill.

In other action, committee members approved two bills and sent them to the full Senate. S.F. 1197, authored by Sen. Don Betzold (DFL-Fridley), permits school boards to offer rewards to persons providing information leading to the arrest of persons committing crimes against the school district. S.F. 649, sponsored by Tomassoni, provides for annual audits of the administrative regions of the Minnesota State High School League by licensed certified public accountants with review by the Office of the State Auditor. The bill also allows the OSA to audit the regions on its own initiative. Current law requires annual audits by the OSA.

Kelley sponsored four bills. S.F. 1265, which permits charter schools to receive state facilities aid to purchase, renovate or construct a building, was re-referred to the Finance Committee. The remaining bills were laid over for possible inclusion in the omnibus education policy bill. S.F. 145 permits the Perpich Center for Arts Education to sponsor charter schools and to conduct its meetings electronically. S.F. 754 requires a district providing special education services to a nonresident student to invite the district of which the student is a resident to participate in the development of the student's individual education plan. S.F. 1707 permits charter school sponsorship by up

to five charitable organizations that have as their primary activity charter school sponsorship.

Elections

Early voting okayed

A bill authorizing voters to vote in person before election day was approved by members of the Elections Committee, meeting Mon., Mar. 21. The panel, chaired by Sen. Charles "Chuck" Wiger (DFL-North St. Paul), advanced the bill to the full Senate.

S.F. 1086 authorizes voting at the county auditor's office, or at any polling place designated for early voting by the county auditor, during the eight days preceding a regularly scheduled primary or general election. The bill also allows voting in special elections up to four days before the special election date. Early voting, under the bill, is conducted similarly to voting on election day. A lot of people say they do not vote because of time constraints, said Sen. Linda Higgins (DFL-Mpls.), chief author. Early voting was first established in Texas in 1987, she said. In some jurisdictions with early voting, Higgins said, early voters account for half of ballots cast. Joe Mansky, Ramsey County, said early voting is less costly to administer than absentee voting.

Committee members also forwarded two other bills to the full Senate. S.F. 852, carried by Higgins, makes it easier for college students to register to vote by requiring higher education institutions to provide county auditors with lists of student names and addresses and by including wireless telephone bills and rental statements in the list of documents that may be used on election day to prove residence. S.F. 1319, sponsored by Sen. Sharon Marko (DFL-Cottage Grove), contains the substantive recommendations of the Campaign Finance and Public Disclosure Board. Among the recommendations was a provision requiring political party units, committees and funds that raise or spend more than \$15,000 to report electronically. Members adopted an amendment, offered by Higgins, raising the electronic filing threshold from \$15,000 to \$50,000.

One bill was re-referred to the Crime Prevention and Public Safety Committee. S.F. 1551, authored by Sen. John Hottinger (DFL-St. Peter), includes provisions designed to make it easier to

register to vote and to vote. Members adopted two amendments, offered by Hottinger, incorporating the provisions of S.F. 852 and requiring local jailers to provide absentee ballot applications to incarcerated individuals who are eligible to vote, but will be unable to vote in person. Sen. John Marty (DFL-Roseville) offered two amendments clarifying the voting rights of persons under guardianship and adding an impartiality statement to the oath required of election judges. Both amendments were adopted.

In other action, the committee considered S.F. 1769, sponsored by Sen. Linda Scheid (DFL-Brooklyn Park). The bill releases candidates who have agreed to abide by spending limits when the total of independent expenditures made against

them, or in favor of their opponents, exceeds \$1,000. The bill was laid over for further consideration.

Environment and Natural Resources

Electronics recycling bill heard

The recycling of electronics products, such as televisions and computer screens, was the focus of the Mon., Mar. 21, meeting of the Environment and Natural Resources Committee. Committee Chair John Marty (DFL-Roseville) said that although four bills were before the committee, one measure, S.F. 1298, would advance from the committee. He said he anticipated that members would take

portions from some or all of the other bills to amend into the vehicle bill.

S.F. 1298, sponsored by Sen. Linda Higgins (DFL-Mpls.), provides for the recovery and recycling of waste electronic products. Higgins said legislation creating recovery and recycling programs have been before the committee for the last three years. She said the bill provides for household waste only and that business and education electronic waste is already covered by a recycling law.

The bill sets up a system of intermediate collection points where consumers may take their computers or televisions; the manufacturers then have three working days of being notified of a full truckload of video display devices to collect the material and ensure the



Senators Dan Sparks (DFL-Austin), left, and Gary Kubly (DFL-Granite Falls) converse with family education lead teacher Kathy Erickson during a tour by the Early Childhood Policy and Budget Division of the Hubbs Center for Lifelong Learning in St. Paul, Tues., Mar. 22.

Photo by Shelley Hawes

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devices are reused, refurbished or recycled. Members adopted an amendment incorporating language from one of the other bills, specifying that by Mar. 1, 2006, manufacturers must make information available to consumers describing where and how to return, recycle and dispose of covered electronic devices.

Jim Kordiak, Anoka County commissioner, spoke in support of the measure. He said when the law was passed prohibiting disposal of electronic devices in solid waste landfills, no one imagined the financial burden that would be placed on counties.

S.F. 1398, sponsored by Sen. Linda Scheid (DFL-Brooklyn Park), requires a \$10 advanced recycling fee for computer monitors, televisions and laptops. Under the bill, the retailers collect the advance recycling fee on new product sales, keep three percent and remit the rest to a nonprofit corporation that administers a recycling program.

Sen. Gary Kubly (DFL-Granite Falls) also sponsored a measure relating to electronic device recycling. "The problem of electronic waste is a significant problem in rural areas as well as the Metro Area," Kubly said. S.F. 1595 requires manufacturers to create three collection and recovery points for every 10,000 people within two years, prohibits retailers from selling non-certified products, requires manufacturers to register their products with the state and take back their products by themselves or through a third party. The measure also covers keyboards, printers, peripherals, phones plus other appliances and toys with a circuit board. Kubly said the goal, under the bill, is to recover 75 percent of the products by 2007. The measure also contained a provision prohibiting prison labor unless the prisoners are paid the prevailing wage for similar work. Sen. Dennis Frederickson (R-New Ulm) offered an amendment, which members adopted, deleting the provision.

Tim Rudnicki, Computer Take Back Campaign, said the bill is a step forward from the Higgins bill because it covers more items, sets forth health requirements for recycling workers and ensures that taxpayers will not be picking up the tab the manufacturers are responsible for.

Members heard testimony on all the bills from a variety of interested parties. Mark Nelson, representing Hewlett Packard, said his organization supports the

shared responsibility model described in the Higgins bill, S.F. 1298. Ted Troolin, St. Louis County Solid Waste, said counties also support the Higgins bill, but do not oppose any of the others.

Frank Marella, representing Sharp, said a coalition of electronic manufacturers supported the Scheid bill, requiring an advance recycling fee. Ray Frost, representing Apple Computer, said one concern is orphan waste, waste generated by a company that is no longer in business. "We don't feed it is our responsibility to deal with other companies' waste," Frost said. He said the Scheid bill provides a better way of dealing with the issue. Buzz Anderson, Minnesota Retailers Association, said the association is in favor of a national approach. There have been 38 bills introduced in 21 states and Congress is starting to take notice, Anderson said. He said conceptually, the association supports the Higgins bill, rather than the advance recovery fee proposal contained in the Scheid bill. Anderson said his organization did not want to have a patchwork of laws across the country.

Action was delayed on the bill because of time constraints. Marty said the hearing would continue and members would have an opportunity to further discuss the bill.

Omnibus public land bill gains

The members of the Environment and Natural Resources Subcommittee on Public Lands and Waters met Mon., Mar. 21, to wrap up their work on the omnibus public lands bill. The vehicle, S.F. 896, carried by Sen. Thomas Bakk (DFL-Cook), includes the bills heard over the course of the session by the subcommittee. The measure itself provides for the sale of surplus state land in Hubbard, Lake and Wabasha Counties. The subcommittee, chaired by Sen. Tom Saxhaug (DFL-Grand Rapids), also incorporated S.F. 1773 into the omnibus bill. S.F. 1773, sponsored by Sen. Clair Robling (R-Jordan), provides for the sale of surplus state land in Scott County and clarifies a wetland development restriction. The omnibus bill was approved and advanced to the full committee.

Omnibus bills gain

Members of the Environment and Natural Resources Committee, chaired by Sen. John Marty (DFL-Roseville),

approved both the omnibus fish and wildlife bill and the omnibus public lands and water bill when they met Wed., Mar. 23. The panel also approved one other bill.

S.F. 789, the omnibus game and fish bill, was sponsored by Sen. Tom Saxhaug (DFL-Grand Rapids). "The bill makes important changes to Minnesota hunting and fishing," said Saxhaug. Ed Boggess, DNR Fish and Wildlife, outlined the more than forty provisions in the bill.

Sen. Thomas Bakk (DFL-Cook) offered three amendments. The first removes finance measures from the bill in order not to require the measure to go to the Finance Committee, said Bakk. The second amendment eliminates a section allowing scopes to be used on muzzleloaders. "We should not use scopes during what is supposed to be a primitive weapon season," he said. Bakk's third amendment deletes language requiring nonresidents under the age of 16 fishing without a license to be accompanied by a parent with a license. Under Bakk's amendment, the child's parent must simply have the license but not necessarily accompany the child. All three amendments prevailed.

Sen. Pat Pariseau (R-Farmington) offered an amendment specifying that hunter and trapper education may be completed through correspondence instruction. The amendment was adopted. Pariseau offered another amendment prohibiting the linking of certain technologies to track animals for hunting. She said thirteen other states have introduced legislation this year to prohibit the practice. Sen. Sean Nienow (R-Cambridge) said it was best to preempt the process now and reassess its policy implications later. The amendment prevailed.

Members approved the bill, as amended, and sent it to the State and Local Government Operations Committee.

Bakk carried S.F. 896, the omnibus public lands and water bill. He said none of the provisions are controversial. Bakk also offered an amendment to delete a provision authorizing the private sale of a land parcel in St. Louis County. The amendment was adopted.

Sen. Dennis Frederickson (R-New Ulm) offered an amendment changing the designation process for scientific and natural areas. The areas are scientific in

nature, said Frederickson, and are used to protect animals, vegetation or geological regions. Frederickson said legislation from last year requires the areas to be approved by a county board, but that, because of the scientific nature of the decision, it is a determination best left to the state. Bakk said he was concerned about how the amendment would affect areas in which much of the land is already in public trust. "Maybe the counties deserve a say in the issue," said Bakk, who added that north-eastern Minnesota lacks adequate private land because so much has been given up to the department. He said state and federal designation of protected lands in the region has hindered development opportunities in the area. The amendment was not adopted.

Senators approved S.F. 896, as amended, and re-referred it to the State and Local Government Operations Committee.

Sen. Gen Olson (R-Minnetrista) carried S.F. 1434. The bill creates an aquatic invasive species account in the natural resources fund, said Olson. Under the bill, individuals must affix an aquatic invasive species decal, which will cost \$10, to their motorized watercraft in order to use them in public waters. The bill also expands the uses for which the \$5 watercraft surcharge may be used to include aquatic invasive species management measures. Olson said the bill will help protect Minnesota lakes from exotic species, such as zebra mussels, Eurasian water milfoil and pond weed. She said Minnesota is losing the battle against protecting lakes from the invasive species.

Dick Osgood, vice president, Minnesota Lakes Association, spoke in support of the bill. "There are new aquatic and exotic species at our doorstep. They are damaging ecologically, economically, for fish and wildlife and for recreation," said Osgood. While there is not currently adequate funding to combat the damaging species, he said, there are many people with the knowledge and desire to work on the issue.

Several individuals working to protect specific lakes from exotic species said they support the bill. Terrie Christian, Plymouth, said the bill is a fair way to pay for the protection of Minnesota Lakes. Representing the Hundredth Meridian Initiative, an organization working on all levels of management with both public and private entities to protect

waters, Dave Britton said the bill would help to ensure the health of Minnesota lakes. Kim Zeile and Rob Birkland, Prefix Corporation, spoke in support of the bill and also presented and explained the operation of a unit that could be used to clean aquatic vehicles before and after entering lakes.

Senators approved S.F. 1434 and re-referred it to the Finance Committee.

Environment, Agriculture and Economic Development Budget Division

Youth programs discussed

A recommendation by the governor to eliminate funding for youth intervention programs sparked considerable discussion at the Tues., Mar. 22, meeting of the Environment, Agriculture and Economic Development Budget Division. The panel, chaired by Sen. Thomas Bakk (DFL-Cook) on behalf of Sen. Dallas Sams (DFL-Staples), heard extensive testimony on a bill restoring funding for the programs.

Several participants spoke about the value of youth intervention programs. A number of young people cited increased communications skills, better academic performance and the development of work skills as benefits of their participation in the programs.

Wendy Whitmore, parent of a student with disabilities, spoke about the development of job skills her son learned through the Minnesota Youth Program. "The program has allowed my son to overcome obstacles, gain confidence and learn valuable skills that will allow him to become a productive member of society," she said. Titaana Washington, a 17 year-old participant in the program, said the program has opened many doors for her and allowed her to become employed. Mark Zuzek, principle, Hastings Middle School, spoke on behalf of the young people referred to one of the programs. He said the program teaches job skills, academic skills and interpersonal skills and helps build relationships between the school and the students. Tom Bodin, Workforce Investment Board, said not funding the programs will cause a significant hardship. The elimination of the programs will make it difficult to offer employment to those who need it the most, he said. Investment in the programs

is also investment in the state's future, Bodin said.

Sen. James Metzen (DFL-South St. Paul), on behalf of Sams, explained the bill aimed at restoring funding. S.F. 937 appropriates \$4 million for the biennium to fund youth intervention programs. The bill also requires a match from communities in which the programs are located. Metzen said, "This is a program that has been proven to be successful over the years, serving more than 23,000 young people." The program is all over the state and serves rural areas as well as the Metro Area, Metzen said. Scott Beaty, executive director, said the Youth Intervention Program is an early intervention program that helps youth who are at a crossroads in their lives. It is the relationship with a positive, caring adult, that can turn young people around, Beaty said.

In other action, the panel considered several additional bills. S.F. 1241, authored by Sen. Keith Langseth (DFL-Glyndon), appropriates money for a high-resolution digital elevation and flood plain management mapping project. Under the bill, Anoka, Benton, Chisago, Clay, Crow Wing, Hennepin, Isanti, Kittson, Marshall, Mille Lacs, Morrison, Norman, Polk, Rice, Stearns, Traverse, Wilkin and Wright Counties are all included in the mapping project. S.F. 1413, sponsored by Sen. Steve Dille (R-Dassel), provides \$2.35 million in FY 2006 for the Veterinary Diagnostic Laboratory at the University of Minnesota to expand animal disease surveillance and to protect animal agriculture and public health.

All of the above bills were laid over for inclusion in the division's omnibus budget bill. One measure, though, S.F. 701, was advanced to the full Finance Committee. The bill, sponsored by Sen. Dave Kleis (R-St. Cloud), modifies the grant recipient of an appropriation for the St. Cloud Paramount Theater to provide for the city to own the facility.

Finance

Base budget proposal approved

A measure resolving the forecasted budget shortfall for FY 06-07 was the focus of the Mon., Mar. 21, meeting of the Finance Committee. The proposal provides the base budgets for state agencies and programs. The measure was approved, on a 13-9 roll call vote, for introduction as a committee bill.

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Committee Chair Richard Cohen (DFL-St. Paul) said the intent of the proposal was not to stop progress on discussion of actions the Legislature would like to do. The measure reflects a consensus as far as cuts, he said, and adopts many of the governor's proposed cuts to baseline spending. The proposal does not include any new spending or any new programs, Cohen said. He said the proposal is not a shortcut of the budget process. Budget divisions will take the proposal as a base and make changes as they see fit, he said.

The panel engaged in a discussion regarding the procedural future of the proposal, including possible action by the other body, and the likelihood that no other action on budget proposals would occur. Chairs of the budget divisions also briefly discussed each budget area addressed in the proposal.

Sen. Sean Nienow (R-Cambridge) said many members on both sides would be dissatisfied if the proposal was the only budget work accomplished. We are avoiding the heavy lifting if this is all we do, he said. The responsible thing for us to do is to pass a good budget that will be enacted into law, Nienow said. Getting the job done is not one body acting alone, he said. At best, Nienow said, the proposal leaves the state treading water. Cohen said the proposal is not the end of the process. One of the Legislature's responsibilities is to resolve the projected shortfall, he said.

MnCare, NCLB bills approved

Members of the Finance Committee devoted their Tues., Mar. 22, meeting to hearing two bills, one relating to MinnesotaCare (MnCare) benefits and one relating to the No Child Left Behind Act (NCLB). The panel, chaired by Sen. Richard Cohen (DFL-St. Paul), forwarded both measures to the full Senate.

S.F. 255, authored by Sen. Linda Berglin (DFL-Mpls.), repeals the limit on MnCare benefits for adults without children. The cap limits outpatient benefits to \$5,000 annually and eliminates some services, such as physical therapy and psychological care, completely, said Berglin. More than 27 percent of individuals who reached the cap last year, she said, were being treated for mental illness, while the most common afflictions of those reaching the cap were muscular and skeletal diseases, like multiple sclerosis. Berglin said that many MnCare partici-

pants continue to pay premiums, even as the cap prevents them from collecting benefits, in order to avoid the four month waiting period to reenroll in the program. "The cap is a form of rationing at its worst," said Berglin. "Minnesota should end the cap, particularly in light of the fact that the health care access fund has the money to pay for these services."

Deacon Robert Schnell, Minnesota Catholic Conference, said the cap is an issue that matters to people. "It is a step backward and away from the Minnesota tradition of caring for those in need," he said. Schnell also called the cap bad public policy, saying that the cap forces people to forego medical treatment or seek it without insurance. Sheila Hart, a citizen from Hibbing, also spoke in support of the repeal. "People will be dying on the steps of the Capitol if the cap is not eliminated. Please keep MnCare alive, so the people on it can stay alive," said Hart. She also said there was enough money in the health care access fund to pay to repeal the cap, but that the money is being diverted to other uses.

Sen. Pat Pariseau (R-Farmington) asked how repealing the \$5,000 cap affects other MnCare participants. Berglin responded that there is no cap for parents with children in MnCare and that no other public health programs have caps.

Members approved S.F. 255 on a 19-1 roll call vote and sent it to the floor.

Sen. Steve Kelley (DFL-Hopkins) sponsored S.F. 1244. The measure requires the Department of Education (DOE) to continue implementing NCLB through June 2006. "The bill will also put Minnesota on record with respect to the changes to the No Child Left Behind Act," said Kelley. He said the bill identifies 13 changes, both in law and in administrative implementation, that the commissioner of education is directed to make to NCLB in Minnesota. If the commissioner is unable to secure the changes, said Kelley, then Minnesota will opt out of NCLB. The bill provides financing for school districts if the state opts out, he said. "The primary goal is to get the federal government to fix No Child Left Behind," said Kelley. While DOE does not support the bill, he said, the department is seeking the same changes contained in S.F. 1244.

Cohen said one estimated cost of opting out is \$30 million. He asked Kelley how the bill affects future funding. Kelley

said nothing in the bill takes effect until after the 2006 session, allowing the Legislature to rescind its decision to opt out if the federal government does not change the law or thinks the cost of opting out is too high. Because the bill is contingent upon the actions taken with regard to NCLB, said Kelley, the cost of the bill could range from nothing to more than \$200 million. Sen. Gen Olson (R-Minnetrista) said part of the reason for the bill is to send a stronger message in trying to elicit some positive action on the issue.

Members approved the bill and advanced it to the floor.

Health and Family Security

Adoption records bill heard

Members of the Health and Family Security Committee, chaired by Sen. Becky Lourey (DFL-Kerrick), met Tues., Mar. 22, to hear a bill changing the privacy status of adoption birth records.

S.F. 1005, authored by Sen. Ann Rest (DFL-New Hope), changes the privacy status of adoption birth records from confidential data to private data. Confidential data means data that is not public and is inaccessible to the individual subject of the data. Private data means data that is not public and is accessible to the subject of the data. Under the bill, adoptees age 19 and older are able to access their birth certificates.

Many supporters of the bill said it allows adopted individuals to access documents about themselves. "Bring civil rights to adopted persons," said Joan Sanaker, a birth mother. Robert O'Connor, an adoptee, said, "I'm not asking for my mother's birth certificate. I'm asking for my birth certificate."

Gretchen Traylor, an adoptee who has a lung disease, said she obtained critical medical information from her birth mother, which allowed her to go ahead with an important surgery. Medical information is one of the key reasons to allow adoptees access to their records, said Sandy Sperrazza, a birth mother. "If someone loves a child enough to give them up so they can have a better life," said Sperrazza, "then wouldn't that person love the child enough to give them important medical information?" Mary Martin Mason, Minnesota Adoption Support and Preservation, added that the group the bill affects are an aging popula-

tion and that medical information is increasingly important to them.

Speaking in opposition to the bill, a birth mother named Lori, who is also an adoptee, said the bill violates individual privacy. "Confidentiality was a huge part of my adoption decision," she said. "I have the right to maintain my privacy in the most private, intimate decision of my life," said Lori. Representing the National Council for Adoption, Lee Allen said the bill offers birth parents no control over their own information. Linda Kuhlmann, Children's Home Society, gave an account of her work with birth mothers in the 1960s and said adoption had a stigma attached to it at that time. "The bill removes a parent's right to say if, how and when information about them is released. Many older birth parents do not want their identities disclosed," said Kuhlmann. Another birth mother, named Jennifer, said, "People may have a right to know about themselves, but people also have a right to privacy."

Kuhlmann also said that access to medical information through birth parents is not an adequate reason to change the law. She said the Department of Health (MDH) asks every birth parent to complete a book with information on their medical background for the adoptee. Kuhlmann said only three parents have ever refused to provide the information.

Opponents of the bill also said it jeopardizes the adoption process overall and could possibly lead to abortion. "If the bill passes, birth parents will not be able to make confidential adoptions," said Connie Roller, Catholic Charities.

Rest said, "Family relationships are one of the most difficult areas for government to legislate." She said the bill represents a midpoint that allows individuals to have important information about themselves. "Who has a right to know more about you than you know about yourself?" asked Rest.

No action was taken on the bill.

Adoption bill advances

The Health and Family Security Committee, chaired by Sen. Becky Lourey (DFL-Kerrick), held an evening meeting, Tues., Mar. 22, to hear six bills.

The committee began by resuming its consideration of S.F. 1005, sponsored by Sen. Ann Rest (DFL-New Hope). The bill changes the privacy status of adoption birth records, allowing adoptees to access their birth certificates. Sen. Sheila



Nursing assistants Angie Hall, left, and Christina Jensen, both from Chisago City, listen to a presentation in the Capitol Rotunda during a rally for long-term care.

Photo by David J. Oakes

Kiscaden (IP-Rochester) said she was concerned about a clause in the bill allowing adoptees to contact birth parents who had designated "no contact" in their records. She said that not allowing for confidential adoption did not leave a full range of choice for birth parents. Kiscaden offered an amendment to remove the clause. The amendment was adopted.

Senators sent the bill to the Judiciary Committee without recommendation.

The next bill the committee heard was S.F. 1567, authored by Sen. Gary Kubly (DFL-Granite Falls). The measure tries to preserve rural pharmacies by creating a rural pharmacy grant program and extending the loan forgiveness program to pharmacists who agree to practice in designated rural areas, said Kubly. "If a rural pharmacy closes, it leaves the area's health care system in a fragile state," he said. Todd Sorenson, a

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pharmacist and associate professor at the University of Minnesota's College of Pharmacy, said the state has lost an average of 38 pharmacies per year over the last three years, 10 of which, on average, are rural. The grant program would allow the college to create a rural emphasis in its program, he said. The grant program and loan forgiveness will be funded by excess licensure fees collected by the Board of Pharmacy, said Sorenson.

Members approved the measure and re-referred it to the Finance Committee.

The committee also approved S.F. 932 and sent it to the Finance Committee. The measure, carried by Lourey, eliminates the county's share of costs for intermediate care facilities for persons with developmental disabilities. The bill also requires the Department of Human Services (DHS) to develop recommendations regarding future services. Bruce Nelson, ARRM, said counties currently help shoulder the costs as a result of the 2003 budget deficit resolution. Sen. Betsy Wergin (R-Princeton) asked what the shift has cost the counties. Jan Parker Weissner, Association of Minnesota Counties (AMC), said the shift cost Ramsey County over \$1.2 million in the past year and cost shifts from the state overall cost the county approximately \$10 million. Lourey offered an amendment requiring DHS to make recommendations to ensure adequate state and federal financial resources are available to counties if alternative services are recommended for its facility's residents. The amendment was adopted.

Lourey also sponsored S.F. 1482. The bill makes certain modifications to Minnesota's isolation and quarantine practices. Under the bill, peace officers are required to enforce isolation or quarantine orders issued by the commissioner of health, and the court must rule on the order within 24 hours of filing or as soon as possible. The bill also specifies that a directive to isolate or quarantine must include the known or estimated period of incubation for the disease. Finally, the measure provides for subjects of isolation or quarantine to be appointed legal representation if they do not already have their own.

Lourey offered an amendment that deletes a section outlining employee protections and changes the sunset date for certain parts of the bill. The amendment was adopted.

Senators approved the measure and sent it to the Judiciary Committee.

Lourey's final bill, S.F. 1483, modifies the Minnesota Emergency Health Powers Act of 2002. Among the modifications are changes to the definitions of what facilities may be used and who may act as a volunteer to assist during an emergency or disaster, said Commissioner Aggie Leitheiser. Another modification allows individuals licensed in the District of Columbia and Canada to provide assistance during an emergency to provide the same assistance in Minnesota, she said. Many of the remaining provisions, said Leitheiser, define gubernatorial authority with respect to a public health emergency.

Members approved the measure and re-referred it to the Judiciary Committee.

The final bill of the evening, S.F. 65, authored by Sen. Linda Berglin (DFL-Mpls.), makes several modifications to public health programs. Berglin outlined some of the more than thirty modifications. One part of the bill provides more training and support to pediatricians and psychologists in dealing with children with mental illness, she said. The bill also extends the loan forgiveness program to physicians going into pediatric psychology, said Berglin, because there is a serious shortage in the field. Berglin said another section directs the commissioner of health to publish premium growth limits and reduces reimbursement to providers to reflect the premium caps. The bill also establishes an option through which small employers may buy into MinnesotaCare (MnCare), said Berglin.

Beth Hartwig, Minnesota Business Partnership, spoke in support of provisions encouraging pay for performance health care and directing the implementation of electronic medical records. Julie Brunner, Minnesota Council of Health Plans, said the council endorses provisions supporting evidence-based medicine but is opposed to a provision limiting premium caps to the regional growth of the consumer price index. "Premium growth limits fail to acknowledge the breadth of the issues and put a burden on the health care system," said Brunner. Hartwig said the Minnesota Business Partnership opposes the premium caps, too. Carolyn Jones, Minnesota Chamber of Commerce, also spoke in opposition to the premium caps and said the MnCare buy-in program made employers uneasy because it encouraged them to buy into and expand

government programs. The employers would like to see other options to insure their employees, said Jones.

Members approved S.F. 65 on a 6-4 roll call vote and re-referred it to the Commerce Committee.

Jobs, Energy and Community Development

Energy bills heard

Electric utility issues dominated the Jobs, Energy and Community Development Subcommittee on Energy hearing Mon., Mar. 21. The panel, chaired by Sen. Gary Kubly (DFL-Granite Falls), advanced three bills to the full committee.

S.F. 1263, authored by Kubly, establishes a goal of wind power usage at 20 percent by 2020. The bill also establishes a wind energy conversion system loan guarantee program. In addition, the bill requires the Public Utilities Commission to establish a program for tradable credits among electric utilities for electricity generated through wind energy conversion systems. S.F. 1687, sponsored by Sen. Ellen Anderson (DFL-St. Paul), requires public utilities to meet specified renewable energy standards by specific dates. Under the bill, by 2013, at least 10 percent of the energy each electric utility generates or procures must be electricity generated by an eligible renewable energy technology. Further, by 2015, the percentage rises to 15 percent and by 2020, 20 percent of the energy must come from an eligible renewable energy technology. Both measures were laid over.

S.F. 1784, carried by Sen. Steve Murphy (DFL-Red Wing), exempts personal property used for a simple cycle combustion turbine electric generation facilities from the property tax. The bill also spells out qualification requirements for the property tax exemption. The panel approved the bill and advanced the measure to the full committee.

Economic development bills heard

The Jobs, Energy and Community Development Subcommittee on Economic Development and Tourism met Mon., Mar. 21, to consider several bills relating to economic development.

The panel, chaired by Sen. Thomas Bakk (DFL-Cook), began by considering a bill expanding the definition of low-

income areas. S.F. 514, sponsored by Sen. Linda Scheid (DFL-Brooklyn Park), expands the definition to include those cities in the Metropolitan Area that contain two or more contiguous census tracts in which the average family income is less than 80 percent of the median family income for the Twin Cities Metropolitan Area. Scheid said that by changing the definition additional communities will become eligible to participate in the Dept. of Employment and Economic Development's urban initiative program. Currently, she said, the definition limits eligibility primarily to the communities in the central part of the Metro Area. Under the bill, Brooklyn Center, Brooklyn Park, Crystal, New Hope, St. Louis Park, Richfield, Bloomington, Fridley, South St. Paul and St. Francis will become eligible. Members adopted an amendment providing that the new communities also meet the same income standards in current law. The bill was approved and advanced to the full committee.

S.F. 1495, sponsored by Sen. Sean Nienow (R-Princeton), authorizes the city of Taylors Falls to establish and exercise border city development zone powers. The mayor of Taylors Falls, Michael Buchite, said the city is in direct competition with St. Croix Falls, across the river in Wisconsin, for jobs and business development. The border city development zone powers would level the playing field, Buchite said. The measure was approved and advanced to the full committee.

Bakk sponsored two bills. S.F. 409 authorizes an early separation incentive program for employees of the Iron Range Resources and Rehabilitation Board who have attained the age of 60 years or who have received credit for at least 30 years of allowable service. The measure was approved and advanced to the full committee. S.F. 1564 modifies provisions relating to JOBZ and biotechnology and health sciences industry zones. The measure was also advanced to the full committee.

Sen. Gary Kubly (DFL-Granite Falls) also sponsored two bills. S.F. 677 provides a one-time appropriation to the Minnesota Historical Society for the operation of the Kelley Farm, Hill House, Lower Sioux Agency, Fort Ridgely, Historic Forestville, Forest History Center and Comstock House historic sites. Kubly said many of the sites had experienced cuts in

the last budget cycle and the closure or reduced hours of the sites in the rural area had a negative impact on the local economies. Curtis Dahlin, a historian from Roseville, said historic events are best told at the site in which they took place. He said it was important to keep sites open where important historic events occurred. Dan Fjeld, a worker at several of the sites, said the historic sites are important to understanding who we are as a culture. The measure was advanced to the full committee.

S.F. 728, the second Kubly bill, establishes a credit against the income tax of rural employers who create or retain jobs that meet specific criteria. Under the bill, qualifying job means a job in an industry that produces goods or services that bring outside wealth into an eligible county and includes jobs in value-added manufacturing, technologically innovative and information industries, forestry, mining, agriprocessing and tourism attractions. Further, the bill specifies that a qualifying job must provide full-time employment and pay not less than \$12 per hour, or \$10 per hour plus health insurance benefits. The bill defines an eligible county as a county that experience, between 1991 and 2001, a net new job growth rate of less than 15.6 percent. The bill provides that the taxpayer may take a credit equal to \$4,000 per qualifying job created by the taxpayer for three years and \$3,000 per job in the fourth year. Kubly said the bill is effective for taxable years beginning after Dec. 31, 2005 and expires Dec. 31, 2009. Members adopted an amendment adding the energy industry as one of the categories for qualifying jobs. The bill was also approved and advanced to the full committee.

The final bill on the agenda, S.F. 895, creates an international economic development zone. Sen. Ann Rest (DFL-New Hope), chief author, said the bill is designed to promote the development of expanded air freight business at the Minneapolis-St. Paul International Airport. Under the bill, property located and income derived from activity in the international economic development zone is granted a series of tax preferences. The bill defines a foreign trade zone authority as the existing Greater Metropolitan Foreign Trade Zone Commission and authorizes the foreign trade zone authority to designate an area within a foreign trade zone as an international economic

development zone if there is a regional distribution center being developed within the zone. Further, the bill specifies that the borders of the zone must be no more than 60 miles from the airport or within 90 minutes drive time. The bill specifies that the zone will have a 12 year duration beginning June 30, 2007. Morrie Anderson, representing the Metropolitan Area Foreign Trade Zone, spoke in support of the measure. He said the most important reason to enact the bill is to improve state businesses' ability to reach global markets. The measure was approved and advanced to the full committee.

Judiciary

'Sick homes' bill discussed

A bill providing procedures to resolve disputes over construction defects between contractors and homeowners was considered by the Judiciary Committee, Tues., Mar. 22. The panel, chaired by Sen. Don Betzold (DFL-Fridley), had previously considered the measure, but laid it over for further consideration.

Sen. Linda Scheid (DFL-Brooklyn Park), chief author, said S.F. 1287 is an attempt to bring builders to the table to work out issues with homeowners. Committee members adopted an amendment, suggested by Scheid, reflecting the committee's previous discussion of the bill. Scott Andresen, an attorney who represents homeowners, said the bill's requirements apply only to general contractors, leaving homeowners to deal with two different processes for resolving problems with their homes. He said a requirement for written notice, delivered by U.S. mail, does not reflect the common practice of an owner calling the builder and seeking to resolve the problems. Written notice and other technical provisions, Andresen said, encourage owners to seek the advice of an attorney. The law should encourage resolution of problems without involving attorneys, if possible, he said. Members adopted an amendment, offered by Sen. Warren Limmer (R-Maple Grove), providing for actual notice, instead of written notice, to the builder.

Sen. Thomas Neuville (R-Northfield) offered an amendment providing for recovery of attorney fees by a homeowner if the claim goes to trial and the homeowner recovers at least 110 percent of the

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builder's last offer. The amendment encourages parties to make fair offers and puts pressure on both sides to resolve problems without litigation, he said. The amendment was adopted.

After lengthy discussion of other issues raised by Andresen, other attorneys and homeowners, Scheid requested the committee lay the bill over. The measure deals with very sticky and very real issues, she said. Scheid said people are not finding redress for their claims under the current system. She said the system is very expensive and time consuming. Homeowners get very frustrated, Scheid said, and many say all they want is for the builder to work with them.

In other action, committee members considered several other bills. S.F. 778, carried by Sen. Leo Foley (DFL-Coon Rapids), changes the scope of a court's hearing on appeal of a plate impoundment order. Under the bill, the court no longer considers questions of ownership of a vehicle or the status of a violator's driver's license. The bill was advanced to the full Senate. S.F. 1143 expands the applicability of domestic abuse no contact orders. The measure, sponsored by Sen. Jane Ranum (DFL-Mpls.), had been previously heard by the committee but was laid over. Sen. Wesley Skoglund (DFL-Mpls.) offered an amendment, on Ranum's behalf, clarifying the language and providing that multiple violations of a domestic abuse no contact order are multiple crimes. The amendment was adopted. The measure was sent to the Crime Prevention and Public Safety Committee.

S.F. 1603, carried by Sen. Mee Moua (DFL-St. Paul), imposes a civil penalty on railroads that delay treatment of injured employees or discipline employees for requesting medical treatment. Members adopted an amendment, suggested by Moua, providing for administrative hearings after complaints are filed with the commissioner of labor and industry. The amendment, which effectively removed the bill from the committee's jurisdiction, was adopted. The bill was referred to the Committee on Jobs, Energy and Community Development.

Sen. Ann Rest (DFL-New Hope) authored S.F. 1010, which puts on creditors the burden of claiming that income is not exempt from garnishment. Under the bill, the debtor asserts the exemption and the creditor has to prove

otherwise, Rest said. Christian Walker, Attorney General's Office, said the bill requires creditors to request a hearing if they object to a debtor's claim of exemption over income. Under current law, he said, the debtor must request the hearing. The bill shortens the process, encourages creditors to examine debtor's fund sources and lets consumers get access to their funds back quickly, Walker said. He said the bill imposes no additional burdens on financial institutions or courts. Lisa Haster, co-chair of the Debtor/Creditor Remedies Committee of the Hennepin County Bar Association, said the focus should be on educating debtors about how to inform creditors of exemptions. The information submitted by debtors is often invalid or incomplete, she said. Joe Witt said the Minnesota Bankers Association prefers waiting, since interested parties plan to work on substantial reform of the garnishment system this summer. The system was established years ago and needs updating, he said. Each issue should be considered in the greater context, Witt said, rather than in a piecemeal fashion. Rest said the change is a small one, but provides significant relief to a small group of debtors whose income is exempt. The measure was sent to the Finance Committee.

K-12 Education Budget Division

LEP, all-day kindergarten heard

Members of the K-12 Education Budget Division, chaired by Sen. LeRoy Stump (DFL-Thief River Falls), met Wed., Mar. 23, to hear six bills.

The first three bills related to limited English proficiency (LEP) education. S.F. 1597, carried by Sen. Ann Rest (DFL-New Hope), and S.F. 312, carried by Sen. Mee Moua (DFL-St. Paul), both restore LEP funding by removing a provision stating students that have been in Minnesota schools for five or more years cannot generate LEP funding. S.F. 357, authored by Sen. Wesley Skoglund (DFL-Mpls.), also removes the five year provision and further adjusts LEP funding by reducing a multiplier in the program's funding formula.

"I'm proof that LEP programs work," said Moua, who spoke of her own experience with learning English. Several LEP education professionals also spoke in

support of the bill. Vileria Silva, director of the English Language Learners (ELL) program in the St. Paul schools, said five years was not enough time for children to learn English. "Evidence shows that it takes seven to ten years to become academically proficient in English," said Silva. Director of Diversity and Student Services for Anoka-Hennepin Schools, Eric Moore said, "We are struggling with the five year cap. My theory is that it will cause us to backtrack." He added that the cap is further problematic because it counts a student's time in Minnesota schools, not LEP programs. "Students who lose out are advanced level students," he said, "because they return prematurely to regular classrooms." Terri Siguenca, a former ELL assistant director, added, "Not all kids are going to make it in five years. We don't want to leave some children behind just because it takes them longer to learn."

Siguenca also spoke on the importance of LEP programs in helping children who face both the challenges of learning English and studying other subjects. "These children are chasing a moving target," she said.

All three bills were laid over for possible inclusion in the division's omnibus bill.

The remaining three bills related to all-day kindergarten. S.F. 221, sponsored by Skoglund, and S.F. 190, sponsored by Sen. John Hottinger (DFL-St. Peter), both specify an increase in the multiplier applied to kindergarten students. Under Skoglund's bill, the multiplier increases from .557 to 1.0, while under Hottinger's bill the number increases from .557 to 1.15. S.F. 1410, authored by Sen. Tom Saxhaug (DFL-Grand Rapids), provides levy power to school districts in order to fund the program.

Ruth Maciver, a retired kindergarten teacher from Valleyview Elementary, said all-day kindergarten allows teachers more time to read to students and to work with them individually. She also said students in all-day kindergarten tend to be more confident and self-reliant than students in half-day programs. Bob Belluzzo, a superintendent, said the all-day kindergarten program in his district has been enormously successful, but faces elimination due to a lack of funding.

No action was taken on any of the bills.

State and Local Government Operations

Texas hold'em bill okayed

A bill legalizing Texas hold'em poker tournaments was approved at the Mon., Mar. 21, meeting of the State and Local Government Operations Committee. S.F. 317, authored by Sen. Dave Kleis (R-St. Cloud), specifies that Texas hold'em is a social skill game and is not governed by provisions in the criminal statutes. Other social skill games are cribbage, skat, sheephead, bridge, euchre, pinochle, gin, 500, smear, and whist, Kleis said. The bill provides that anyone wanting to conduct a Texas hold'em tournament must apply for a permit from the city or county, if the city or county requires permits for lawful gambling tournaments and specifies the cost of the permit must be reasonably

related to the cost of administering and enforcing their permit program. The measure was approved and re-referred to the Crime Prevention and Public Safety Committee.

In other action, the committee, chaired by Sen. Linda Higgins (DFL-Mpls.), heard a variety of other bills. S.F. 1267, sponsored by Sen. Ann Rest (DFL-New Hope), changes the name of the Hennepin County Park Reserve District to the Three Rivers Park District and authorizes any park district superintendent's term to be for a period of five years, rather than the current two years. The measure was approved and advanced to the Senate floor. S.F. 708, carried by Sen. Debbie Johnson (R-Ham Lake), classifies investment data of the State Board of Investment. The measure was approved and re-referred to the

Judiciary Committee. S.F. 1115, authored by Sen. Michelle Fischbach (R-Paynesville), requires plumbers to be licensed, establishes inspection requirements for new plumbing installations and requires rulemaking. The measure was approved and sent to the full Senate.

Three measures relating to the military were also heard. S.F. 362, authored by Sen. Steve Murphy (DFL-Red Wing), creates a program that provides interest-free loans to members of the Minnesota National Guard or other military reserve units called to federal active service and deployed outside the United States. The bill specifies the maximum loan amount is \$2,000 per month of overseas active service or \$24,000, whichever is less. Two bills, S.F. 658 and S.F. 659, were carried by Sen. Don Betzold (DFL-Fridley). Betzold said

both bills accomplish the same thing, but from two different approaches. One measure, S.F. 658, uses a constitutional amendment to establish a permanent trust fund to alleviate financial hardships faced by members of the Minnesota National Guard or a reserve unit who has been called to active duty or by members of the soldier's immediate family. The other measure, S.F. 659, establishes a military assistance trust fund, but does not provide for a constitutional amendment. Both bills specify that the income from the trust fund must be used only as a last resort and not be used in place of any other public or private funds. All three measures were approved and advanced to the Committee on Finance.

Tax

Tax II omnibus bill approved

Members of the Tax Committee, chaired by



Professional poker player and co-host of television's "Celebrity Poker Showdown" Phil Gordon, left, describes the game of Texas hold'em to members of the State and Local Government Operations Committee, Mon., Mar. 21. Looking on is Sen. Dave Kleis (R-St. Cloud), sponsor of Texas hold'em legislation.

Photo by David J. Oakes

Committee update

Sen. Lawrence Pogemiller (DFL-Mpls.), devoted their Mon., Mar. 21, hearing to discussion of the various articles of the omnibus tax proposal known as Tax II. The proposal, said Pogemiller, contains many of the provisions in the omnibus bill assembled for the 2004 session, which did not become law. Pogemiller said the draft language also includes a number of provisions contained in bills heard by the committee this year. He said the proposal is essentially revenue neutral and that he hopes to have broad bipartisan support.

The proposal makes changes to income, sales and property tax provisions, updates provisions to conform to federal tax law, modifies tax provisions relating to economic development, authorizes local governments to make investments of public funds, makes changes to tax provisions relating to minerals and aggregate and makes technical changes recommended by the Dept. of Revenue.

The committee also heard testimony on the measure and considered a number of amendments. One of the provisions,

authorizing cities statewide to initiate local sales taxes without coming to the Legislature was deleted from the bill. A number of other amendments were discussed, with the panel adopting several. The panel recessed in order to revise spreadsheets and language to take into account new information.

Upon returning from the recess, a bill, S.F. 1683, was distributed containing the provisions in the proposal discussed earlier in the day. Members approved the measure and sent the bill to the full Senate.

Budget resolution discussed

A resolution proposing limits on revenues and appropriations for the coming biennium was the focus of discussion at the Wed., Mar. 23, meeting of the Tax Committee.

Senate Rule 7 requires the Tax Committee to prepare a resolution setting forth a recommended maximum limit on general fund revenues and the amounts to be set aside in a cash flow account and a budget reserve account. The resolution then proceeds to the Finance Committee, under the rule, which proposes a maximum limit on general fund net appropriations. The rule requires the resolution to be reported to the full Senate within 30 days after the last state economic forecast. Committee members, chaired by Sen. Lawrence Pogemiller (DFL-Mpls.), discussed the requirements of the rule, the uses of the resolution in the budget process and the difficulty in setting a revenue target without having a spending target. No figure for the general fund revenue cap was proposed.

Transportation

Omnibus funding bill heard

The Transportation Committee met Tues., Mar. 22, to continue discussion of the funding proposal. The measure, which has not yet been introduced, is authored by committee chair, Sen. Steve Murphy (DFL-Red Wing). Members approved the proposal on an 11-5 roll call vote.

Several Senators offered amendments to the proposal. Sen. Satveer Chaudhary (DFL-Fridley) offered an amendment to allocate \$100,000 to work on a congested corridor in the northern Metro. Sen. Claire Robling (R-Jordan) said the project is worthwhile, but that she was uncom-



Senators Brian LeClair (R-Woodbury), left, and Thomas Bakk (DFL-Cook) talk in the Senate Chamber during a recent floor session.

Photo by David J. Oakes

fortable elevating certain projects over others. The amendment was adopted. Sen. Sharon Marko (DFL-Cottage Grove) offered an amendment authorizing a sales tax in the seven county Metropolitan Area into which counties may opt through a county board vote. In the current bill, said Marko, counties must hold a public election to opt into the tax. The amendment was adopted. Marko offered a final amendment allowing municipalities to impose street utility fees. The amendment was also adopted.

Representing the Metropolitan Inter County Association, Bob Vanasek called the measure a bold proposal for a rapidly changing state. "The proposal addresses problems on both a state and a local level," said Vanasek. Margaret Donahoe said the proposal is a huge step forward in the transportation funding debate in the state. She listed funding for transit, tools for local governments to use to fund local transportation projects and an overall level of funding that reflects the state's transportation needs as the best aspects of the proposal. The proposal also provides flexibility to change funding priorities as project priorities change, she said.

Sherry Munyon, Minnesota Public Transit Association, and Barb Thoman, Transit for Livable Communities, spoke on the transit funding in the bill. While the bill represents a significant effort toward meeting transit needs statewide, said Munyon, it is not enough to meet Minnesota's full transit needs. She said Greater Minnesota, in particular, is behind in meeting the department's transit goals for 2010. Thoman spoke in support of immediate funding to transit in 2006 and a provision in the bill dedicating part of the motor vehicle sales tax to a specific transportation fund. However, the bill does not allocate enough funding for transit overall, because there is only \$65 million in new funding specifically allocated to transit after covering current shortfalls, said Thoman.

Alyssa Schlender, Minnesota Auto Dealers Association, spoke in opposition to increases in the motor vehicle transfer fee, registration taxes and county wheelage fees. "Minnesotans already pay the highest motor vehicle taxes compared to surrounding states," said Schlender.

Carolyn Jones, Minnesota Chamber of Commerce, spoke on tax provisions in the bill. Jones said provisions allowing local sales taxes are the most problematic

because there is a lack of transparency and accountability associated with sales taxes. The business community is more open to tax increases for transportation when its members know how and for what the money will be used, said Jones. Murphy said that listing a specific list of projects to which revenue will be dedicated removes important flexibility from the process. Jones said the chamber feels that 80 percent of the funding should be specified and 20 percent should be flexible. Jim Bartholomew, Minnesota Business Partnership, also addressed the sales tax provisions. He said the partnership believes the reallocation of existing resources and dedication of transportation revenue to transportation projects are the best ways to fund transportation. Simultaneously, said Bartholomew, the partnership strongly encourages the Legislature not to increase the sales tax because it makes the state less competitive regionally and because the tax is not transportation related.

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 and in any order you like. 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. When you have finished your multi-media tour, test yourself on what you have learned by taking the short quiz.

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 (both PC and Mac versions on one disc) or borrowed at no cost by contacting Senate Media Services at (651) 296-0264.

Senate on the World Wide Web

The Minnesota Legislature's Web site has been updated. A joint effort of the Senate, House of Representatives, Legislative Reference Library, Legislative Commissions, and the Office of the Revisor of Statutes, the site offers easier access to a variety of legislative and government information.

The Legislature's page (<http://www.leg.mn>) includes links to other government agencies and departments, as well as copies of Minnesota Statutes, Session Laws, and Administrative Rules. The page also allows one to track legislation and get general information about the legislative process. The site includes a district finder service for those who need to contact their House member or Senator.

Information about joint legislative departments, the various legislative commissions, and task forces is available at <http://www.commissions.leg.state.mn.us>.

The Senate Web site (<http://www.senate.mn>) has information about members, committees and Senate staff. The page also has daily and weekly schedules for the Senate, as well as copies of the Journal and Senate Briefly. The status of legislation and confirmation of executive appointments by the Senate is also available.

Schedule available online

Next week's schedule is available online at: <http://www.senate.mn/schedule/2005/0328.htm>

MyBills system available

The MyBills personalized bill tracking system is now available. Users can add House and Senate bills to their lists by bill number, subject, or author, and view the legislative status of their bills, with items with significant current floor action highlighted. Users can modify their lists at any time. The MyBills system is available from the Legislative website at: <http://www.house.mn/leg/billslogin.asp>

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Memorializing victims of domestic violence, decorated shirts hang in the North Corridor of the Capitol as part of "The Clothesline Project."

Photo by David J. Oakes



April 1, 2005

Senate Highlights

Bonding deal reached

Members of the conference committee appointed to work out differences in this year's bonding bill reached agreement Wed., Mar. 30. The panel, composed of five members of the Senate and five members of the House, resolved the differences between S.F. 1 and H.F. 3. Under the agreement, a total of \$885.888 million in general obligation bond sale proceeds will be appropriated for bricks and mortar projects throughout the state.

The panel, chaired by Sen. Keith Langseth (DFL-Glyndon) and Rep. Dan Dorman (R-Albert Lea), compromised between the Senate's version, with \$975 million in general obligation bond sales, and the House version, with \$780.3 million. The compromise plan also includes \$59.08 million in user financed appropriations.

Under the proposal, the University of Minnesota receives \$108.383 million and the Minnesota State Colleges and Universities receive \$156.289 million for a variety of projects. The plan also provides \$72.145 million for Dept. of Natural Resources projects, \$2.37 million for Capitol Building repair, \$92 million for transportation projects, including \$37.5 million for the Northstar Community Rail project, and \$98.694 million for Dept. of Corrections projects. Included in the Dept. of Corrections list of projects are \$84.844 million for expansion of the Faribault facility and \$3.5 million for a 150 bed segregation unit at the Stillwater facility.

The plan provides \$30.9 million for Metropolitan Council projects including \$10 million for the Cedar Avenue Bus Rapid Transit, \$5.25 million for the Central Corridor, \$7 million for Metropolitan Regional Parks and \$4.676 million for Raspberry Island in St. Paul. The

compromise agreement contains an appropriation of \$22.64 million for the Minnesota Zoological Gardens, \$27 million for flood hazard mitigation grants through the Dept. of Natural Resources and \$23 million to the Water and Soil Resources Board for RIM Reserve and CREP programs.

The conference committee agreed on \$107 million to the Dept. of Employment and Economic Development for a variety of projects including \$21.726 million for the University of Minnesota/Mayo biotech research facility, \$17.9 million for bioscience development, \$15 million for redevelopment grants and \$2 million for flood damage that occurred in Austin last fall.

NWA CEO subpoenaed

A bill relating to the Minneapolis-St. Paul International Airport and Northwest Airlines dominated debate at the Transportation Committee meeting Thurs., Mar. 31. At the end of the hearing, Committee Chair Steve Murphy (DFL-Red Wing) said he has asked the president of Northwest Airlines to appear before the committee several times to discuss the airlines viability and compliance with covenants reached in 1994. He said the company has not responded. As a result, Murphy asked members to approve a motion to subpoena Douglas M. Steenland, president and CEO of Northwest Airlines, to appear before the committee. He said for the motion to go forward, two thirds of the committee needed to approve the motion. With little debate, the motion was approved on a 12-1 roll call vote.

The bill that touched off the discussion, S.F. 208, prohibits the Metropolitan Airports Commission from authorizing facility demolition or further consider-

ation of Northwest Airlines "20/20 Vision" plan until Northwest Airlines demonstrates compliance with financing agreement covenants and reporting requirements. The bill prohibits the demolition of Building B hangars until the airline reports the impact on employment.

Sen. Satveer Chaudhary (DFL-Fridley), chief author, said passengers pay, on average 41 percent more because of the Northwest hub at Minneapolis-St. Paul International Airport. He said the airline has a near monopoly and 20/20 Vision moves the airline closer to a monopoly by allowing Northwest to be the sole occupant in the Lindbergh terminal. In addition, he said the company is downsizing and moving jobs out of the state, thus it is not a good time to be rewarding the airline. Recently there was an announcement that 1,000 jobs would be cut, and laying off mechanics is troubling for both employees and passengers because of safety issues, he said. Chaudhary said the bill takes a step back in order to allow the state to consider the implications of the company's actions.

Ted Ludwig, president of the mechanics union, AMFA Local 33, said, "We have had concerns about the 20/20 plan since the beginning. We knew it would not be good for employees." He said the maintenance workers outside the company don't have the same level of security and expertise as the company maintenance workers. Other maintenance workers also spoke about the disruption lay-offs cause in workers' lives.

Sen. Dick Day (R-Owatonna) said he sympathized with the workers on the issue of outsourcing, but it is a labor-management dispute and not appropriate for the committee. He said the 20/20 vision of airport expansion is a good thing because it means more airlines at the airport and more economic growth for the state.

Murphy said the airport and the Metropolitan Airports Commission are under the jurisdiction of the committee. He said the bill just prohibits the MAC from further consideration of 20/20 Vision until the airline reports on its compliance with the commitments and covenants of the financing agreements with the state and that he has repeatedly requested representatives from the airline to appear before the committee and discuss the issue.

Todd Klingel, of the Minneapolis Regional Chamber of Commerce, spoke

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Northwest Airlines mechanics listen intently to debate on a proposed expansion of Minneapolis–St. Paul International Airport and the potential effect on their jobs during a Senate Transportation Committee hearing, Thurs., Mar. 31.

Photo by David J. Oakes

in opposition to the bill. Klingel said the chamber believes that for the region to be economically competitive, the area must have a world class airport. He said expansion of the airport is expected to bring 45,000 jobs to the region. Proceeding with the expansion makes a strong statement of the state's commitment to the industry and to economic growth, Klingel said. Sandra Westerman, St. Paul Chamber of Commerce, said the expansion is necessary for the economic expansion of the region.

MAC Chair Vicki Tigwell said, "I worry about the impact of this legislation on the airport and the region. The legislation sends a signal that the state is not serious about competing in world markets." Jeff Hamiel, MAC executive director, also spoke against the measure and urged members not to halt or delay airport expansion. He said every prior expansion has resulted in more jobs and more economic growth.

Chaudhary said, "I appreciate the views of the various chambers, but other

businesses have told him they pay very high airfares because there is no choice. So I think we need to think about the direction we are going with the 20/20 Vision plan for expansion." He said he agreed on the need for a world class airport and for economic expansion.

Members approved the measure and re-referred the bill to the State and Local Governmental Operations Committee.

Senate returns for brief session

Members returned from their spring break to begin the countdown to the first committee deadline, Tues., Apr. 5. The first committee deadline is the deadline for Senate committees to hear bills originating in the Senate. To that end, committees will be holding long hearings with lengthy agendas in the run up to the deadline.

The Tues., Mar. 29, floor session was very brief and was held to process committee reports and facilitate the movement of bills between committees.

Senators also paused for a moment of silence in honor of U.S. Army Spc. Travis Bruce, 22, of Rochester, Minnesota, who was killed in action in Iraq.

Benefits cap repeal, Tax II pass

A bill repealing the cap on MinnesotaCare (MnCare) benefits for adults without children gained final passage when the Senate met, Thurs., Mar. 31. Members also approved the Tax II bill.

Sen. Linda Berglin (DFL-Mpls.) authored S.F. 255, which repeals the benefits cap. The current cap, said Berglin, ends benefits at \$5,000 for outpatient services and eliminates services such as physical therapy, ophthalmological care and psychological treatment. Individuals with conditions like diabetes, muscular sclerosis and chronic arthritis are among those most adversely affected by the cap, she said. Berglin added that several individuals whom the cap affects suffer from mental illnesses, and the cap

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prevents them from getting their medications for the entire year. "It is the right thing to do medically, it is the right thing to do morally. We must tell those without children that they are just as worthy, that their illnesses are no less serious than other Minnesotans," Berglin said.

Sen. Michelle Fischbach (R-Paynesville) said the bill should be part of a more comprehensive budget bill. "If we start addressing issues in a piecemeal fashion," she said, "we could come out with a big mess." Berglin said it was important to consider the bill today because program participants are losing their benefits and access to healthcare. She also said that the health care access fund, a fund containing provider tax revenue dedicated to the program, had more than enough money to cover the cost of repealing the cap.

Sen. Betsy Wergin (R-Princeton) said she agreed that the cap does not work, but said the bill does not fix health care problems. "We need to help people take responsibility for their own health care. We need to deal with the issue on the front end," said Wergin. She moved to table the bill. The motion failed on a 21-46 roll call vote.

Sen. Mady Reiter (R-Shoreview) said the state does not currently have the money to accommodate healthcare programs like MnCare fully. Sen. Michael Jungbauer (R-East Bethel) added that he was concerned that removing the cap would increase costs and, as a result, threaten funding for education. Education should be a higher spending priority, he said, because it is included in Minnesota's constitution while health care is not. Sen. Brian LeClair noted that eight days previously the Senate voted to cut K-12 education in order to pay for healthcare programs. "What we're doing here today is cutting education in order to give a 20 percent increase to welfare health care. What we're saying is that welfare health care is our number one priority in the Senate. I think we're spending money very foolishly here," LeClair said. The fiscal note on the bill, he said, is \$185 million dollars. That money could be better spent on education, said LeClair. He also noted that the bill does not help the elderly, disabled or children. Efforts to reform the private health insurance market would be preferable to increasing

funding to government health care programs, he said.

Sen. Paul Koering (R-Fort Ripley) said he did not like the term welfare health care. Koering said MnCare participants pay premiums. "We're giving people a hand up not a hand-out," said Koering. Sen. Richard Coen (DFL-St.Paul) added that the cuts to education were to state bureaucracy.

The bill gained final passage on a 49-17 roll call vote.

S.F. 1683, carried by Sen. Lawrence Pogemiller (DFL-Mpls.), passed on a 40-27 roll call vote. Much of the bill, he said, is built off of the tax bill that passed with bipartisan support last year. He said some controversial items from last year's bill, such as the business property tax increase and provisions relating to the statewide sales tax, have been removed. Among the provisions in the bill, said Pogemiller, are several proposals from the governor's tax bill, including the upfront tax provision on vehicle leases and tobacco tax compliance provisions. New additions to the bill include an increase from 7.85 to 8 percent in the upper bracket income tax and makes changes to the alternative minimum tax (AMT) in order to provide relief for middle income tax payers. Pogemiller offered an amendment making technical changes to the bill and incorporating minor changes reflecting work conducted by other committees. The amendment was adopted.

Sen. Dave Kleis (R-St. Cloud) offered an amendment removing the provision that increases the income tax from 7.85 to 8 percent. He said the increase should be considered independently, not as a package. "Raising the income tax is the wrong thing to do, it's the wrong thing for Minnesota's economy and it's the wrong thing for job creation in the state," said Kleis. Pogemiller said taking out the income tax increase would eliminate revenue necessary for a provision fixing the AMT. The choice, he said, is between a slight increase in the upper income tax bracket and reforming other personal and business taxes. Pogemiller offered an amendment to the amendment eliminating provisions reforming the AMT. He said the two issues are related, so the removal of the income tax increase should be accompanied by the elimination of AMT reforms. Ortman noted that the

income tax increase is greater than the cost to fix the AMT, meaning that the net result of the provisions is a tax increase. Sen. Sean Nienow (R-Cambridge) said Pogemiller's amendment reflects a false choice because it says there is only one way to pay for reforms to the alternative minimum tax. The amendment to the amendment was adopted on a 35-30 roll call vote.

Kleis said he felt combining the two provisions is the wrong approach. He called for a division of the amendment to reflect the distinct provisions. Sen. Don Betzold (DFL-Fridley) said the call to divide was out of order because the Senate already decided on the deletion of AMT tax reform. Pogemiller said the effect of the division would be to vote twice on the same thing. Kleis said the previous amendment simply added Pogemiller's elimination of ATM reforms to the original amendment and that calling for division on one's own amendment, even as amended, is not out of the ordinary. Ultimately, Kleis withdrew his amendment, as amended, and then offered another amendment that eliminates only the income tax increase. The amendment failed on a 29-38 roll call vote.

Jungbauer offered an amendment creating a tax increment financing district to help facilitate housing development in Ramsey County. The amendment was adopted.

Sen. Rod Skoe (DFL-Clearbrook) offered an amendment allowing Hubbard County to expand a tax. Skoe said local governments support the measure. The amendment was adopted.

Four Consent Calendar bills also gained final passage. S.F. 933, carried by Ortman, recodifies the motor vehicle installment sales act. Sen. Becky Lourey (DFL-Kerrick) sponsored S.F. 1625. The bill authorizes the National Guard the ability to offer higher pay rates to retired members with special skills and experience when they are ordered back into duty. H.F. 997, carried by Sen. Carrie Ruud (R-Breezy Point), authorizes a bank expansion in Burns Township. The final bill, S.F. 1452, carried by Sen. Wesley Skoglund, authorizes the commissioner of corrections to appoint members to the Advisory Council on Interstate Adult Offender Supervision and eliminates a report requirement.

Committee update

Agriculture, Veterans and Gaming

Racino, horseracing bills heard

The Agriculture, Veterans and Gaming Committee, chaired by Sen. Jim Vickerman (DFL-Tracy), heard two bills relating to gambling and race tracks at its Wed., Mar. 30, meeting. The panel, chaired by Sen. Jim Vickerman (DFL-Tracy), also approved two other bills.

S.F. 1609, authored by Sen. Dick Day (R-Owatonna), provides for the creation of a racino. The measure authorizes the State Lottery to operate gaming machines at a licensed racetrack and allows the racetrack to conduct blackjack card games. Under the bill, the racetrack must make a onetime payment of \$100 million to the general fund upon entering the contract with the State Lottery and must pay 35 percent of its gaming revenue, 20 percent of its blackjack revenue and 5 percent of its card club rake to the general fund.

Day said several other states have had great success with racinos. "The racinos help to build schools, recreational centers, senior citizen centers and roads," he said. He noted that six out of seven Minnesotans say they support the proposal and that the city and county in which the racino would be located strongly support the idea. Day also said the racino would create new jobs and strengthen rural economies. Randy Sampson, president, Canterbury Park, said he is confident that Canterbury Park can do an excellent job developing the racino.

Judy Jensen, Central State's Dressage and Eventing Association, said the proposal is about far more than tax dollars and slot machines. She said the racino would have a positive impact on several areas of the state's economy. Craig Bishop, a farmer and horse breeder, said the bill makes sense. "Three polls show that 70 percent of Minnesotans support the racino bill," he said, "so why wouldn't you do something 70 percent of Minnesotans want?"

Helen Blue-Rednes, chair, Upper Sioux Community spoke in opposition to the bill. She said the racino proposal is terrible public policy even though it has been presented as a rosy prospect. Tadd Johnson, special counsel to the Mille Lacs Band of Ojibwe, said the racino would seriously harm the tribe. Angela Heikes,

vice president of gaming for the tribe, said additional casino gaming would harm the tribe as well as the economic well-being of area surrounding the tribe's casino. John McCarthy, executive director, Minnesota Indian Gaming Association, said it is impossible to expand gambling without hurting tribes. He outlined how tribal gaming has improved rural economies and helped to provide services to communities without any cost to taxpayers. "Why would anybody want to derail that system? Why would they want to hurt the economies of rural Minnesota?" McCarthy asked. McCarthy also said the bill will expand gambling in Minnesota. Blue-Rednes added, "Expansion will beget more and more expansion."

The bill was laid over for further consideration.

S.F. 1723, authored by Sen. Linda Scheid (DFL-Brooklyn Park), was also laid over. The bill outlines the operations of a second horse racing track in the Metro Area, said Scheid. Under the bill, the track is to operate harness races, in which riders are pulled in a cart by the horse. The bill also allows for restricted simulcasting of the races and allows the track to establish a card club once the track has been assigned 50 days of racing. Scheid said the track has already been granted a location in Columbus Township in Anoka County.

Jim Druck, president, North Metro Harness Initiative, said legislation from twenty years ago authorized the track, but the track never emerged because it did not have a developer until now. The North Metro Harness Initiative began developing the track two years ago, said Druck. He also said that all the necessary local government and Minnesota Racing Commission permits have been obtained to operate the track. Mel Metler, chair, Columbus Township Board, added that the town is strongly behind the project. A representative from the North Metro Chamber of Commerce said, "The surrounding business community sees the track as a huge advantage." Anoka County Commissioner Ron Erhart said the county has been active in pursuing economic development and believes the track will be a valuable and much needed entertainment venue in the region.

Johnson and McCarthy both spoke in opposition to the measure.

The bill was laid over for further consideration.

Sen. Jane Ranum (DFL-Mpls.) carried S.F. 1891, which establishes an outreach program to minority veterans. Marland Ronning, commander, Minnesota American Legion, said the bill would help to identify homeless, female and minority veterans and help them to receive the benefits to which they are entitled. As a result, said Ronning, Minnesota veterans would receive more federal dollars, thereby reducing their dependency on state programs, while at the same time improving the quality of life for the veterans and their families.

Senators approved the measure and re-referred it to the State Government Budget Division.

S.F. 1893 was sponsored by Sen. Steve Murphy (DFL-Red Wing). "The bill is intended to allow greater flexibility for ethanol producers," said Murphy. The measure provides for a grant program for research to improve combustion of ethanol in motor vehicle engines. "Not only would the program provide our universities a great opportunity to expand their research, but it would also provide a great opportunity to move future ethanol legislation forward," he said. Murphy also said the grants allow existing research projects at the University of Minnesota and Minnesota State University Mankato to expand. "We need more solid information, and I believe our universities can provide it," said Murphy.

The committee approved the bill and sent it to the Finance Committee.

Commerce

Identity theft bill approved

A bill requiring companies to disclose identity information security breaches gained when the Commerce Committee met Wed., Mar. 30. The panel, chaired by Sen. Linda Scheid (DFL-Brooklyn Park), also heard six other bills.

S.F. 1307, authored by Sen. Satveer Chaudhary (DFL-Fridley), requires businesses that own or license computerized data including personal information to disclose any breach of their security system to affected consumers. "Identity theft is exploding," said Chaudhary. "An estimated \$5 billion is stolen annually in the United States due to identity theft. That number will only grow if we don't do something about it," he said.

"The bill is very important," said Bruce Schneider, chief technical officer,

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Counterpane Internet Security. He said identity theft is dangerous both because identity information is increasingly valuable and because the information is easily obtained. "A few years ago, I would have said people need to shred their trash. But people don't steal identities that way anymore. Why steal identities one by one when you can go somewhere and steal 100,000 at a time?" said Schneier. He cited a California law that requires similar disclosure and has been successful in bringing to light security breaches of consumer information. By requiring companies to disclose the breaches, he said, the bill will improve identity security. "Companies will do better protecting information because there's a cost associated with having to say publicly that they messed up," said Schneier.

Sen. Mady Reiter (R-Shoreview) asked if identity information could be protected from someone who really wanted to obtain it. Schneier said there are two kinds of identity theft. The first, he said, is targeted at specific individuals and is difficult to prevent, but the second, which is more random, can be reduced by better protection of information.

Ray Kaplan, Ray Kaplan and Associates, said he does not oppose the concept contained in the bill but does not support the bill as written. He said the terminology in the bill should be better defined and explained in accordance with international, national and state law. Kaplan also said the bill should expand its definition of private information and specify notification and sanction guidelines associated with breaches. Sarah

Janacek, Consumer Data Industry Association, said the industry is not opposed to notification but wants to work further on the issues in the bill. For example, said Janacek, notification of a breach to hundreds of thousands of consumers would require extra staffing and considerable time.

Senators approved S.F. 1307 and re-referred it to the Judiciary Committee.

The committee also heard S.F. 664, the omnibus liquor bill. Carried by Sen. Sandra Pappas (DFL-St. Paul), the bill permits brewpubs to use wort produced outside of Minnesota, allows wine tasting to take place for more than four hours, allows sales of certain liquor on Sundays and allows various communities to issue on-sale liquor licenses. Members also incorporated S.F. 137, carried by Sen. Bob



Farmer and horse breeder Craig Bishop, Blooming Prairie, right, appears before the Agriculture, Veterans and Gaming Committee, Wed., Mar. 30, to support a bill offered by Sen. Dick Day (R-Owatonna), left, allowing slot machines at Canterbury Park.

Photo by David J. Oakes

Kierlin (R-Winona), S.F. 1812, carried by Sen. Michael Jungbauer (R-East Bethel), and S.F. 1696, carried by Sen. Keith Langseth (DFL-Glyndon), into the omnibus bill. S.F. 137 allows the Four Seasons Center to sell liquor at the center's events. Todd Roesler, who helped raise the money to build the center, said being able to sell liquor would help the center pay off its capital debt. S.F. 1812 allows the sale of malt liquor at the Lyric Arts Company, and S.F. 1696 authorizes the city of Detroit Lakes to issue an on-sale liquor license.

The bill also contains a provision, authored by Sen. Ellen Anderson (DFL-St. Paul), requiring authorities issuing retail liquor licenses or operating municipal liquor stores to impose specific penalties for sales to underage persons and to conduct two mandatory compliance checks on each license holder or store annually. Sen. William Belanger (R-Bloomington) offered an amendment to delete the provision. "My city does not need the state to tell us what to do and how to do it," he said. Karen Lowery Wagner, city of Minneapolis, said the compliance checks are unfunded mandates. Anderson said she learned of opposition to the measure only a few hours before the meeting and asked that she be given time to talk with cities about their concerns.

Members laid the bill over for further consideration.

Scheid sponsored S.F. 1379, a bill excluding the cost of repairing or replacing an airbag when assessing overall damage to an automobile. Scheid said the cost of repairing and replacing the bags is very high and often affects insurance companies as they try to determine if damage to a vehicle exceeds 70 percent of the car's retail value, which is Minnesota's threshold for disclosure when selling the vehicle. Scheid said insurance companies are neutral on the bill. "The bill doesn't impact insurance companies, just the owners of the cars and auto repair companies," she said.

Senators approved the bill and sent it to the Transportation Committee.

S.F. 794, authored by Sen. Chris Gerlach (R-Apple Valley), was also approved. The bill is a consumer protection measure, said Gerlach, aimed at protecting individuals who join travel membership clubs. Brian Dockendorf, Attorney General's Office, provided an

overview of the bill. He said it modifies existing law by starting the 10-day cancellation period on the day of consummation of service instead of the day a customer contracts with the club. The bill also requires the club to provide a written notice to a customer of the right to cancel membership within ten days and requires the club to explain the value, limitations on and requirements of any gifts they provide to customers.

The committee approved the bill and re-referred it to the Judiciary Committee.

Health cost containment bill gains

A bill aimed at containing rising health care costs was approved at the Fri., Apr. 1, meeting of the Commerce Committee. S.F. 65, sponsored by Sen. Linda Berglin (DFL-Mpls.), caps premium increases, expands the MinnesotaCare program to include small businesses and requires the use of evidence-based health care. Members heard testimony in support of the measure from Jon Youngdahl, Service Employees International Union, Mary Jo George, Minnesota Nurses Association and Brad Lehto, AFL-CIO. Supporters said the provisions capping premium increases will aid working families in the state. Phil Stalboerger, Blue Cross Blue Shield of Minnesota, Geoffrey Bartsh, HealthPartners, and Beth Hartwig, Minnesota Business Partnership, spoke in opposition to the bill. Bartsh said that the costs of health care are going up faster than the premium caps would increase under the bill. The opponents also said the expansion of MinnesotaCare should not be implemented at the expense of the private marketplace.

Sen. Brian LeClair (R-Woodbury) offered an amendment deleting the provisions relating to the premium cap and the provisions relating to the expansion of MinnesotaCare. The amendment was not adopted. The panel approved the bill and re-referred the measure to the Finance Committee.

In other action, the committee, chaired by Sen. Linda Scheid (DFL-Brooklyn Park), also approved a bill creating a vehicle insurance verification program. S.F. 1794, authored by Sen. Steve Murphy (DFL-Red Wing), requires insurance companies to report to the commissioner of public safety a record of each vehicle insurance policy in force.

Murphy said the current system of sampling has not worked, but it is important to ensure that vehicles are properly insured. The measure was approved and advanced to the State and Local Government Operations Committee.

S.F. 1636, sponsored by Sen. Dan Sparks (DFL-Austin), makes housekeeping changes to provisions relating to financial institutions. Sparks said the measure was brought forward by the department of commerce and makes mostly technical changes. The bill was approved and advanced to the floor. S.F. 1380, also carried by Sparks, regulates automobile insurance claims practices. Sparks said the bill is a work in progress and that interested parties have come together to work out their differences. The measure was approved and advanced to the floor.

Crime Prevention and Public Safety

Sex offender sentencing heard

The Crime Prevention and Public Safety Committee, chaired by Sen. Leo Foley (DFL-Coon Rapids), and the Public Safety Budget Division, chaired by Sen. Jane Ranum (DFL-Mpls.), met jointly Tues., Mar. 29, to hear a comprehensive overview of sex offender sentencing.

Ken Backhus, Senate Counsel, spoke on the various degrees of criminal sexual conduct, and Director of the Minnesota Sentencing Guidelines Commission Barbara Tombs outlined the sentencing process. According to Tombs, the presumptive sentence for first-degree criminal sexual conduct, the most severe classification, is 144 months. Tombs further said that the presumptive guidelines for sentencing reflect a time range to account for the severity of the offense. Of first-degree offenders, she said, just under 30 percent receive probation, 19 percent receive a sentence longer than the prescribed guidelines, 18 percent receive a sentence shorter than the prescribed guidelines and 35 percent receive a sentence within the guidelines. Sen. Thomas Neuville (R-Northfield) asked what constitutes the basis for departure from the guidelines. Tombs said departure sentencing is usually based on an agreed upon plea. Currently, the strictest sentence is 126 months, said Tombs.

Committee update



Chris Lang, the boyfriend of 2003 murder victim Dru Sjodin, appeals to members of the Crime Prevention and Public Safety Committee and Public Safety Budget Division, Wed., Mar. 30, to strengthen sex offender sentencing laws.

Photo by David J. Oakes

Dan Storkamp, information technology, Department of Corrections (DOC), provided an overview of the incarceration process, focusing on how a growing sex offender population in Minnesota prisons is affecting DOC. Storkamp said the number of people serving sentences for criminal sexual conduct as their governing offenses, the most serious offense on an individual's record, has increased more than 30 percent over the last seven years. Storkamp said more than 1,000 inmates who are serving time for a different kind of offense also have a sexual offense on their record.

Sex offender bills heard

The Crime Prevention and Public Safety Committee, chaired by Sen. Leo Foley (DFL-Coon Rapids), and the Public

Safety Budget Division, chaired by Sen. Jane Ranum (DFL-Mpls.), heard three bills relating to sex offender sentencing when they met jointly, Wed., Mar. 30.

S.F. 1377, authored by Sen. Wesley Skoglund (DFL-Mpls.), requires life sentences for certain first-degree criminal sexual conduct offenses. The bill also creates a new crime of sixth-degree criminal sexual conduct. A sixth-degree crime is defined in the bill as an offense in which a person commits a predatory crime that is motivated by the offender's sexual impulses or is part of a predatory behavioral pattern that has criminal sexual conduct as its goal.

S.F. 1325, carried by Sen. Dave Kleis (R-St. Cloud), also provides for life sentences for certain sex offenders and increases statutory maximum sentences

for all sex offenses. The bill further directs the Minnesota Sentencing Guidelines Commission to modify sentencing guidelines for sex offenders and establishes the Minnesota Sex Offender Review Board to make release decisions regarding offenders with life sentences.

Ranum sponsored S.F. 1875. The bill also requires indeterminate life sentences for certain first-degree criminal sexual conduct offenses and certain repeat criminal sexual conduct offenses and creates new sexual offenses. The bill also makes changes to community notification law and the predatory offender registration law.

While S.F. 1325 applies indeterminate life sentences to repeat offenders for first- through fourth-degree criminal sexual conduct offenses, S.F. 1875 applies only to first- through third-degree offenders. Kleis's bill also requires the offender to serve a minimum of 20 years before being eligible for release. Furthermore, S.F. 1875 specifies guidelines for increased and lifetime conditional release for repeat offenders, while S.F. 1325 does not contain provisions on the releases.

No action was taken on any bill.

Sex offender sentencing bill gains

The Crime Prevention and Public Safety Committee, chaired by Sen. Leo Foley (DFL-Coon Rapids), met Thurs., Mar. 31, to discuss a bill relating to the sentencing of sex offenders.

The committee approved S.F. 1875 and re-referred it to the Finance Committee. Carried by Sen. Jane Ranum (DFL-Mpls.), the bill requires indeterminate life sentences for certain first-degree or repeat criminal sexual conduct offenses, makes changes to predatory offender and community notification laws and increases the conditional release terms for sex offenders.

Sen. Dave Kleis (R-St. Cloud) offered an amendment allowing more crimes to be sentenced to life without parole. "There are certain people that just rise to the level of that sentence," said Kleis. Under the amendment, crimes that involve torture, inflict great bodily harm, involve kidnapping, affect victims over 70 or under 13, affect multiple victims, have multiple perpetrators or involve an offender armed with a dangerous weapon would be subject to the sentence. Ranum's bill includes some of those provisions, but not all of them, said Kleis.

Ranum said that while she understands the argument behind it, she opposes the amendment. Right now in Minnesota, she said, only three crimes can be sentenced to life without parole, and they are first-degree murder with a previous conviction of a heinous crime, first-degree murder while committing a violent sexual crime and first-degree murder of a peace or correctional officer. There are first- and second-degree murders that do not eliminate the possibility of release, said Ranum. She also reminded Senators that the bill raises the requirements for conditional release of offenders. "The bill establishes a high, high threshold for release. If offenders do not meet the requirements, they will be in prison for life anyway," she said.

Kleis said he felt strongly that certain people should be sentenced to life without parole as a matter of public safety and in response to the heinous nature of the crimes they committed. Sen. Carrie Ruud (R-Breezy Point) said the amendment is what victims' families need to deal with their grief.

Sen. Thomas Neuville (R-Northfield) said the amendment goes too far, noting that it would affect several areas of the criminal justice system, not just sentencing. He also said that if offenders cannot be rehabilitated, then treatment programs would be a waste of money.

The motion failed on a vote of 3-5.

Sen. Don Betzold (DFL-Fridley) offered an amendment relating to cases involving offenders with psychopathic personalities. The amendment directs the Supreme Court to study the possibility of establishing two statewide panels, one of judges and one of defense lawyers, to deal with the cases. Currently, the cases are assigned to any judicial district, said Betzold, even though some districts are accustomed to the cases and thus have professionals with greater expertise on the subject. The motion was adopted.

Sen. Wesley Skoglund (DFL-Mpls.) offered an amendment providing a 10-year conditional release for level three sex offenders who fail to register. Under the amendment, if an offender fails to register, he serves one year in prison but then is subject to 10 years of intensive supervision by DOC. The amendment allows the department to do whatever is necessary to protect society from the offender, such as prohibiting the offender from working around children or using the internet, said Skoglund. The amendment was adopted.

Early Childhood Policy and Budget Division

Screening bill heard

Six measures were considered by members of the Early Childhood Policy and Budget Division at their Thurs., Mar. 31, meeting. The panel, chaired by Sen. John Hottinger (DFL-St. Peter), laid the bills over for possible inclusion in the omnibus early childhood budget bill.

S.F. 222, carried by Sen. Wesley Skoglund (DFL-Mpls.), makes four-year-old students eligible for extended time programs. S.F. 1365, sponsored by Sen. David Tomassoni (DFL-Chisholm), expands eligibility for early childhood developmental screening to include younger children and requires the inclusion of socioemotional development screening. Hottinger authored S.F. 1792, which consolidates the Minnesota Family Investment Program and Basic Sliding Fee child care programs.

S.F. 1826, sponsored by Sen. Bob Kierlin (R-Winona), allows a credit against corporate franchise taxes for contributions to prekindergarten scholarship granting organizations. Sen. Betsy Wergin (R-Princeton) carried S.F. 1853, which expands developmental screening requirements, requires the assignment of student identification numbers, specifies essential data reporting requirements, modifies developmental screening aid and expands eligibility for school readiness programs. S.F. 1374, authored by Sen. Rod Skoe (DFL-Clearbrook), restores funding for the basic community education program.

Education

Heritage education bill heard

A bill requiring school districts to permit the supplemental use of primary documents relating to American history was considered by members of the Education Committee at their Tues., Mar. 29, meeting. The panel, chaired by Sen. Steve Kelley (DFL-Hopkins), adopted an amendment offered by the bill's chief author and laid the measure over for possible inclusion in the omnibus education policy bill.

S.F. 1137, as amended, requires districts to permit instruction that includes the use of documents relating to the nation's founding and to permit

principals and teachers to read or post documents, speeches and other texts that are part of the national or state history. The bill also prohibits districts from limiting instruction based on religious references in historical documents and prohibits districts and teachers from restricting a student's ability to choose to write on a religious topic if other students are also given the opportunity to freely choose topics. David Barton, an historian and consultant, described the importance of using primary-source documents in teaching history. It is important that teachers have the ability to present documents to balance against any ideological slant espoused by textbook editors, he said. Barton said the bill unties the hands of young teachers, who are more prone to feel bound to textbooks.

State law does not discourage deviation from the textbooks, said Kelley, and does not establish a curriculum or mandate that districts use particular textbooks. He said the bill does not seem to align with the local-control framework used in Minnesota. Sen. Michele Bachmann (R-Stillwater), chief author, said the bill encourages free inquiry without mandating any particular documents or curricula. Bob Meeks, School Boards Association, said the bill needs more work, because many of the measure's mandates are broadly drafted. August Berkshire, Minnesota Athiests, called the bill a solution in search of a problem. Bachmann said the bill lets instructors know they have the freedom to include primary documents without concerns related to religious references. "We want to let academic freedom rise in our schools," she said.

In other action, committee members heard three additional bills. S.F. 1186, carried by Sen. Cal Larson (R-Fergus Falls), provides for the creation of centers of excellence within the Minnesota State Colleges and Universities system. The panel had previously discussed the bill but laid it over for further work. Larson returned with an amendment reworking the legislation. Susan Heegaard, Higher Education Services Office, reviewed the major changes proposed in the amendment, including the removal of specific references to subject areas for the centers and an added focus on program outcomes, including job growth and economic development. Members adopted the amendment.

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The committee also adopted three other amendments. The first, offered by Sen. Gen Olson (R-Minnetrista), replaced an endowment required by the bill with a dedicated fund. Olson said the word endowment often signifies a fund with access only to interest. The dedicated fund in the bill, she said, is meant to leverage non-state funds. The second amendment, offered by Sen. LeRoy Stumpf (DFL-Plummer), removed specific appropriation figures from the bill, replacing them with blanks to be filled in by the Finance Committee. The final amendment, offered by Sen. Tom Saxhaug (DFL-Grand Rapids), deleted language requiring a part of the appropriation to be used for salary incentive payments. The measure was re-referred to the Finance Committee.

Sen. Sharon Marko (DFL-Cottage Grove) carried S.F. 1052, which establishes a five-year pilot program in the South St. Paul School District to assess the benefits of extending the International Baccalaureate program across all grades in the district and to measure the program's effectiveness in improving student performance and academic achievement. Kelley offered, and the committee adopted, an amendment expanding the pilot program to include the St. Louis Park School District and a third district to be selected by the commissioner of education. The bill was also advanced to the Finance Committee.

The final bill, S.F. 144, was laid over for possible inclusion in the omnibus education policy bill. Carried by Kelley, the measure requires the commissioner of education to adopt outcome standards for supplemental service providers. Supplemental service providers are required to be made available by districts designated as needing improvement under the federal No Child Left Behind Act.

Comprehensive sex ed bills heard

Two measures providing for comprehensive sex education were heard by members of the Education Committee at their Thurs., Mar. 31, meeting. The panel, chaired by Sen. Steve Kelley (DFL-Hopkins), laid the bills over for possible inclusion in the omnibus education policy bill.

S.F. 878, carried by Sen. Sandra Pappas (DFL-St. Paul), and S.F. 1262, sponsored by Sen. Bob Kierlin (R-Winona), both provide for comprehensive

sex education. Pappas said the two had met and agreed to a compromise bill. One difference between the bills was the focus on abstinence. S.F. 878 included abstinence in a list of sexual behaviors, along with the use of protection and contraception, that comprehensive sex education includes. S.F. 1262 provided that comprehensive sex ed programs must include an abstinence-first approach to the delay of sexual activity while including education about the use of protection and contraception. Committee members adopted an amendment, to Pappas's bill, that provided that comprehensive sex ed programs must promote responsible sexual behaviors, including an abstinence-first approach.

Tanya Villalobos, a student at St. Paul's Highland Park High School, said most teens who get pregnant do not have too much information about responsible sexual behavior, they have too little. Comprehensive sex ed, she said, teaches adolescents the facts. Villalobos said she knows abstinence is the best choice, but many other students make other choices. The more information youths have, she said, the more likely they are to make good choices. Social workers and educators also spoke in support of the bill. However, Tom Prichard of the Minnesota Family Council said comprehensive sex education programs in other states have gone far beyond what many Minnesotans understand sex ed to be. He said the programs discuss explicit subjects to which many parents object and inject controversial views on homosexuality and alternative lifestyles into what should be educational discussions. The implicit message of many comprehensive sex education programs, Prichard said, is that abstinence is of secondary importance.

Pappas said the amendment to her bill strengthens the focus on abstinence and ensures that it gets primary emphasis. The comprehensive sex education required under the bill, she said, must reflect community values and be age-appropriate. Pappas noted that the proposal includes a provision whereby parents can opt their children out of sex ed if they feel strongly about the issue. Kierlin said the debate should not include discussions of other states' experiences. The bill offers the best of both worlds, which many states may not have done, he said. The healthiest part of the proposal is the focus on abstinence, Kierlin said.

Committee members also considered three additional bills. S.F. 40, authored by Sen. Satveer Chaudhary (DFL-Fridley), requires the commissioner of education to adopt a model policy prohibiting bullying. The bill also requires school districts to adopt anti-bullying policies. "Schools need to be places of learning, not places of intimidation," Chaudhary said. He said children cannot learn in undisciplined environments. The arguments "kids will be kids" is not acceptable, he said. Lara Chandler, a member of the Columbia Heights school board, related her son's experiences being repeatedly bullied. The district is now one of fewer than 12 districts with an anti-bullying policy, she said, though many districts have anti-harassment and anti-violence policies. Chandler said school shooting incidents, such as at Columbine and Red Lake, could be prevented by more anti-bullying efforts. Lisa Lane of Tolerance Minnesota, a program of the Jewish Community Relations Council, also invoked the Red Lake, Rocori and Columbine shootings as results of bullying by other students. Without safe schools, she said, students cannot learn or develop. Bullies are more likely than other adolescents to engage in other violent activity, Lane said. Dakota County Attorney James Backstrom said that bullying prevention is crime prevention. Bullying is a bigger problem than most people realize, he said.

When similar legislation was considered last session, the School Boards Association surveyed districts and found that 85 percent had a policy prohibiting bullying, said Grace Schwab. She said a survey conducted in the intervening months showed even more districts had adopted policies prohibiting bullying, pushing the number close to 95 percent. Most of the districts have adopted the association's model policy, she said. Tom Deans, the association's legal counsel, reviewed the model policy. He said the policy is tough and prohibits both bullying and failing to report bullying. The consequences for violations, Deans said, are as strong as expulsion, for students, and termination, for staff. Bullying has to end, Schwab said, and districts are already acting. She said districts need to know the Legislature will support them when hard times arise, when students are being expelled or teachers terminated, for failing to comply with anti-bullying policies.

Sen. David Hann (R-Eden Prairie) said the evidence indicated that hardly any district is not taking bullying seriously. Teachers' jobs and security concerns have changed dramatically over the last several years, said Sen. Geoff Michel (R-Edina). He said policymakers should consider giving teachers and principals more authority and control over their classrooms and buildings. The bill was also laid over for possible inclusion in the omnibus bill.

S.F. 1314, carried by Pappas, permits districts and unions to negotiate an additional probationary period, up to two years, for teachers hired as assistant principals or assistant principals hired as principals. The bill was advanced to the full Senate. Sen. Charles "Chuck" Wiger (DFL-North St. Paul) sponsored a bill, S.F. 772, creating an advisory committee on student support services. The bill was re-referred to the Committee on State and Local Government Operations.

Elections

Receptions okayed

Legislators could accept food or beverages at receptions held during the Legislative Session under a bill approved by members of the Elections Committee, Wed., Mar. 30. The measure also clarifies the maximum value of trinkets or mementos state and local officials may accept and permits the use of campaign funds to attend state or national political conventions.

S.F. 1001, carried by Sen. John Hottinger (DFL-St. Peter), permits state and metropolitan elected officials to accept refreshments at receptions held in the Metro Area during the Legislative Session, as long as all Legislators have been invited and the cost of the refreshments is no more than \$5 per Legislator. The bill originally set the maximum value of acceptable trinkets at \$5; members adopted an amendment, offered by Sen. John Marty (DFL-Roseville), lowering the limit to \$3. Hottinger said the important point was to have a defined value, since the previous limit—"insignificant value"—had been abusively interpreted by some state officials, including a former governor. The measure also permits campaign funds to be used for funeral gifts and memorials.

Two additional amendments, also offered by Marty, were rejected by

committee members. One amendment prohibited the governing bodies of local units of government from accepting gifts given to local officials. The other prohibited campaign contributions from lobbyists to legislative candidates and legislative caucuses.

Much of the discussion over the bill centered on the provision permitting accepting food and beverages at receptions. David Schultz, a professor at Hamline University, said there is no good public policy served by changing the gift ban. The ethics of our private lives do not govern the ethics of the workplace, he said. Schultz noted that many professions have adopted gift bans. He said it is illogical to argue that a lack of civility is caused by policymakers' inability to accept refreshments from lobbyists. Regardless of reality, the public perception is one of corruption if lawmakers are attending receptions paid for by lobbyists or others, Schultz said. Nothing prevents Legislators from arranging their own social gatherings or attending events while paying their own way. However, Sen. Warren Limmer (R-Maple Grove) said public perception of lawmakers is driven by many variables. It is unlikely people are going to think we are corrupt because we accepted less than \$5 in food and drink, he said. There is a large unquantifiable value to have organized social events, Limmer said. Hottinger said receptions thrown by constituents provide an opportunity for Legislators who would not otherwise converse to come together and get past ideologies. He noted that, in the private sector, it is not uncommon for a new coworker to be treated to a "getting-to-know-you" social gathering.

In other action, committee members, chaired by Sen. Charles "Chuck" Wiger (DFL-North St. Paul), considered five additional proposals. S.F. 1570, sponsored by Sen. Tom Saxhaug (DFL-Grand Rapids), delays, until after 2007, the requirement that voting equipment accessible to persons with disabilities be used in county, municipal and township elections. Current law requires the equipment to be used in all elections held after 2005. A motion to approve the bill was defeated on a voice vote.

No action was taken on the other four bills. S.F. 1769, carried by Sen. Linda Scheid (DFL-Brooklyn Park), is designed to permit candidates who are otherwise bound by spending limits to respond to

independent expenditures made against them or in favor of their opponents. Marty, who presented the bill on Scheid's behalf, offered an amendment providing that a candidate's spending limit is increased by 125 percent of the independent expenditures after the total of independent expenditures reaches 10 percent of the candidate's spending limit. The amendment was defeated. Marty offered a second amendment, which was the same as the first except for a higher trigger, 20 percent of the spending limit. The amendment was also rejected. No further action was taken, at Marty's request.

Marty sponsored two bills. S.F. 387 establishes a voluntary clean campaign council. S.F. 105 requires disclosure of public officials' economic interests as independent contractors or consultants and increases the disclosures required of lobbyists and lobbyist principals. Sen. Dave Kleis (R-St. Cloud) carried a proposal, which has not been introduced, providing conformity with federal law governing contributions made by corporations, membership associations and labor organizations.

Environment and Natural Resources

Electronic recycling bill gains

The highlight of the Wed., Mar. 30, meeting of the Environment and Natural Resources Committee was a bill providing for electronic recycling. Several proposals for electronic recycling had been heard at a previous hearing. At that time, Committee Chair John Marty (DFL-Roseville) said one of the bills, S.F. 1298, sponsored by Sen. Linda Higgins (DFL-Mpls.), would be the vehicle for a proposal. The bill requires manufacturers to collect their share of video display devices and recycle the devices.

Marty indicated that brief testimony would be heard because time restraints at the previous hearing prevented everyone from being heard.

Valery Halverson Pace, representing IBM, spoke in support of the proposal requiring an advance recovery fee to hand the recovery of electronic waste. She said the model I would hold out to you is the model in Switzerland, which has an advance recovery fee. The model covers many more electronic items such as cell

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phones. Everyone that benefits from the products should participate in the recovery of electronic waste, she said, including consumers and manufacturing. Using the advance recovery fee, orphan products can also be recovered.

Julie Ketchum, Recycle American Alliance, also spoke in support of the advance recovery fee proposal. Recycle America Alliance is a national company and we also do electronic recycling, Ketchum said. There are costs associated with recycling these products, and the manufacturer responsibility proposal does not recognize all the costs, she said.

Members also heard from Art Dunn of the Office of Environmental Assistance. He said an attempt to reach consensus on the issue had not been successful. He said there was consensus that an electronic recycling program should cover more than video display devices.

Sen. John Hottinger (DFL-St. Peter) offered an amendment essentially substituting the advance recovery fee proposal contained in S.F. 1398, sponsored by Sen. Linda Scheid (DFL-Brooklyn Park), but retaining some provisions of the Higgins bill, S.F. 1298. Hottinger said he believed the consumer cost should be up-front, rather than at the end of the process. Higgins opposed the amendment. She said, "We are guessing on the amount for the advance recovery fee and the state would have no control over increases in the fee." Scheid said, no matter which bill is selected, the consumers are going to pay, whether it is advance recovery fee model or the manufacturer responsibility model. The amendment was adopted.

Hottinger offered another amendment expanding the definition of electronic display devices. However, members questioned the wording in the definition. Hottinger withdrew the amendment. The measure was approved and re-referred to the State and Local Government Operations Committee.

Members also considered a bill, S.F. 63, clarifying conflicts of interest in individual sewage treatment system inspection requirements. Sen. Michael Jungbauer (R-East Bethel) said the measure is a common sense bill that specifies a person who is licensed for the design and installation of individual treatment systems can't work for a local government unit and in private practice in the same geographic area. Representa-

tives from the counties and from the industry said the bill would interfere with legitimate actions. In addition, the measure makes it difficult for the business if an entire county is off-limits for private practice, they said. Marty suggested the bill specify that a contractor may not solicit business while working for a local government unit or inspect their work for the local government unit. Jungbauer offered an amendment specifying that no individual sewage treatment system professional may use their position with government to solicit private business. Members adopted the amendment and advanced the bill to the floor.

The committee also advanced several additional bills. S.F. 1424, carried by Sen. Scott Dibble (DFL-Mpls.) on behalf of Sen. Dallas Sams (DFL-Staples), authorizes the annual adjustment of dry cleaner environmental fees. The measure was approved and advanced to the Finance Committee. S.F. 1351, sponsored by Sen. Thomas Neuville (R-Northfield), provides that in a repair proceeding, if the drainage authority finds that restoring a bridge or culvert would not be adequate for modern farming practices, the drainage authority may order a new bridge or culvert constructed if all landowners directly benefiting from the replacement agree to be responsible for the additional costs. The bill was approved and advanced to the Agriculture, Veterans and Gaming Committee. S.F. 149, carried by Marty, authorizes the use of silencers to muffle discharges of firearms for natural resource wildlife control. Marty said the department had requested the bill as a way to control the population of cormorants on specific lakes in the state.

Four bills approved

Members of the Environment and Natural Resources Committee, chaired by Sen. John Marty (DFL-Roseville), met Fri., Apr. 1, to consider four measures.

Sen. Dennis Frederickson (R-New Ulm) presented two bills on behalf of Sen. John Hottinger (DFL-St. Peter). S.F. 1841 eliminates the Project Riverbend Board. The boards of Blue Earth, Brown, Le Sueur, Nicollet, Redwood and Renville Counties will carry on the activities of the joint board, Frederickson said. The measure was re-referred to the Committee on State and Local Government Operations. S.F. 876 extends the grass bank buffer zone requirement for ditches.

Frederickson offered an amendment requiring the Board of Water and Soil Resources to conduct an implementation assessment in consultation with farm groups and environmental groups. The amendment was adopted and the bill advanced to the Agriculture, Veterans and Gaming Committee.

S.F. 1123, also authored by Hottinger, was presented by Sen. Sean Nienow (R-Cambridge). The bill provides specifications for review and waivers of 401 certification under the federal Clean Water Act. Several representatives of environmental groups spoke in support of the measure. Representatives of builders and local units of government opposed the bill and the fees established under the proposal. The measure was forwarded to the Finance Committee.

Sen. Satveer Chaudhary (DFL-Fridley) carried S.F. 1937, which provides for enhanced roadside habitat for nesting birds and other small wildlife and establishes a fee to field train dogs. The bill was advanced to Finance Committee.

Environment, Agriculture and Economic Development Budget Division

Vets Museum grant considered

A proposal for a \$250,000 appropriation to the Minnesota Historical Society to support a veterans museum in Perham was heard by members of the Environment, Agriculture and Economic Development Budget Division at their Tues., Mar. 29, meeting. The panel was led by Vice Chair Scott Dibble (DFL-Mpls.).

S.F. 541, carried by Sen. Cal Larson (R-Fergus Falls), provides the funds for the redesign, furnishing, and equipping of the Perham Veterans Museum. The measure was laid over for possible inclusion in the division's omnibus budget bill.

The panel also heard seven other bills, which were also laid over. Sen. Tom Saxhaug (DFL-Grand Rapids) sponsored three measures. S.F. 790 modifies the disposition of receipts to the forest suspense account. S.F. 791 imposes a \$2,000 application fee to obtain a road easement across state lands. S.F. 1019 provides for the electronic issuance of burning permits, along with a \$5 fee for the issuance of the permit.

S.F. 662, authored by Sen. Gary Kubly (DFL-Granite Falls), appropriates

\$200,000 annually for use by the Minnesota Institute for Sustainable Agriculture in support of the Alternative Swine Task Force and programs for the development of alternative dairy and other livestock systems. Kubly also carried S.F. 1357, which appropriates \$35,000 to the Minnesota Horticultural Society. S.F. 703, sponsored by Sen. Carrie Ruud (R-Breezy Point), increases fees for cross-country ski passes. Sen. Linda Higgins (DFL-Mpls.) carried S.F. 1644, which appropriates \$1.92 million each year for grants to fund youth and young adult employment opportunities in North Minneapolis. Gregory Gray, Urban League, said the funds are intended to help keep kids out of trouble by funneling their energies into jobs and helping them gain marketable skills.

Grant bills heard

Several proposals were considered by members of the Environment, Agriculture and Economic Development Budget Division, led by Vice Chair Scott Dibble (DFL-Mpls.), at their Thurs., Mar. 31, meeting. The panel laid the measures, many of which provided program grants, over for possible inclusion in the division's omnibus budget bill.

S.F. 856, carried by Sen. Dan Sparks (DFL-Austin), appropriates \$700,000 for a grant to the Mower and Freeborn County Soil and Water Conservation Districts for an engineering study for the purpose of mitigating future flood damages. Sparks also sponsored S.F. 1637, which increases limits for agriculture best management practices loans. Dibble carried two bills. S.F. 1133 appropriates \$3.2 million for extended employment services and increases the reimbursement rates for extended employment services. S.F. 1334 provides \$210,000 for grants to the Minnesota Employment Center for people who are deaf and hard of hearing. Sen. Leo Foley (DFL-Coon Rapids) authored S.F. 1714, which authorizes two \$5,000 youth intervention program grants to the Northwest Regional Curfew Center.

Health and Family Security

Crib safety bill advances

A bill relating to crib safety and two department technical bills advanced to the floor when the Health and Family

Security Committee, chaired by Sen. Becky Lourey (DFL-Kerrick), met Tues., Mar. 29.

S.F. 899, carried by Sen. Ellen Anderson (DFL-St. Paul), prohibits the sale of unsafe cribs in Minnesota. Under the bill, licensed child care centers are required to check brand names and model numbers of the cribs they use against the consumer product safety commission website on an annual basis. The bill also requires the centers to perform monthly inspections to assure crib safety and to make available information about the cribs they use. "The bill makes sure all cribs sold in Minnesota are safe," said Anderson. Jerry Kerber, Department of Human Services (DHS), and Ray Frost, Minnesota Childcare Association, both spoke in support of the measure.

Members approved S.F. 899 and forwarded it to the full Senate.

S.F. 1579, sponsored by Sen. Betsy Wergin (R-Princeton), also advanced to the floor. The measure makes various technical changes requested by the Department of Health (MDH). The bill requires the use of national provider identification for health care provider organizations and outlines the purposes for which limited well and boring contractors and monitors may be licensed. The bill also modifies the reasons for which human remains may be disinterred.

The final bill to be sent to the floor was S.F. 1720. Carried by Lourey, S.F. 1720 is DHS's technical bill. In addition to minor changes and clarifications, the bill corrects language regarding programs transferred from the Department of Education (DOE) to DHS, codifies an annual rider adjusting health care program federal poverty guideline income standards annually and repeals a requirement for an annual report to the Legislature on major DHS systems.

Lourey also authored S.F. 639, a measure requiring all Minnesota vaccines to be mercury free unless no mercury free vaccine is obtainable. Several parents who said their children have experienced medical problems as a result of receiving vaccines containing mercury spoke in support of the bill and shared stories of how their children were adversely affected by the vaccines. However, Dr. Jim Nordin, a pediatrician, said the science behind the bill is badly flawed. Furthermore, said Nordin, the bill could exacerbate shortages of vaccines needed for

childhood immunization and increase the cost of health care. Kris Ehresmann, MDH, also said the bill would increase health care costs by increasing the number of shots children must have and putting stress on vaccine supplies.

Senators laid the bill on the table.

School employee insurance, health care reform bills advance

Members of the Health and Family Security Committee, chaired by Sen. Becky Lourey (DFL-Kerrick), held an evening meeting Tues., Mar. 29, to consider four bills.

S.F. 1459, authored by Sen. Donald Betzold (DFL-Fridley), establishes a school employee insurance plan. "The bill is different from the one size fits all proposal of last year," said Betzold. The bill offers a statewide pool through which a variety of health care plans would be offered and from which individual school districts could choose a plan to fit their own needs, he said. The proposal, said Betzold, is based on the findings of a 2002 study on the feasibility of a state employee health care program. The bill also creates a 14 member board to create and administer the health insurance pool.

"Statewide health insurance for school employees is smart public policy," said Jan Alswager, Education Minnesota. The proposal saves substantial money by spreading risk and reducing spikes in premiums through the size of the pool. Rochester Education Association President Lynette Lenocho-Craft said Rochester's district said the proposal might increase premiums for some districts, including hers, in the short-term, but that it would provide a long-term benefit. "State employees have a statewide insurance plan, so I've always wondered why teachers don't," said Diana McCarty, a teacher from St. Louis Park. Field Representative for the Minnesota School Employee Association Kevin Fahey said health care is the most important issue for school employees. Patty Gunderson, a paraprofessional from St. Cloud, said that the proposal will allow more school employees to have health care for themselves and their families.

Sen. Betsy Wergin (R-Princeton) asked why the pool has to be mandatory. Lee Johansen, Education Minnesota, said the pool must be mandatory or lower cost districts will not participate, driving up

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the cost of the pool. Sen. Sheila Kiscaden (IP-Rochester) said the pool creates an expectation that the state will cover the cost if the program fails.

Scott Croonquist, Association of Metropolitan School Districts, said the bill would not lower districts' costs, but could, in fact, raise them while simultaneously reducing benefits. "The issue is complex and requires a far broader solution than the bill provides," said Croonquist. He said many districts throughout the Metro Area have successfully instituted disease management and wellness programs and education programs to help control their health care costs. Grace Schwab, Minnesota School Boards Association, also spoke in opposition to

the measure. "Basically, the bill sets up a group of fifteen to put the plan together. There is no accountability in the plan to school boards, to employees or to the state of Minnesota," said Schwab. Representing the Minnesota Association of School Administrators, Charlie Kyte said the pool is not a good solution.

Sen. Linda Higgins (DFL-Mpls.) offered an amendment removing a provision specifying that three members of the board administering the pool be appointed by the governor. Wergin said she opposed the amendment because she liked the idea of having neutral citizens on the board. The amendment did not prevail.

Senators sent S.F. 1459 to the State and Local Government Operations Committee without recommendation.

Kiscaden authored two bills, S.F. 1641 and S.F. 1638. S.F. 1641 specifies that state agencies must encourage the adoption of evidence-based health care instead of best practice guidelines. The bill also outlines the criteria used to identify evidence-based guidelines and provides an appropriation to disseminate information on the new guidelines.

Dr. Gordon Mosser, Institute for Clinical Systems Improvement (ICSI), spoke in support of the measure. He said evidence-based medicine improves care and lowers costs.

Senators approved the bill and sent it to the Finance Committee.



Author and expert on security issues Bruce Schneier, left, shares his expertise with members of the Commerce Committee, Wed., Mar. 30, as they consider a bill carried by Sen. Satveer Chaudhary (DFL-Fridley), right, requiring disclosure to consumers of a security breach by a business.

Photo by David J. Oakes

Kiscaden said her next bill, S.F. 1638, provides for a statewide plan for improving health care delivery. The bill requires the commissioner of health to develop and implement a statewide action plan for improving the health status of Minnesotans through strategic, coordinated and comprehensive community action. The bill also requires the commissioner to establish a public health challenge grant fund to award grants to state and local health improvement organizations. Kiscaden said the bill also provides for state agency commissioners serving on the Governor's Health Care Cabinet to contract with a private, nonprofit organization to provide comparative information on health care.

The bill also establishes universal health coverage, said Kiscaden. Under the bill, all Minnesotans are required to obtain and maintain health coverage, and all plans sold or renewed in the state must include the secure benefit set.

Wergin asked how the state would enforce mandatory insurance, noting that although car insurance is required, it has been difficult to enforce the law. Kiscaden said the bill directs the commissioner of health to prepare a report with recommendations and proposed legislation for enforcing the requirement. She said the commissioner will consider whether to require evidence of coverage when applying for a driver's license in the report.

Senators approved the bill and re-referred it to the Commerce Committee.

S.F. 1440 was carried by Sen. Steve Kelley (DFL-Hopkins). "The bill is intended to improve identity security in Minnesota," said Kelley. Documents, such as birth and death certificates, have become an important part of identity security, especially in their role with regard to obtaining driver's licenses, Kelley said. "Essentially," said Kelley, "we're trying to raise the bar around the security involved with obtaining a driver's license." The bill requires the commissioner of health to provide uniform standards for the creation of documents, such as birth and vital statistic documents, and appropriates \$200,000 to the commissioner of public safety in 2005 to perform an audit on the system.

Members approved S.F. 1440 and re-referred it to the Transportation Committee.

Stem cell bill okayed

A bill appropriating state money for use in stem cell research at the University of Minnesota gained when the Health and Family Security Committee, chaired by Sen. Becky Lourey (DFL-Kerrick), met Thurs., Mar. 31.

Sen. Richard Cohen (DFL-St. Paul) authored S.F. 69, which provides the funding. The bill also establishes a state policy for stem cell research stating that any type of stem cells may be used and that stem cell research must be reviewed by an approved institutional review board. Under the policy, patients undergoing treatment for infertility must be presented options regarding unused embryos and must provide written consent if they elect to donate remaining embryos for research. The policy also prohibits the purchase and sale of embryonic or cadaveric fetal tissue for research purposes.

Cohen said embryonic stem cell research is the cutting edge issue in medical research. While Minnesota used to be a global leader in the area, said Cohen, now other states, such as California, New Jersey and Wisconsin, are jumping ahead on research opportunities. "Before we weren't ahead of the curve, we were the curve," he said.

Sen. Steve Kelley, who sponsored a similar bill, S.F. 730, said everybody knows someone whom stem cell research could help. Stem cell research has the potential to help treat and possibly cure several diseases, including diabetes and cancer, said Kelley. Dr. Mark Pallor, vice president of research at the University of Minnesota Academic Health Center, spoke in support of the bills. Embryos not used in research, he said, would otherwise be destroyed as medical waste. Reverend Robert Hardman, who has had Parkinson's disease for eight years, said the legislation gives him hope that there will be a cure for his condition.

Dr. Kirck Allison, associate director, Program of Human Rights and Medicine at the University of Minnesota, said he thought there are some problems with the bill in its current form. For example, said Allison, the bill contains terminological errors. A representative from the Human Life Alliance said the bill is too broad in its scope because it includes embryonic stem cells.

Sen. Betsy Wergin (R-Princeton) spoke in opposition to the bill. She said stem cell research that does not use

embryonic stem cells has had great success. Sen. Sean Nienow (R-Cambridge) said he is concerned that the bill permits cloning and said the bill leads down an uncertain path. "I don't oppose stem cell research," said Nienow, "but I do oppose the breadth and scope of the language in the bill."

Cohen responded that every recognized leader in stem cell research in the world agrees that adult stem cells alone are insufficient to conduct stem cell research. Sen. Linda Berglin (DFL-Mpls.) said other states are moving forward with similar funding efforts already. "It's not a matter of whether, but where this research will happen," she said. She added, "I am concerned that we in Minnesota will miss the chance to become the leader we should be in this field."

Senators approved the bill on a 5-4 roll call vote and re-referred the measure to the Crime Prevention and Public Safety Committee.

S.F. 1892, sponsored by Sen. Dick Day (R-Owatonna), was also approved. The bill requires Minnesota to participate in the Illinois prescription drug reimportation program (I-Save Rx). The program allows individuals to purchase prescription drugs from 60 inspected and approved pharmacies in Canada, the United Kingdom and Ireland, said Day. Within six months after the program's inception, he said, Missouri, Wisconsin, Kansas and Vermont had all joined the program. Day said the governor of Illinois said he expects as many as 15 more states to participate in the future.

Berglin asked how much the Department of Human Services has spent or would have to spend on inspecting foreign pharmacies. Sen. Michelle Fischbach (R-Paynesville) said Illinois conducts the inspections and that Minnesota is not required to inspect the facilities under the program.

Members approved the bill and sent it to the Judiciary Committee.

S.F. 968, authored by Sen. Scott Dibble (DFL-Mpls.), also gained approval. The bill provides a one-time appropriation of \$300,000 to the commissioner of health to establish a public education to prevent the spread of HIV/AIDS in Minnesota's African communities. Dibble said that while African immigrants to Minnesota represent one percent of the state's population, they account for 20 percent of the state's new HIV/AIDS

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infections. He also said the pay-off for preventing even one infection is tremendous.

The committee approved the bill and re-referred it to the Finance Committee.

Health and Human Services Budget Division

Interpreter, SBS bills gain

Members of the Health and Human Services Budget Division, chaired by Sen. Linda Berglin (DFL-Mpls.), approved three bills at their Wed., Mar. 30, meeting. The panel also heard a report on long term care from the State Health Access Data Assistance Center (SHADAC).

The first bill, S.F. 795, was carried by Sen. Linda Higgins (DFL-Mpls.). The bill directs the commissioner of commerce, in consultation with the commissioners of health, human services and employee relations, to study and make recommendations on how to provide interpreter services to medical patients with limited English proficiency. Higgins offered an amendment to include patients who use sign language to communicate and patients who are not covered by health plans in the study. The amendment was adopted.

Higgins said there was consideration of moving the study to the Department of Health (MDH). However, Nora Stewart, Minnesota Medical Group Managers Association, said the Department of Commerce said the department could absorb the cost of the study. Higgins said she was comfortable leaving the study with the department of commerce if it prevented a cost.

Senators approved S.F. 795 and re-referred it to the full Finance Committee.

S.F. 1569 was also sent to the full Finance Committee. Sponsored by Berglin, the bill makes technical changes to provisions relating to the Department of Human Services (DHS). The first change, said Berglin, automatically includes the cost of depreciable equipment and technology in nursing home project costs. Berglin said legislation passed in 2001 requires facilities to provide a written notice to DHS that they want to include the costs in their projects, but since many facilities have not recognized the law, it has caused extra administrative work for and costs to the depart-

ment. The second change transfers certain duties, such as arrangement of case management, associated with the Alternative Care Program from the county of service to the county of financial responsibility, said Berglin. The final change, she said, extends the Elderly Waiver (EW) program now operating on White Earth reservation to all tribes.

Sen. Dean Johnson (DFL-Willmar) carried S.F. 538. The measure requires that education providers on the dangers of shaken baby syndrome (SBS) be provided to new parents, health professionals and child care. Johnson said the bill came from the personal experience of Matt and Char Johnson who lost their son, Vance, when the child was shaken by a daycare employee. Matt Johnson spoke in support of the bill and on the dangers of SBS. He said SBS is an inflicted traumatic brain injury and is the leading cause of death of children under one in the United States. One third of children with SBS die, while 50 percent suffer permanent neurological problems, said Matt Johnson. Meghan Mohs, Minnesota Association of County Social Services Administrators, also spoke in support of the bill. She said counties know the tragic consequences of SBS first-hand because they are responsible for handling child abuse cases. "Counties welcome the idea of providing education on SBS prevention," said Mohs.

Dean Johnson said the bill carries a fiscal note of \$53,000 in its first year and \$43,000 in subsequent years. Berglin noted that counties and DHS are absorbing the costs for which they are responsible under the bill, but MDH is not. She said it seems like MDH should be able to absorb the costs too. Margaret Kelly, MDH, said the department assigned the cost because it must establish the educational protocol required in the bill, but she added that the department would continue to work with Legislators on the cost issue.

Senators approved the bill and re-referred it to the full Finance Committee.

The division also heard a report on long term care. LaRhae Knatterud, aging and adult services division, DHS, said the report focused on how many people will have adequate retirement income to pay for long term care and how the state can encourage people to obtain long term care coverage. Dr. Lynn Blewett, a co-author of the report, outlined its findings. Using the Employee Benefit Research Institute

(EBRI) model, the report found that by 2030, long term care costs will exceed resources by \$56 billion, said Blewett. She added that single and low-income individuals were at the highest risk for lacking sufficient care resources. Within the state, said Blewett, one in four members of the baby-boom generation will not have adequate resources. While 90,000 individuals are at risk for retirement insecurity in the state right now, she said, 225,000 will be at risk by 2021. Blewett also said the number is a conservative estimate because it was generated by the EBRI model.

Higher Education Budget Division

Rochester university bills heard

Members of the Higher Education Budget Division, chaired by Sen. Sandra Pappas, met Tues., Mar. 29, to hear two bills, both of which establish a committee to make recommendations on a university project in Rochester.

S.F. 1004, authored by Sen. Sheila Kiscaden (IP-Rochester), and S.F. 1159, authored by Sen. David Senjem (R-Rochester), are identical measures establishing a University Center Rochester Citizen's Council. Under the bills, the council, a temporary higher education development committee, will make recommendations to the Legislature and governor on how to create mission driven educational programs or institutions in Rochester that utilize the area's unique academic opportunities. The bills also create a Rochester higher education development account and authorize appropriate uses for the money. The measure further allocates \$200,000 to the council and \$3 million for implementation of the council's recommendations.

Kiscaden said that Rochester has long had aspirations for improving its higher education facilities, a development that would benefit southeastern Minnesota and the state at large. She said several businesses in the region rely on research conducted in and workers trained through specific scientific higher education programs. Senjem said the center represents a dream and a vision for the city of Rochester and added that, as the project moves forward, it would become a dream for the state of Minnesota. Both Kiscaden and Senjem said the center would build

on the regional resources of southeastern Minnesota, including leading medical and technological businesses.

Several members of the Greater Rochester Area University Center (GRAUC) spoke in support of the measure. Allen DeBoer, GRAUC chair, said the area has unmet higher education needs, as well as significant unused resources for higher education programs. "The state of Minnesota needs a greater identity in higher education and a magnet in higher education," said DeBoer. He also said that the goal of a possible university center is not to create a brand new four-year university, but rather a targeted, academically focused institution. Diane Twedell, Department of Nursing, Mayo Clinic, said that Mayo has a tremendous stake in having higher education programs available in Rochester. There is a shortage in the area of skilled employees who have higher education backgrounds in program areas envisioned in the bills, she said. Olmsted Medical Center CAO Kevin Pitzer also spoke on the need for a program to train more skilled employees. "A center would help address unmet needs in higher education both currently and in the future," he said. Claudia Knowlton-Chike, IBM, said the center would improve retention, recruitment and research throughout Minnesota. "By strengthening higher education in Rochester, we serve the economic needs of the whole state. Never before in the history of our state has there been such a confluence of opportunity," she said.

Sen. David Tomassoni (DFL-Chisholm) asked what entity would oversee the university center. DeBoer said the center would likely align with one of the existing entities in the area, such as the University of Minnesota or the Minnesota State Colleges and University system (MNSCU), but added that the issue would be best addressed by the committee.

Sen. Bob Kierlin (R-Winona) asked if there is any plan to incorporate philanthropic giving in the development of the university. He noted that two major University of Minnesota buildings secured private dollars before receiving state money. "It's easier to get money for bricks and mortar," said Kiscaden, who also said that the lack of a clear purpose for the center at this time made it difficult to secure private donations. Pappas asked if

there were plans to secure matching funds from the city. DeBoer said he was not sure matching funds were possible at this time because a state commitment is necessary first. Pappas cited the half cent sales tax in Rochester and asked if any money from the tax could be used for the project. Kiscaden said money from the tax is restricted, by state law, to cultural and recreational projects.

Director of Government Relations for the Interfaculty Organization (IFO) Russ Stanton spoke on some concerns regarding the bill. While IFO is highly supportive of studying a university center in Rochester, he said, the organization is worried about the possible effect a center might have on its employees, who work for other higher educational institutional organizations in the area. Stanton asked Senators to consider amending the bill to direct the council to consider the employees in their work.

Both bills were laid over for possible inclusion in the division's omnibus bill.

Jobs, Energy and Community Development

Energy bills heard

The Jobs, Energy and Community Development Committee, chaired by Sen. Ellen Anderson (DFL-St. Paul), met Wed., Mar. 30, to consider a variety of bills.

Members began with consideration of a bill to establish an accessible electronic information service for blind and disabled persons. Members also adopted an amendment to include provision of services to the deaf and hard of hearing. The measure requires news and other timely information, including newspapers, be provided to eligible individuals from a service center using high-speed computers and telecommunications technology for acquisition of content and rapid distribution in a form appropriate for use by disabled individuals. The amendment added closed captioning services as one of the forms for distribution of information. The bill was approved and sent to the Senate floor.

S.F. 927, authored by Sen. Dan Sparks (DFL-Austin), prohibits false and deceptive commercial electronic mail and sets criminal penalties. Paul Russinoff, representing the AOL division of Time/Warner, spoke in support of the measure.

He said more than half of all electronic mail is unwanted commercial electronic mail, or spam, and that the company has pursued aggressive tactics in dealing with the problem. He said the language of the bill will aid in the difficult battle against spam. He said similar laws are being enacted in other states. The measure was approved and advanced to the Crime Prevention and Public Safety Committee. S.F. 1784, authored by Sen. Steve Murphy (DFL-Red Wing), exempts property, which is part of a simple-cycle combustion-turbine electric generation facility, from property taxes. The bill was advanced to the Tax Committee. Murphy also sponsored a bill, S.F. 526, creating a program to retain manufacturing jobs in Greater Minnesota through wage subsidy grants. The bill specifies that the grant for a single job may not exceed \$10,400 consisting of a maximum of \$4 an hour in wage subsidy and a maximum of \$1 an hour in benefits subsidy. The bill further provides that an employer may not receive more than \$4 million in grants. In addition, the grants may not extend beyond 48 months. Murphy said the bill is one more tool to use in keeping jobs in the state. The bill was approved and advanced to the Finance Committee.

A bill, S.F. 969, urging state agencies to use vehicles that use renewable fuels, such as biodiesel and ethanol, was also heard. The measure, sponsored by Sen. Jim Vickerman (DFL-Tracy), also requires the state to reduce the use of gasoline by state-owned vehicles by 25 percent by 2010 and by 50 percent by 2015. The measure was approved and advanced to the floor. S.F. 728, carried by Sen. Dennis Frederickson (R-New Ulm) on behalf of Sen. Gary Kubly (DFL-Granite Falls), provides for economic growth in rural counties by allowing a credit against the income tax of an employer for the creation and retention of jobs. The measure was approved and advanced to the Tax Committee. S.F. 1465, authored by Kubly, provides for a property tax exemption for a biomass electric generation facility. The facility will use poultry litter when operational. The bill was also re-referred to the Tax Committee. S.F. 775, carried by Sen. Julie Rosen (R-Fairmont), provides for a sales tax exemption for biomass burning stoves. The bill was also re-referred to the Tax Committee.

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S.F. 1495, authored by Sen. Sean Nienow (R-Cambridge), authorizes the city of Taylors Falls to establish and exercise border city development zone powers. The measure was approved and sent to the Tax Committee.

A bill, S.F. 895, providing for a foreign trade zone to be designated an international economic development zone, was also approved. The measure, sponsored by Sen. Ann Rest (DFL-New Hope), was approved and sent to the Tax Committee.

Two bills sponsored by Sen. Thomas Bakk (DFL-Cook) were also approved. S.F. 409 authorizes the Iron Range Resources and Rehabilitation Board to offer an early separation incentive program for its employees who have attained the age of 60 years or who have received credit for at least 30 years of allowable service. The bill was re-referred to the Finance Committee. S.F. 1564 modifies provisions relating to the JOBZ provisions. Bakk said the bill is an effort to tighten up some of the requirements in the program. In addition, the bill contains a prohibition on retail, he said. The bill was re-referred to the Finance Committee.

S.F. 677, authored by Kubly, provides an appropriation to the Minnesota Historical Society for the operation of the Kelley Farm, Hill House, Lower Sioux Agency, Fort Ridgely, Historic Forestville, Forest History Center and Comstock House. The measure was advanced to the Finance Committee.

The final bill on the agenda, S.F. 514, redefines low-income area for the purpose of the urban initiative program. The measure, sponsored by Sen. Linda Scheid (DFL-Brooklyn Park), defines the low-income area as those cities in the Metropolitan Area, which contain two or more contiguous census tracts that have an average income that is below 80 percent of the median income for a four-person family as of the latest report by the United States Census Bureau. Scheid said current law limits cities that fit the definition. The expansion of the definition allows more areas to be eligible for loans as part of the urban initiative program. The measure was approved and sent to the full Senate.

Omnibus bill heard

The Jobs, Energy and Community Development Committee's Subcommittee on Telecommunications and Technology

met in the evening Wed., Mar. 30. The subcommittee, chaired by Sen. Steve Kelley (DFL-Hopkins), assembled the telecommunications omnibus bill and considered three other measures.

S.F. 1370, authored by Kelley, is the vehicle for the omnibus bill. The measure provides for standardized telecommunications contracts. The bill also directs the public utilities commission (PUC) to develop the contracts and authorize them in lieu of tariffs. Finally, the bill outlines various violations under which the contracts may be retracted and certain consumer protections associated with them.

Several other bills were amended onto S.F. 1370. S.F. 640, carried by Sen. Scott Dibble (DFL-Mpls.), and S.F. 1353, carried by Sen. Thomas Neuville (R-Northfield), both relate to wireless telephone directories. Both bills provide for the regulation of wireless telephone directories. S.F. 640 prohibits the inclusion of a person's number in the data base without notification while S.F. 1353 requires notice and customer authorization to include the number. Dibble also sponsored S.F. 1068, which prohibits telecommunications carriers from charging customers for long-distance service after the customer has requested to cancel service. Kelley and Sen. Dan Sparks (DFL-Austin) sponsored S.F. 1540 and S.F. 1612 respectively. Both provide for the regulation of telephone companies basic services by specifying the authority of the PUC, outlining implementation and providing for the imposition of tariffs and regulating rates. Kelley also carried S.F. 688. The bill allows counties, cities or towns to add necessary or desired cable communications franchises. The bill also prescribes the requirements the new franchises must meet, such as allowing consumers to have access to local public, educational and government access channels. Sen. Ellen Anderson (DFL-St. Paul) carried S.F. 1647. The measure requires the PUC to establish a combined per number fee and directs the commission to establish guidelines for the collection of the fee.

S.F. 1370, as amended, was approved and re-referred to the full Jobs, Energy and Community Development Committee.

Kelley also carried S.F. 1225, which establishes a broadband loan fund. The fund would provide loans to government units for local construction of telecommu-

nications infrastructure, said Kelley. The measure also outlines the conditions and requirements to be met to receive the loans.

Senators approved S.F. 1225 and re-referred it to the Jobs, Energy and Community Development Committee.

S.F. 1045, authored by Sen. Jane Ranum (DFL-Mpls.) was also sent to the Jobs, Energy and Community Development Committee. Under the bill, the commissioner of public utilities is exempt from contracting for or paying for services federally mandated of wire line or wireless telecommunications service providers. The bill also increases the minimum or maximum 911 telecommunications service fees and provides for the distribution of the resulting revenue. Additionally, the bill expands the governmental authority of the Metropolitan Council to issue revenue bonds to reimburse local districts for building certain subsystems and provides for a property tax levy, the money from which is to be appropriated to the commissioner of public utilities for public safety and medical resource centers.

Energy bills heard

A number of energy bills were considered at the Thurs., Mar. 31, meeting of the Jobs, Energy and Community Development Subcommittee on Energy. The panel, chaired by Sen. Gary Kubly (DFL-Granite Falls), advanced all the bills to the full committee.

S.F. 1179, sponsored by Sen. Betsy Wergin (R-Princeton), provides an appropriation for a geothermal system for a cooperative joint community learning center and health and wellness center in Onamia. Kubly sponsored a second bill relating to geothermal heating and cooling systems. S.F. 1921 requires public utilities to offer incentives for the purchase of geothermal heating and cooling systems. The bill provides for a one-time incentive of \$200 per ton for systems purchased after June 30, 2005. Kubly said the bill defines "ton" as a measure of heating/cooling capacity equivalent to 12,000 BTUs. In addition, the measure exempts geothermal equipment from general sales and use taxes.

S.F. 2028, also carried by Kubly, provides for an appropriation for a project that uses a soy-diesel generator to provide backup power for a wind energy conversion system. Kubly said there is an excess of soy-diesel and that using it as a backup

for wind energy would allow for a more constant source of energy.

Members also approved a bill, S.F. 1687, requiring utilities to meet renewable energy standards. The measure, sponsored by Sen. Ellen Anderson (DFL-St. Paul), requires utilities to generate 20 percent of their electricity from renewable energy sources by 2020. The bill also specifies generation of 15 percent renewable energy by 2015 and 10 percent renewable energy by 2013. Anderson said the measure is to encourage the generation of electricity from renewable sources. She said having a consistent policy in place allows companies to better plan how to diversify. Sen. Steve Kelley (DFL-Hopkins) said standards would also encourage entrepreneurs in the development of alternative energy sources. Anderson said the bill is a reasonable approach to a long term goal.

A bill providing for a biodiesel fuel home heating use analysis was also advanced. S.F. 1385, sponsored by Sen. Julie Rosen (R-Fairmont), was amended to include industrial use as an area for analysis. The bill was advanced to the full committee. S.F. 1673, sponsored by Sen. Scott Dibble (DFL-Mpls.), allows businesses and residential customers to take an income tax subtraction for wind generated electricity purchases. Dibble said the bill provides a small benefit for customers who participate in a utility's green pricing program. He said customers who participate pay a premium for energy and the bill allows a deduction from income tax to partially offset the premium.

S.F. 1846, sponsored by Kelley, establishes an energy savings program and authorizes the Dept. of Administration to use energy forward pricing mechanism for budget risk reduction.

Judiciary

Child custody bills heard

The Judiciary Subcommittee on Family Law returned from their spring break Tues., Mar. 29, to consider several bills dealing with child custody and related provisions.

The panel began work on a bill, S.F. 1900, providing for an income shares system of child support. Sen. Linda Berglin (DFL-Mpls.) said the idea for an income shares system for child support has been around for a long time. She said the measure is the product of recommenda-

tions made by a gubernatorial task force on child support, maintenance, and child custody. She said the bill bases child support on the income of both parents, but uses the gross income of the parents. The bill also recognizes that noncustodial parents have expenses, but does not tie support orders to parenting time. It incorporates recommendations of a work group on medical support in order to guide the court on ordering medical support. The bill makes numerous other changes relating to child support. Berglin said the bill is superior to other legislation before the panel because it preserves many of the positive elements of the current system. Members discussed the bill before advancing it to the full committee for further discussion and work.

Subcommittee Chair Thomas Neuville (R-Northfield) sponsored a bill, S.F. 1920, returning to a safety focus when awarding custody and parenting time in the context of a domestic abuse hearing. The measure was approved and advanced to the full committee.

S.F. 1136, sponsored by Sen. Michele Bachmann (R-Stillwater), requires that a final adoption decree must include a contact agreement between the adoptive parents and the birth relatives. The bill also specifies that an adoption placement is terminated if the agreement is violated by the adoptive parents. The measure also imposes forfeitures of aids or government subsidies if the adoptive parents fail to honor the agreement. In addition, the measure provides that the contact rights of birth relatives are canceled if the birth relatives violate the agreement. The bill also encourages mediation to allow the parties to come to agreement on the terms of the contact agreement, Bachmann said. Debi Burmeister, a grandparent, spoke in support of the bill and told of her experience when her grandchildren's adoptive family decided to not allow the Burmeisters to see their grandchildren. She said she and her husband had no recourse when the adoptive parents violated an open adoption agreement which had specified they could visit the children. Members approved the bill for inclusion in the omnibus bill.

In other action, the panel also approved a bill clarifying that support orders also include orders for spousal maintenance. S.F. 1479, sponsored by Sen. Becky Lourey (DFL-Kerrick), also allows the Dept. of Human Services to

continue using its collection process for a spousal order, whether or not the order contains a child support order. Lourey said the department had been collecting the spousal maintenance, but stopped the practice last summer. The bill was recommended for inclusion in the subcommittee's omnibus family law bill, S.F. 644.

S.F. 1211, authored by Sen. Don Betzold (DFL-Fridley), provides for a background check of an individual being considered as a custodian and modifies the requirements for adoption consents and placement resources for children who are in the legal custody of a social services agency. The measure was sent to the full committee for additional work before being included in the omnibus family law bill.

Finally, members also considered S.F. 1581. The bill, also sponsored by Neuville, requires information about legal descriptions in summary real estate disposition judgments. The measure was recommended for inclusion in the panel's omnibus bill.

CIBRS data classification heard

A bill providing for the treatment of information in the Comprehensive Incident-Based Reporting System (CIBRS), maintained by the Bureau of Criminal Apprehension, was heard by members of the Judiciary Subcommittee on Data Practices at their Tues., Mar. 29, meeting.

S.F. 1833, carried by Subcommittee Chair Wesley Skoglund (DFL-Mpls.), allows CIBRS data to be used only by law enforcement agencies and only for criminal investigations and background checks. The data in the system is classified as private when an investigation becomes inactive or when the data has not been updated for 120 days, under the bill. The measure also limits the use of CIBRS data to personnel certified by the bureau and provides procedures for data subjects to challenge system data.

Bloomington Police Chief John Laux said the system is needed to let law enforcement officers do their jobs effectively on a daily basis. It is absolutely necessary that law enforcement be able to share credible data, he said. Law enforcement supports necessary, appropriate restrictions on the use of data so that individuals' rights are respected, Laux said. Wabasha County Sheriff Rodney

Committee update

Bartsch said law enforcement agencies of all sizes need access to each other's information. S.F. 1833 was recommended for inclusion in the omnibus data practices bill.

Panel members also considered three additional bills. Sen. Sandra Pappas (DFL-St. Paul) carried a bill, S.F. 1253, permitting the St. Paul Convention and Visitors Bureau to merge with the RiverCentre Authority, creating a nonprofit organization to manage the RiverCentre complex. Members adopted an amendment, at Pappas's request, clarifying the applicability of the Open Meeting Law and the Data Practices Act to the merged entity. The amended bill provides that the laws apply to the new organization, except that data used in preparing or submitting requests for proposals or requests for bids relating to events involving the city are classified as nonpublic or private for five years. Shamus O'Meara, a member of the existing RiverCentre Authority board, said the exception is necessary to ensure that the new organization is not placed at a competitive disadvantage compared to other convention and visitors bureaus. The bill was advanced to the full committee.

S.F. 1729, sponsored by Sen. Steve Kelley (DFL-Hopkins), classifies as nonpublic the financial and proprietary data acquired in connection with venture investments made by the State Board of Investment. Data related to the amount, market value, board commitment, rate of return and industry of activity are classified public, under the bill. Howard Bicker, the board's executive director, said many venture firms are no longer allowing public entities to invest as limited partners because of the ability of competitors to gather information that non-public investors are not required to disclose. Bicker said current disclosure requirements hamper the state's ability to engage in investment activity it has used since the 1990s. Richard Neumeister, a citizen activist, said three additional pieces of information—the date the firm was established, the names of principals and a description of the types of business engaged in by the firm—should also be made public. He said the need for secrecy regarding real estate investments was not as compelling as the need in other venture areas. Kelley said the information suggested by Neumeister was not eligible for protection under the bill, since the

information is not considered proprietary and the information is readily available under most states' required corporate filings. S.F. 1729 was forwarded to the full committee.

Sen. David Senjem (R-Rochester) carried a bill, S.F. 853, permitting six boards within the Dept. of Employment and Economic Development to hold meetings electronically. Similar authority already exists for four other boards within the department. The measure was recommended for inclusion in the omnibus data practices bill.

The subcommittee also considered provisions from two tax bills, S.F. 1209 and S.F. 823, which were not before the committee. Mike Roelofs and Rick Walser, both with the Dept. of Revenue, discussed the proposals. The provisions from S.F. 823 provide that the taxpayer identification numbers of business entities are public data and clarify that, for a business entity, the data subject is a partner, owner or officer, the individual who signed the business's tax return or an employee responsible for dealing with tax matters. The provisions from S.F. 1209 relate to information about complaints made against tax preparers. Under the bill, complaint information is nonpublic until a tax preparer is penalized, at which point the information is made public.

Emergency powers bill discussed

The Judiciary Committee met Thurs., Mar. 31, to consider two bills relating to emergency powers. The panel, chaired by Sen. Don Betzold (DFL-Fridley), also took action on two additional bills.

S.F. 1483, making modifications to the Minnesota Emergency Health Powers Act, sparked considerable discussion. The measure, sponsored by Sen. Becky Lourey (DFL-Kerrick), defines a declared emergency as a national security or peacetime emergency declared by the governor. The bill also limits the definition of volunteers in emergency or disaster situations as employees of the state or local government units, removes public health emergencies from provisions regulating national security or peacetime emergency declarations, authorizes the governor to issue emergency executive orders upon finding the number of seriously ill or injured persons in excess of the emergency hospital or medical transport capacity of one or more regional hospital systems and continues provisions under the act beyond

the sunset.

Sen. Warren Limmer (R-Maple Grove) offered an amendment providing for a sunset on several provisions to Aug. 1, 2007. The bill provides that other sections sunset Aug. 1, 2005. Members adopted the amendment.

Members also adopted an amendment specifying that when the governor declares a peacetime emergency, the leadership of the Senate and House of Representatives must be notified immediately. The amendment also authorizes the Legislature to terminate a peacetime emergency extending beyond 30 days. Under the amendment, if the Legislature is not in session the governor must call a special session in order to extend the emergency beyond 30 days.

The bill was approved and advanced to the Crime Prevention and Public Safety Committee.

A second bill, S.F. 1482, relating to emergency situations was also approved. The bill, sponsored by Lourey, modifies provisions for isolation and quarantine of persons exposed to or infected with a communicable disease. Limmer offered an amendment extending the sunset to Aug. 1, 2007. Members adopted the amendment and approved the bill. The measure was re-referred to the Crime Prevention and Public Safety Committee.

The committee also approved two additional bills. S.F. 1253, sponsored by Sen. Sandra Pappas (DFL-St. Paul), makes changes to provisions relating to the management and operation of the St. Paul RiverCentre complex. The bill was sent to the full Senate. S.F. 1729, carried by Sen. Steve Kelley (DFL-Hopkins), authorizes the State Board of Investment to make venture capital investments using the environmental and natural resources trust fund. The measure was approved and advanced to the Finance Committee.

Employee data access bill okayed

A measure preserving access to data relating to terminated state employees was approved by members of the Judiciary Committee, meeting during the evening hours of Thurs., Mar. 31. S.F. 819, carried by Sen. John Marty (DFL-Roseville), requires the data to be preserved for at least three years after the employee has been terminated.

Sen. David Hann (R-Eden Prairie) said the bill also appears to require reinstatement of an employee if data was

mishandled or lost, regardless of the relationship between the data and the employee's reason for termination. An employee may be terminated for all the right reasons, he said, but be reinstated because of a data mistake. Sen. Thomas Neuville (R-Northfield) offered an amendment providing that reinstatement occurs only if the lost data relates to the reasons an employee was terminated or the employee's claimed reasons for wrongful termination. The amendment was adopted.

Paul Larson, deputy commissioner of employee relations, said a provision prohibiting employers from taking adverse action against an employee who reports serious waste, inefficiency or mismanagement could serve as a ruse for employees. Any employee could allege inefficiencies or perceived mismanagement, he said. Larson also noted that the provision applies to unclassified employees, such as deputy and assistant commissioners, who serve entirely at the pleasure of the appointing authority. Marty said the provision is targeted at retaliatory termination, not termination for legitimate reasons. S.F. 819 was advanced to the Finance Committee.

Committee members, chaired by Sen. Don Betzold (DFL-Fridley), also took action on six additional bills at the evening meeting. S.F. 361, carried by Sen. Wesley Skoglund (DFL-Mpls.), is the omnibus data practices bill, containing provisions from numerous measures heard by the Data Practices Subcommittee over the course of the session. Members adopted an amendment, offered by Betzold, deleting provisions relating to copy fees that may be assessed to individuals seeking access to data. S.F. 361 was advanced to the full Senate. Betzold carried S.F. 966, which contained the copy fee provisions deleted from the omnibus data practices bill. Because the provisions must be reviewed by the Finance Committee, Betzold said he wanted them to advance separately. S.F. 966 was re-referred to the Finance Committee.

S.F. 1211, also sponsored by Betzold, revises adoption procedures for children under the child protection law. The measure was re-referred to the Finance Committee. Neuville carried S.F. 1920, which allows judges to consider best interests factors, but does not require best interests findings, when awarding tempo-

rary custody of children in domestic abuse proceedings. The bill was sent to the Senate floor. Neuville also sponsored the omnibus family law bill, S.F. 644. The bill contains provisions from proposals heard by the Family Law Subcommittee over the course of the session. Members adopted an amendment, offered by Betzold, clarifying surrogacy issues related to paternity presumption modifications in the bill. Members also deleted provisions relating to spousal maintenance collection by the Dept. of Human Services. S.F. 644 was sent to the full Senate. S.F. 1479, carried by Sen. Becky Lourey (DFL-Kerrick), containing the spousal maintenance provisions, was also sent to the full Senate. Betzold said there is an urgency of action regarding the spousal maintenance collection issue and a separate bill permits the provisions to be considered more quickly.

The committee also considered, but took no action on, two child support reform bills—S.F. 630, carried by Neuville, and S.F. 1900, carried by Sen. Linda Berglin (DFL-Mpls.). The authors reviewed the approach each bill takes and the differences between the bills. Betzold said S.F. 630 would be the vehicle for any child support modifications. He said the companion bill has already met deadline in the other body, so the measure does not need immediate action in the committee.

K-12 Education Budget Division

Bills heard

Members of the K-12 Education Budget Division heard three bills at their first meeting, Tues., Mar. 29, after the Senate's spring break. The panel, led by Vice Chair Sharon Marko (DFL-Cottage Grove), laid the bills over for possible inclusion in the omnibus K-12 education budget bill.

S.F. 1324, carried by Sen. Thomas Neuville (R-Northfield), allows school boards to elect to levy debt service against alternative referendum market value. The bill also defines alternative referendum market value as the market value of all taxable property in the district, except class 2 property, other than the portion of class 2a property consisting of the house, garage, and surrounding one acre of land of an agricultural homestead. The measure also provides a formula for determining

the alternative referendum market value of class 3 property.

Sen. Wesley Skoglund (DFL-Mpls.), sponsored S.F. 1367, which provides that a school district's net debt limit does not include bonds issued to pay pension fund liabilities. Marko carried S.F. 1052, which establishes a five-year pilot program in the South St. Paul School District to assess the benefits of extending the International Baccalaureate program across all grades in the district and to measure the program's effectiveness in improving student performance and academic achievement.

Local levies discussed

The K-12 Education Budget Division, chaired by Sen. LeRoy Stumpf (DFL-Plummer), met Wed., Mar. 30, to consider a series of bills dealing with local levies. Members took no formal action on the bills and laid the measures over for possible inclusion in the division's omnibus bill.

S.F. 81, sponsored by Sen. Mark Ourada (R-Buffalo), expands the use of the building lease levy to include a school district that is a member of the Wright Technical Center. The measure authorizes the use of the levy for up to 90 percent of the costs associated with leases of administrative and classroom space at the Wright Technical Center, not to exceed \$22.50 times the adjusted marginal cost pupil units of the member districts.

S.F. 592, carried by Sen. Rod Skoe (DFL-Clearbrook), makes adjustments to the Dept. of Education's treatment of the Fertile-Beltrami tax base when making levy adjustments. S.F. 807, sponsored by Sen. Gary Kubly (DFL-Granite Falls), authorizes a severance levy for Independent School District # 2853, Lac qui Parle Valley, of up to \$150,000 each year for a period of ten years. S.F. 696, authored by Sen. Steve Dille (R-Dassel), authorizes a levy for Independent School District #2859, Glencoe Silver Lake, of up to \$81,276.

S.F. 522, carried by Sen. Michelle Fischbach (R-Paynesville), reserves safe school levy funds and authorizes school districts to use safe school levy funds for school counselors. S.F. 50, sponsored by Sen. Steve Murphy (DFL-Red Wing), authorizes a levy for Independent School District #256, Red Wing, for the construction deficit for building the community ice arena.

Committee update

Agency budget considered

Members of the K-12 Education Budget Division held an evening meeting, Wed., Mar. 30, to consider the Dept. of Education budget and federal funds received by the department. The panel, chaired by Sen. LeRoy Stumpf (DFL-Plummer), also heard a presentation from the Association of Metropolitan School Districts on how school finances are described.

In other action, the division heard two bills, both carried by Stumpf. S.F. 394 authorizes ISD 595, East Grand Forks, to exercise its remaining levy authority for disability access projects. S.F. 1402 provides for the completion of a study on improving the state's school finance system. The first phase of the study was completed in July 2004. Both bills were laid over for possible inclusion in the omnibus budget bill.

State and Local Government Operations

Outsourcing restrictions bill gains

A bill regulating outsourcing by state agencies and local units of government was approved by members of the State and Local Government Operations Committee at their Wed., Mar. 30, meeting.

S.F. 796, carried by Sen. Scott Dibble (DFL-Mpls.), requires agencies to disclose why they are exploring outsourcing and requires potential private contractors to disclose a range of information about their businesses, including the length of continuous employment by current employees, employee turnover rates, collective bargaining agreements or personnel policies, regulatory complaints and political contributions made. The bill also imposes a minimum wage rate equal to average wages paid to public employees performing the same services, limits the length of outsourcing contracts to two years and imposes affirmative action requirements on contractors. Before entering into an outsourcing contract, the agency must determine that the quality of services provided will be equal to or exceed the quality provided by public employees and that the contract will save at least 15 percent compared to the cost of using public employees.

Dibble said the bill seeks accountability in outsourcing, an assurance that

privatization is cheaper than using public employees and proof that contractors are qualified to provide services. Outsourcing has gained adherents, he said, but we need to make sure the jobs provided by private contractors do not pay less than and offer fewer benefits than public employment. Kristin Beckmann, Service Employees International Union, said the bill is not designed to prohibit outsourcing, but only to require government bodies considering outsourcing to do their due diligence.

Paul Larson, deputy commissioner of the Dept. of Employee Relations (DOER), said the bill has a very broad scope, by imposing the requirements on all state agencies, all municipalities, the Metropolitan Council and the Metropolitan Airports Commission. The bidding requirements of the bill, he said, are so daunting that many agencies will be dissuaded from even examining outsourcing. Larson said many of the bill's terms, such as the use of "substantially similar" when comparing services provided by public employees and private contractors, are open to conflicting legal interpretations. Subcontracting for services is appropriately discussed at the bargaining table between management and labor, Larson said. The bill essentially locks out the ability of management to consider outsourcing instead of using public employees, he said.

An amendment, offered by Sen. Claire Robling (R-Jordan), to reduce the required costs savings from 15 percent to 10 percent was defeated on a voice vote. The bill was advanced to the full Senate.

Committee members advanced three additional bills to the Senate floor. S.F. 1084, sponsored by Sen. Jane Ranum (DFL-Mpls.), requires pay equity reports to be filed with DOER every three years, instead of every five years. S.F. 1308, authored by Sen. Becky Lourey (DFL-Kerrick), permits public employees elected to tribal office to take an unpaid leave of absence. S.F. 1530, carried by Sen. Betsy Wergin (R-Princeton), transfers the authority to hear state employee appeals of disciplinary actions from the Office of Administrative Hearings to the Bureau of Mediation Services.

Sen. John Hottinger (DFL-St. Peter) carried a bill, S.F. 1551, requiring the secretary of state to adopt rules for training polling place challengers. The measure was advanced to the Crime

Prevention and Public Safety Committee. S.F. 1164, sponsored by Sen. Sheila Kiscaden (IP-Rochester) and modifying the governance structure of the Minnesota Comprehensive Health Association, was forwarded to the Tax Committee. S.F. 1145 was recommended for placement on the Consent Calendar. Carried by Sen. Jim Vickerman (DFL-Tracy), the bill permits the Nobles County Board to make the offices of county recorder and county auditor-treasurer appointive.

Three bills were advanced to the Finance Committee. Dibble sponsored S.F. 1098, which extends the sunset date for the Game and Fish Citizen Oversight Committee from 2005 to 2010. S.F. 1796, carried by Kiscaden, provides for the creation of a Health Care Purchasing Authority responsible for all state purchasing of health care. Sen. Linda Berglin (DFL-Mpls.) authored S.F. 1523, which directs the commissioner of employee relations to deliver pharmaceutical benefits provided under the state employee health plan through a pharmacy benefits management system.

State Government Budget Division

Drug bulk purchasing bill heard

The State Government Budget Division met Wed., Mar. 30, to consider several bills. One of the highlights was consideration of S.F. 22, which establishes a prescription drug bulk purchasing program. The bill, sponsored by Sen. Yvonne Prettnier Solon (DFL-Duluth), directs the commissioner of human services to establish and administer intrastate prescription drug bulk purchasing program and to consolidate the drug purchasing by state hospitals and other health care facilities, state educational facilities, the state health plan and other state and local government entities. The bill also directs the commissioner to establish or join an existing interstate prescription drug bulk purchasing program with other interested states.

In addition, the bill also directs the Dept. of Administration to negotiate with state-approved Canadian or European pharmacies or wholesalers the prices to be charged to Minnesota residents who purchase drugs from Canada or Europe. The measure also requires the commissioner to establish a public/private

intrastate purchasing alliance in order to consolidate drug purchasing. Finally, the measure specifies that the bulk drug purchasing program doesn't have to be implemented if the commissioner determines the program wouldn't result in significant savings. The bill provides that Medical Assistance, MinnesotaCare and the Dept. of Corrections are not included unless it is determined to be beneficial to the state and result in savings.

Solon said 15 other states have established similar programs. "We must seek innovative and extensive alternatives for drug purchasing," Solon said. She said establishing bulk purchasing could lead to significant for the state.

Division Chair Sheila Kiscaden (IP-Rochester) said the bill did not contain language describing the distribution system and that it was unclear how the measure would result in savings for consumers.

Sen. Mady Reiter (R-Shoreview) moved to table the bill indefinitely. The motion failed. The bill was laid over for further consideration.

The division also heard a variety of other bills. S.F. 267, sponsored by Sen. Steve Murphy (DFL-Red Wing), provides for an increase in county recorder fees and standardizes the fees across the state. The bill also creates a technology fund for obtaining and updating current technology and equipment to provide services from the record system. Under the bill, the fee for indexing and recording any deed or other instrument is \$40. The measure specifies that of the \$40, \$4 is to be paid to the state general fund, 50 cents is retained by the county to cover the administrative costs, \$10 is deposited into a technology fund and \$25.50 is deposited in the county's general fund. The measure was laid on the table for further work.

S.F. 918, carried by Sen. Jim Vickerman (DFL-Tracy), provides for grants to the Vinland Center to provide services to veterans for vocational rehabilitation, developmental disabilities and chemical dependency. The measure appropriates \$200,000 for FY 2006 and \$150,000 for FY 2007. Former Sen. Roger Moe spoke in support of the bill. "Vinland was founded in 1976 with money given as a bicentennial gift to the United States from the government of Norway," Moe said. He said Vinland Center is modeled after Beitostolen, a Norwegian rehabilitation center that is one of the most

innovative facilities in the world. The center offers a variety of programs to meet specialized rehabilitation needs, he said. The panel adopted a motion to lay the bill over for possible inclusion in the omnibus bill.

Sen. Rod Skoe (DFL-Clearbrook) carried a bill, S.F. 1526, appropriating \$20,000 to the Legislative Coordinating Commission for purposes of the Legislators' Forum, through which Minnesota Legislators meet with their counterparts from South Dakota, North Dakota and Manitoba to discuss issues of mutual concern. Skoe said the forum is important to maintain ongoing discussions on topics ranging from tourism to terrorism. The panel adopted a motion to lay the bill over for possible inclusion in the omnibus bill.

S.F. 1216 was also laid over for possible inclusion in the omnibus bill. The measure, sponsored by Sen. Ann Rest (DFL-New Hope), appropriates \$250,000 for the biennium to make grants to organizations to coordinate and aid in providing taxpayer assistance programs. Taxpayer assistance, Rest said, means accounting and tax preparation services provided by volunteers to low-income and disadvantaged Minnesotans to help them file federal and state income tax returns and Minnesota property tax refunds. The panel also heard S.F. 1524, sponsored by Sen. Jim Metzen (DFL-South St. Paul), making an appropriation for a grant to Assistive Technology of Minnesota. The bill earmarks \$250,000 to administer a micro loan program to support the purchase of equipment and devices for people with disabilities and their families and employers and \$50,000 to develop the Access to Telework program.

Tax

Budget resolution approved

A resolution recommending a maximum limit on general fund revenues and net appropriations was the sole topic of discussion at the Wed., Mar. 30, meeting of the Tax Committee. The resolution was advanced to the Finance Committee.

Committee Chair Lawrence Pogemiller (DFL-Mpls.) said the panel had essentially three options to set the revenue target. The number could be set using the price of government resolution, using the total of proposals already

approved by the committee in its two omnibus tax bills or using the total of new initiatives proposed by the governor. Pogemiller suggested the committee follow the second route and set the number at \$29.971 billion. We do not know what the Finance Committee wants to spend, he said, and there is no good way to guess at the spending target. It is likely that we will need a higher revenue target when the Finance Committee is done, Pogemiller said. Members spent much of the committee's time discussing the wisdom of Senate Rule 7, which requires the resolution to be considered in the Tax and Finance Committees and reported to the Senate.

Transportation

Variety of bills gain

The Transportation Committee, chaired by Sen. Steve Murphy (DFL-Red Wing), met Tues., Mar. 29, to tackle a lengthy agenda. The panel held both afternoon and evening meetings in order to complete work on a variety of measures.

Members began with consideration of S.F. 1541. The bill, sponsored by Sen. Rod Skoe (DFL-Clearbrook), allows vehicles up to 80,000 pounds to have access to a terminal or facilities for food, fuel and repairs that are within three miles of a ten-ton route. The bill was approved and advanced to the Senate floor.

S.F. 1259, sponsored by Sen. William Belanger (R-Bloomington), exempts recycling and garbage trucks used exclusively for collecting household refuse or garbage or recycling discarded household refuse from weight restrictions while collecting or recycling in a political subdivision that mandates curbside recycling pickup. The measure was approved and recommended for placement on the Consent Calendar. S.F. 1095, carried by Sen. Michelle Fischbach (R-St. Cloud), authorizes the commissioner of public safety to waive the road test for licensed military personnel. The bill was approved and sent to the full Senate. S.F. 1425, sponsored by Sen. Julianne Ortman (R-Chanhassen), provides for the classification of data the Dept. of Transportation (MnDOT) uses in the design-build process. Ortman said the classification of the data as nonpublic is necessary to preserve the integrity of the design-build process. The measure was

Committee update

approved and re-referred to the Judiciary Committee.

S.F. 578, authored by Sen. Richard Cohen (DFL-St. Paul), allows local governments to set speed limits on local streets and highways for safety purposes without requiring the approval of the commissioner of transportation. St. Paul City Councilpersons Pat Harris and Jay Benanav spoke in support of the bill. Harris said communities are growing more populous, more individuals have cars and it is the local government officials who best know the safety needs of a particular area. Members adopted an amendment, offered by Sen. Claire Robling (R-Jordan), limiting the bill to residential roadways. Betsy Parker, director of government affairs for MnDOT, expressed concern about adjacent communities having different speed limits. Members also said language in the bill needed to be altered to specify the need for the appropriate types of studies to be considered before changing a speed limit. Members laid the bill on the table in order to draft an amendment.

When members returned for the evening meeting, S.F. 578 was taken from the table. An amendment to address the concerns the committee had raised was adopted before the bill was approved and re-referred to the Senate floor.

Another bill, S.F. 1724, limiting parking in special van-only handicapped parking spaces to vans specially modified for handicapped persons, was also laid on the table. Sen. David Gaither (R-Plymouth) said after drafting the bill to address the concerns of a constituent, it became clear there were unintended consequences. He asked that the bill be laid on the table in order to continue working with the concerned parties. Robling also carried a bill modifying disabled persons parking provisions. The bill, S.F. 1506, is a department bill that makes numerous technical and clarifying changes to provisions relating to parking for persons with disabilities. The bill was approved and advanced to the full Senate.

S.F. 957, sponsored by Sen. Sharon Marko (DFL-Cottage Grove), allows the Dakota County regional rail levy to be used to plan, establish, construct and operate a bus rapid transit system within the Cedar Avenue Transitway Corridor in Dakota County. Marko said the county discovered the funds raised by the regional rail levy could not be used on the bus

rapid transit system because there was no rail component. The bill was approved and re-referred to the Tax Committee.

Sen. Jim Vickerman (DFL-Tracy) authored a bill, S.F. 734, making a number of changes in laws relating to the military. The bill was in the committee because of a provision authorizing providing for special "Support Our Troops" license plates. The bill was approved and re-referred to the Finance Committee.

Sen. Ann Rest (DFL-New Hope) sponsored a bill, S.F. 1536, aimed at encouraging the use of hybrid vehicles. The bill allows hybrid vehicles to use any high-occupancy vehicle lane, regardless of occupancy requirements established for other vehicles. In addition, the hybrid vehicle could be operated on the trunk highway system without imposing a user fee. The bill was approved and sent to the full Senate. Rest also authored S.F. 1037, a bill brought forward by MnDOT's Office of Aeronautics. The bill clarifies the process by which aircraft are registered and makes changes to provisions relating to maps. The bill also requires municipalities to repay the state airports fund the same percentage of the appraised value of the property if the land, acquired with state funds ceases to be used for aviation purposes. The measure was approved and advanced to the floor.

S.F. 1504, sponsored by Robling, is a department motor vehicle and drivers license technical bill conforming state law to federal law. The measure makes changes to motor vehicle and driver's license records privacy regulation and modifies traffic accident procedures. The measure was approved and re-referred to the Judiciary Committee.

S.F. 652, authored by Sen. Michael Jungbauer (R-East Bethel), establishes requirements for Metropolitan Airports Commission (MAC) meetings concerning reliever airports. Jungbauer said that currently, it is inconvenient and intimidating for individuals associated with reliever airports to try and attend MAC meetings. The bill requires the MAC to hold meetings to discuss reliever airport issues on the premises of a reliever airport during the evening hours. The bill also requires that meetings that pertain to a particular reliever airport be held at that airport. A member of the Reliever Airport Advisory Council spoke in opposition to the bill. He said the logistics of the

measure make it difficult to implement. Jeff Hamiel, executive director, MAC, said it would be very difficult to comply with the requirements of the bill because some portion of nearly every meeting contains an agenda item relating to reliever airports. Jungbauer asked that the bill be laid on the table.

S.F. 1672, said chief author, Sen. Scott Dibble (DFL-Mpls.), is a departmental land acquisition bill. The bill modifies provisions relating to property transactions of the department, changes and removes highway routes and makes clarifying changes. Parker, again representing the department, explained the measure. She said one portion of the bill classifies data relating to appraisals as nonpublic because landowners did not want the data made public prior to negotiations. The measure was approved and advanced to the Judiciary Committee.

S.F. 1731, sponsored by Sen. Satveer Chaudhary (DFL-Fridley), prohibits retaining any information from scanning a driver's license except the document holder's name, date of birth, driver's license number and document expiration date. Chaudhary said the bill is one step in the process of trying to stem the tide of identity theft crimes. The measure also prohibits anyone from selling or otherwise disseminating the retained information to any third party for any purpose, including marketing or promotional activities. The bill was approved and sent to the Senate floor.

Traffic enforcement bills heard

In addition to taking action on the bill relating to the Minneapolis-St. Paul International Airport at the Thurs., Mar. 31, hearing, members of the Transportation Committee also considered two bills dealing with local government traffic regulation. Committee Chair Steve Murphy (DFL-Red Wing) said the two bills were almost 180 degrees apart in their approach to traffic enforcement. S.F. 1713, sponsored by Sen. Leo Foley (DFL-Coon Rapids), prohibits the use of administrative enforcement of traffic regulations rather than the uniform traffic ticket in use for a number of years. Foley said the issue was basically about who received the money from violations. Under current law, traffic fines include a number of surcharges used to fund a variety of programs, Foley said. However, using the administrative penalty avoids the surcharges and results in much lower

finances in some jurisdictions. He said another issue was the fairness of the system currently in place. S.F. 1042, authored by Sen. Paul Koering (R-Fort Ripley), specifically allows local units to enforce traffic violations through an administrative fine system. He said it comes down to a local control issue.

Bill Gillespie, Minnesota Police and Peace Officers, said peace officers support the measure prohibiting administrative enforcement. He said S.F. 1042 jeopardizes the peace officers training fund, which receives money from traffic ticket surcharges. "Too much is at stake. Our officers need the training," he said. Members heard testimony supporting S.F. 1713 from Neil Melton of the Peace Officer Standard and Training Board, Pat McCormack of the Dept. of Public Safety and John Haustaden of the Minnesota

Trucking Association. McCormack said using an administrative fine system enables "masking" by preventing violations from being on a drivers record. In addition, she said there is a fiscal impact of about \$4 million because reinstatement and revocation fees are deposited in the trunk highway fund. Haustaden said the trucking association supported S.F. 1713 because it provides uniformity across jurisdictions and because it was important to have an accurate driver record when considering hiring truck drivers.

A number of representatives from cities spoke in support of S.F. 1042. Mayor Alan Oberloh, city of Worthington, said the city began using the administrative fine process because it was cheaper than the statewide practice of issuing traffic tickets. Frank Pomeroy,

police chief, city of Winona said officers needed a method to enforce traffic regulations without clogging the courts and allowing officers to control traffic. Erick Sorenson, city manager, city of Winona, said it was not a revenue issue, but a public safety issue. Michel Wetzel, sheriff, Morrison County, said public safety was the paramount reason for using the administrative fine process. In addition, Wetzel said the fines for traffic violations with all the surcharges were simply too expensive.

S.F. 1713 failed to gain approval on a divided voice vote. S.F. 1042 was approved and advanced to the State and Local Government Operations Committee.

Members also approved a bill, S.F. 1739, brought forward by MnDOT. The

bill, sponsored by Sen. David Senjem (R-Rochester), contains changes to the registration refund process and clarifies when a refund must be issued. The bill was sent to the Senate floor. S.F. 80, sponsored by Sen. Michael Jungbauer (R-East Bethel), requires the commissioner of transportation and local units of government to adopt a model zoning ordinance and requires disclosure of airport zoning regulations that affect property in real estate transactions. The measure was approved and re-referred to the State and Local Government Operations Committee.

Schedule available online

Next week's schedule is available online at: <http://www.senate.mn/schedule/2005/0404.htm>



Terry Casey, St. Paul, holds up a lawn sign to members of the Transportation Committee, Tues., Mar., 29, as they consider legislation permitting local authorities to set speed limits on local roads. About 400 of the signs have been sold to St. Paul residents as part of a grassroots movement to increase awareness of residential speed limits.

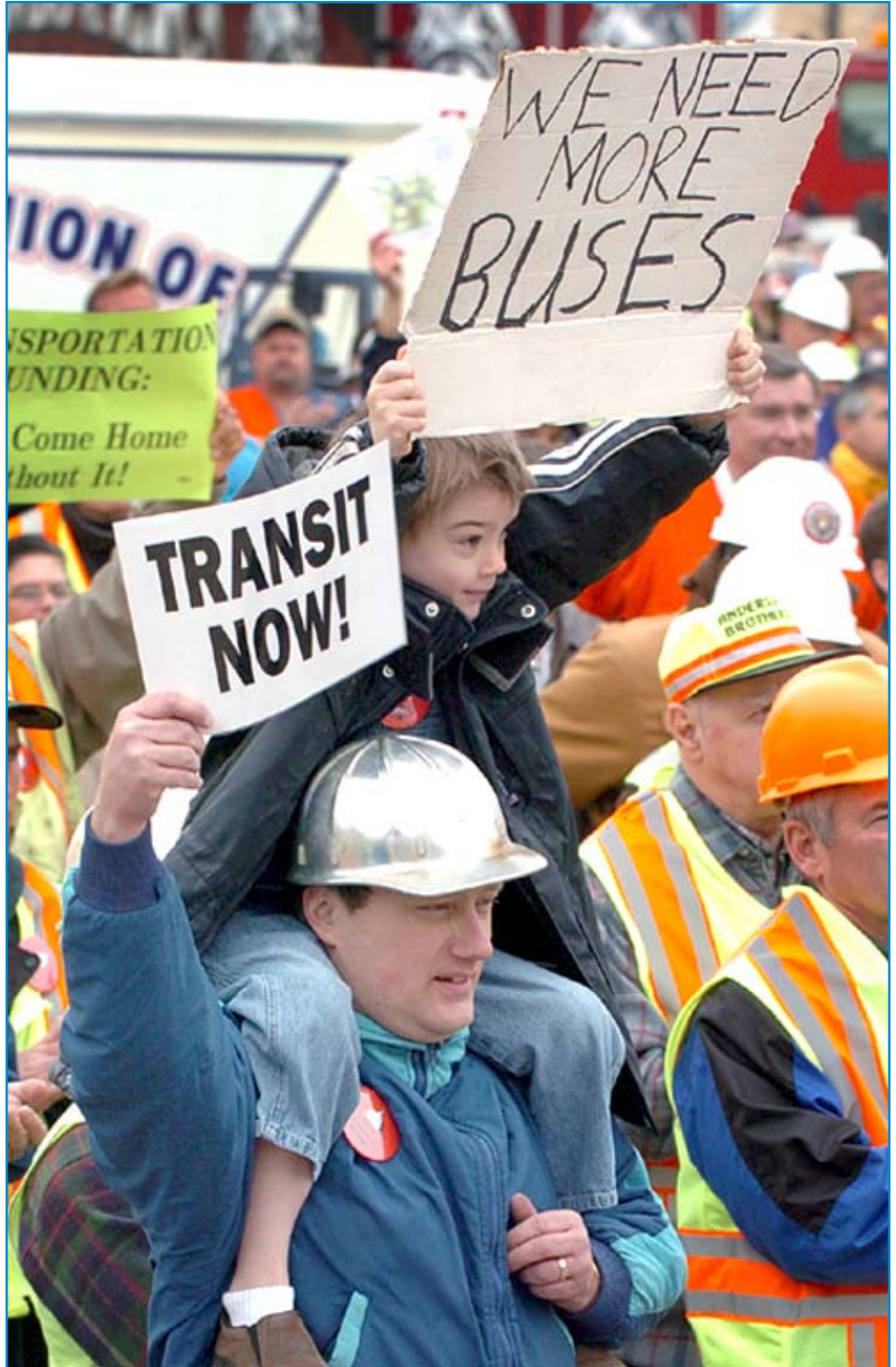
Photo by David J. Oakes

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*Metro Transit bus driver Dan Wagner, St. Paul, and his 7-year-old son, Nicholas, participate in a rally for transportation funding in front of the Capitol, Wed., Apr. 6.
Photo by David J. Oakes*



April 8, 2005

Senate Highlights

Bonding bill passed

Senators adopted the conference committee report and repassed this year's bonding bill at a brief evening session Wed., Apr. 6. The bill, H.F. 3, appropriates \$885.888 million in bond proceeds for a variety of building and maintenance projects across the state. Sen. Keith Langseth (DFL-Glyndon), chief sponsor in the Senate, said the conference committee report provides \$108 million for the University of Minnesota and \$213.598 million for the MnSCU system. He said other highlights include \$18 million for the Red Lake School, \$23 million for the RIM program, \$2.5 million for state parks, \$20 million for the Minnesota Zoo, \$40 million for bridge replacement, \$37.5 for the Northstar Commuter Rail project, \$10 million for highways, and \$10 million for the Cedar Avenue Bus Rapid Transit project. Langseth other high spots included full funding for the Faribault prison at about \$85 million, \$30 million for waste water treatment, \$13 million for Roseau flood reconstruction, \$7 million for Metro Area parks, \$1 million for the Shubert Theatre and \$20 million for the Minneapolis Planetarium. The bill is about \$90 million less than the original Senate bill, Langseth said.

Sen. Dave Kleis (R-St. Cloud) spoke in support of the bill and said, "In the ten years I've been here, I believe this is the best bonding bill I've seen." Sen. David Senjem (R-Rochester) said the bill shows the Legislature can work together. Sen. Sandra Pappas (DFL-St. Paul) also spoke in support and said the bill shows the Legislature's and the state's commitment to higher education.

The bill was granted repassage on a 61-3 roll call vote.

Child support bill approved

The Judiciary Committee, chaired by Sen. Don Betzold (DFL-Fridley), held an evening meeting to resume its work on and approve S.F. 630, a bill relating to child support and custody.

Sen. Thomas Neuville (R-Northfield) authored S.F. 630, while Sen. Linda Berglin (DFL-Mpls.) carried similar legislation in S.F. 1900. Neuville, whose bill the committee plans to move forward, said he and Berglin have worked to resolve the discrepancies between their two bills. He offered an amendment to his bill containing the compromises he and Berglin reached.

First, said Neuville, the amendment changes the definition of gross income in relation to child care payments to include alimony, spousal maintenance, self-employment and spousal income. "We want to calculate payments based on true income, not taxable income," said Neuville. Second, the amendment modifies the definition of parenting time to include overnight visits as well as significant periods of time spent with a child, even if they are not overnight, he said. Third, Neuville said the amendment articulates five factors a court may consider to determine whether or not a parent who stays at home with a child is voluntarily unemployed. Another provision in the amendment limits the credit for non-joint children, children that share only one parent, to two, said Neuville. He said the provision is intended to prevent parents from having serial children. A fifth part of the amendment provides for a child to be put on MinnesotaCare if the child does not have health insurance and the child's non-custodial parent is on or is eligible for the program. Under the amendment, the custodial parent must pay a subsidized

premium for the coverage. Neuville said the amendment also limits a section in his original bill allowing for child care rates to be determined by market rates. Seventh, the amendment changes the phrase for time a non-custodial parent spends with a child from "parenting time credit" to "parenting expense adjustment." Neuville said the amendment also allows a parent to receive the expense adjustment if the parent contributes at least 10 percent up to equal time of the parenting responsibilities. "We want to delink time and money" said Neuville, who added that the provision will eliminate the disincentive for custodial parents to allow their children more time with the non-custodial parent. The provision also reduces the expense adjustment from 18 to 12 percent. A final provision in the amendment, said Neuville, ties evaluation of whether non-custodial parents ability to support themselves to the Minnesota Family Investment Program (MFIP) index instead of the federal poverty guidelines.

Neuville said the portions of his original bill that are not changed by the amendment include the basic child support guideline, the marginal cost housing guideline and child care tax benefits as an offset to child care costs. Berglin said the bill reflects compromises on many issues and said she supports the bill with the amendment. She added that the amendment also alleviates many of the concerns various groups had about the original bill.

The amendment was adopted.

Sen. Satveer Chaudhary (DFL-Fridley) asked how much the measure will reduce child support. Neuville said it depends on the scenario, but added that, in general, individuals in a one-child situation would see a decrease in support while individuals in a two or more child situation will likely see an increase in support. Neuville also said the parenting expense allowance provision will affect the child support costs. Chaudhary also asked if enforcement measures remained the same under the bill. Neuville responded that they did. Finally, Chaudhary said he thought the bill is large and makes a lot of changes. He said he wished the proposed legislation would first take place as a pilot program in one or a few counties. "Just because it's a compromise doesn't mean that it's going to run well," said Chaudhary. "In fact, if it's a mesh of two different proposals there could be

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problems in terms of how the bill will operate," he said. Neuville said it would have been difficult to run a pilot program because of high mobility in the child support and custody system. He added that because the bill does not take effect for one and a half years, there is time for affected parties to study and train for the legislation.

Pamela Waggoner, legislative chair, Minnesota State Bar Association Family Law Section, said the amendment helps to bring the bill more into conformity with the task force's recommendations. However, Molly Olson, Center for Parental Responsibility, said it is unconscionable that the bill increases support payments for individuals supporting two or more children. Jim Huntsman said the bill would be better if it calculated the payments based on net income instead of gross income.

The committee approved the bill, as amended, and re-referred it to the Finance Committee.

The committee also heard S.F. 1710, the Department of Human Service's children's policy bill, carried by Sen. Becky Lourey (DFL-Kerrick). Lourey said the bill makes substantial policy changes. David Thompson, DHS, outlined maltreatment reporting law changes, which include implementing alternative response measures, changing time frames relating to the law and mandating that probation and corrections officers report maltreatment. Kris Johnson and Waylan Campbell, both of DHS, outlined changes to child protection and child support programs respectively. Lourey offered an amendment that helps to facilitate and expedite the reunification of children in foster homes with their families. The amendment was adopted.

Senators approved the bill, as amended, and sent it to the Finance Committee.

Metro casino, racino bills fail

A bill allowing for the establishment of a Metro Area casino and a bill creating a racino at Canterbury Park both failed to advance when the Agriculture, Veterans and Gaming Committee, chaired by Sen. Jim Vickerman (DFL-Tracy), met Mon., Apr. 4.

S.F. 1978, carried by Sen. Sandra Pappas (DFL-St. Paul), authorizes the state to enter into a contract for the operation of a Metro Area casino with

Indian tribes that demonstrate financial need. Pappas said she first began working on the proposal in 2003 when tribal members living in St. Paul spoke to her about gaming inequities. She said tribal members representing 85 percent of the state's overall Indian population rely on revenue from remote casinos that is not adequate to cover tribal needs. Pappas added that gambling is expanding under current law because existing casinos are adding slot machines. "This is not something we're able to stop," she said. "There is a huge appetite for gaming in Minnesota. The question is who is going to benefit," said Pappas.

Several individuals speaking in support of the bill said it makes gaming in Minnesota more equitable without hurting certain tribes. "Since the advent of gaming in Minnesota, there has been an inequity," said Erma Vizenor, chair, White Earth Band of Ojibwe. Luke Wilson, tribal council member, Leech Lake Band of Ojibwe, said the current system allows a few to become fabulously wealthy while leaving most behind. Moreover, a new casino will probably not have a negative impact on existing casinos, added economist Paul Anton. He said existing research indicates that casino revenue comes largely from patrons within 35 miles of a casino, so a Metro casino will only impact other Metro casinos, namely Mystic Lake in Shakopee.

Dan McElroy, chief of staff, Office of the Governor, said gambling in Minnesota will expand whether there is a new casino or not. "There's no question that Minnesotans like to gamble," he said. McElroy said the governor supports the proposal, which was developed by former Senators Roger Moe and Douglas Johnson, because it is the best approach for improving gaming fairness and providing economic opportunity. Anton added that information suggests Minnesota has not exhausted its gambling potential, meaning that existing gambling institutions will continue to grow if new casinos do not open. "The proposal is about the distribution of revenues from gaming, not the expansion. Gaming is growing in Minnesota and will continue to grow with or without the passage of the bill," he said.

Valerie Red Horse said the new casino would be successful because Minnesota does not have a saturated gambling market. Jim Mayer, senior vice

president, Dougherty Financial Group, said the casino will create significant revenue. The revenue, said Vizenor, will be used for housing, job training programs, law enforcement, schools, health care clinics, roads and infrastructure development for involved tribes. Al Pemberton, tribal council member, Red Lake Band of Chippewa, said the revenue will allow his tribe to take care of pressing needs on its reservation, which faces 50 to 60 percent unemployment and significant housing needs. Former Assistant Secretary for the Department of the Interior Dave Anderson said the bill will not only help Indians in Minnesota, but will also help the largest tribes who have the greatest needs. Anton said the bill will enable many tribal members to participate productively in the state's economy and reduce state spending on social services.

Vizenor also said the casino will have a positive economic impact on the state by creating jobs in the Metro Area and allowing the state to fund its legislative priorities with casino revenue. McElroy said the state cannot balance the budget and improve K-12 education without the revenue. Both the construction of the casino, which would create 4,000 to 5,000 jobs, and the revenue from the facility would provide an economic boost to the state, Anton said.

Chief Deputy Attorney General Kristine Eiden spoke in opposition to the measure. She said it is not clear that the proposal is constitutional. When the lottery, the entity under which the state's interest in the casino would be administered, was created in 1988, Legislators envisioned instant games and lottery tickets, not a Vegas-style casino, said Eiden. "For many people, the lottery and gambling are two different things," she said. Eiden also said the constitution, which was amended in 1988 to provide for the lottery, also says the lottery must be operated by the state and that 40 percent of its proceeds must go to the environmental and natural resources trust fund, but S.F. 1978 does not dedicate the revenue. The best way to move forward with the proposal, said Eiden, is to propose an amendment to the constitution and allow Minnesotans to vote on it. Sen. Dick Day (R-Owatonna) noted that no other states in similar situations have interpreted their laws in a similar manner. "We're determining constitutionality by trying to read the minds of Legislators

Senate Highlights



Highland dancers perform to the sounds of a bagpipe in front of the Capitol as part of the annual Tartan Day celebration, Wed., Apr. 6.

Photo by Shelley Hawes

sixteen years ago," he said. Eiden responded that every state's constitution is different, so other states' interpretations of gambling proposals are irrelevant.

Doreen Hagen, president, Prairie Island Indian Community, said that the proposal harms many Indian tribes. "We have worked hard for our success, and now we are being punished for it," said Hagen. She also said the benefits of a new casino will be to off-reservation communities while the detriments of a new casino will be largely to on-reservation communities. "It seems whenever we have

something of value, someone takes it from us," Hagen said.

Representing the Joint Religious Legislative Council, Brian Rusche said the proposal will increase gambling in the state. Research shows, said Rusche, that with increased gambling comes more bankruptcies, higher suicide rates, high rates of substance and behavioral addictions, higher rates of abuse and neglect, higher divorce rates and greater poverty. "The costs of casino gambling are triple what the benefits are when you put a casino into the community," he said. He

said poorer tribes needed help, but that higher taxes, not gambling, is a better way to provide it. "The ability of the state to tax does not carry the social harm that gambling does," said Rusche. "We're talking about the state authorizing the most addictive form of gambling and establishing a very dangerous precedent," he said. Tom Pritchard, Minnesota Family Council, said a new casino would prey on the same people it is supposed to be helping by enticing people to gamble as a way to get revenue. "There are very few winners with gambling and many losers.

State dependency will only ensure that gambling is here for a long time," said Pritchard.

Minnesota Taxpayers League President David Strom said he objects to the bill for three reasons. First, he said, it allows the state to open a private business, which is an inappropriate role for government. Second, a new casino would take discretionary dollars away from other entertainment venues, such as restaurants and movie theaters, and thus provide less of an economic benefit to the state than many think it will. Finally, Strom said the nature of the deal is troublesome. "Essentially, it's a state owned casino and we're contracting it out to an underprivileged group. Why not have the state do it? There is no reason for the choice of that group other than politics," said Strom. Annette Meeks, The Center for the American Experiment, also said operating a casino is not the appropriate role of government. "The Minnesota government is a gambling regulator. To put the state at the forefront of gambling promotion is disturbing to say the least," said Meeks. She added, "For gambling to win in Minnesota, lawmakers are betting that some population of the state will lose and lose big. We don't believe the government should be in the luck business."

Sen. Sean Nienow (R-Cambridge) offered two amendments. The first establishes a statewide prohibition on gambling, effective 2010. Sen. Dean Johnson (DFL-Willmar) asked if some gambling would exist, even with the amendment, because it is authorized by the Minnesota constitution. Nienow said the constitution allows the state to run a lottery, but does not require it. However, Senate Counsel Carol Baker confirmed that current compacts on Indian gaming would still be protected under federal law. The amendment was not adopted. The second amendment alters the percentage of revenue going to the state and the purpose for which it will be used. Under the amendment, 90 percent of the casino's revenue goes to the tribes while 10 percent goes to the state to be used to combat the social costs of gambling, said Nienow. The amendment was not adopted.

Sen. Yvonne Prettnier Solon (DFL-Duluth) said she did not like the idea of the state becoming dependent on gambling money. "When we need more education money, we don't want to have

to tell people to go out and gamble," she said. Sen. Rod Skoe (DFL-Clearbrook) said there was no question that tribes in Minnesota needed the money. "If we can help these people become self-sufficient, I think we should," said Skoe.

The bill failed on a 4-10 roll call vote.

The second bill, S.F. 1609, was authored by Day. The bill allows for the creation of a racino. Day offered an amendment dedicating \$200 million of the racino proceeds from the first year and \$100 million each year thereafter to education. "I listen to people talk about education every day," said Day, "so let's do something for education." Johnson said, "We should never fund our schools with gambling money. We need more money for schools, but we don't need it from gambling." The amendment was adopted.

Sen. Steve Dille (R-Dassel) also offered an amendment to use proceeds from the racino to help support the northern tribes. The amendment was not adopted.

The bill failed on a 4-10 roll call vote.

Marriage amendment motion fails

Senators met for a floor session Thurs., Apr. 7, in order to process committee reports at the desk and facilitate the movement of bills between committees.

Sen. Michele Bachmann (R-Stillwater) moved to remove H.F. 6, the bill to place a constitutional amendment on the ballot defining marriage as between one man and one woman, from the Judiciary Committee and bring it to the Senate floor. Bachmann said, "This issue is being heard across the nation. In the last 18 months, we have seen marriage laws struck down by activist judges. It could happen here. We are bringing this bill up at this time because we are being denied a hearing. The people want to vote on this issue. In fact, more people want to vote on the issue than last year."

Sen. Don Betzold (DFL-Fridley) argued against the motion. "Last year, I urged members to ask for a hearing sooner, rather than later, but no bill was introduced until right before committee deadline. We did have a hearing and the bill was defeated in committee," he said. When the session started this year, the

bill was introduced in the other body on the first day, Betzold said. "You waited until last Fri., Apr. 1, to ask for a hearing, but the committee's agenda is full for this week and next week," he said. "I have assured you though that the bill will be heard. A constitutional amendment must be voted upon at a general election, but the next general election is not until November 2006," Betzold said.

Majority Leader Dean Johnson (DFL-Willmar) said there was an informal agreement to hear constitutional amendments next year. He said the normal legislative process allows for input from the public and pulling the bill from committee denies the public that opportunity. He said that any member has the right to request a bill be withdrawn from committee, but allowing the bill to proceed through the committee process is more orderly.

Bachmann said, "It is important to act on the bill because activist judges could strike down Minnesota's law at any time. Passage of the bill would send a strong message to the judiciary."

The motion to withdraw the bill from committee failed on a 30-36 roll call vote.

Pope remembered

The Senate held a brief floor session Mon., Apr. 4, to process bills and hear committee reports. Senators also observed a moment of silence in honor of the passing of Pope John Paul II. Sen. Dean Johnson (DFL-Willmar) said the late pope "gave all of us pause to think about the underprivileged, about world peace and about a world that he perceived in his mind and in his work." He said the pontiff presented a challenge to all to work toward the betterment of humankind. Pope John Paul II passed away Sat., Apr. 2.

MyBills system available

The MyBills personalized bill tracking system is now available. Users can add House and Senate bills to their lists by bill number, subject, or author, and view the legislative status of their bills, with items with significant current floor action highlighted. Users can modify their lists at any time.

The MyBills system is available from the Legislative website at: <http://www.house.mn/leg/billsblog.asp>

Committee update

Agriculture, Veterans and Gaming

Livestock bill approved

A bill relating to livestock loans and zoning was approved when the Agriculture, Veterans and Gaming Committee, chaired by Sen. Jim Vickerman (DFL-Tracy), met Wed., Apr. 6.

Sen. Steve Dille (R-Dassel) carried S.F. 1629, which contains a variety of provisions relating to livestock production. The bill establishes a livestock equipment pilot loan program, allows up to 10 percent of appropriations to the local road account for township roads to be available for the maintenance of routes serving livestock operations, establishes feedlot zoning procedure and amends existing procedure for adopting feedlot ordinances. Dille said the bill is the product of the governor's Livestock Task Force Report. He offered an amendment, which, he said, takes existing law applying to counties and applies the law to townships and municipalities as well. "It's a matter of fairness," he said. The amendment was adopted. Dille said objections to the bill are mostly over provisions relating to local roads and perceived issues of local control.

Several individuals involved with livestock spoke in support of the bill. "The bill is a small start to solving the problems with livestock agriculture in Minnesota," said Bill Rowekamp, a dairy farmer from Winona County. Another dairy farmer from Winona County, Charlie Meyer, also spoke in support of the bill and said he particularly supported a provision requiring an economic analysis of the effect ordinances will have on local business. Representing Hormel, Joe Swedbert, who served on the task force, said the most important thing the bill represents is the consensus reached on zoning and ordinance issues. He said if Minnesota did not have a strong base for livestock, Hormel would have to look in other states for the resource. He also said the bill will increase local officials' knowledge and resources to deal with livestock issues.

Kent Sulem, Minnesota Association of Townships, said the bill reflects the proper balance of compromise on livestock issues without restricting local control. He said the bill contains changes with which all parties involved can live.

Sulem added, though, that the association would like to look further at the contents of Dille's amendment before giving its support to the amendment.

Harlan Madsen, chairman, Association of Minnesota Counties, said the association is not opposed to the bill, except for the section relating to roads. He said he is confident the involved parties will be able to come to resolution on the issue as the bill travels through the Senate. Tom Peterson, Minnesota Farmers Union, also spoke in support of parts of the bill and in opposition to others. He said the provision about which the union is most concerned is the provision allowing local government units to request economic analysis of the impact of feedlot zoning and ordinances. Peterson said the current process is working and that the provision is unnecessary.

Sen. Becky Lourey (DFL-Kerrick) offered two amendments. The first reinstates language providing for environmental and agricultural analysis of feedlot zoning ordinances. Lourey said the language has always been in the law and does not hurt Dille's bill in any way to restore it. The amendment was adopted. The second amendment restores language specifying funding through local planning assistance centers. Dille said he preferred having the Department of Agriculture (DOA) in charge. The amendment was not adopted.

Senators approved the bill, as amended, and re-referred it to the Environment and Natural Resources Committee.

Dille also authored S.F. 1218, a resolution asking Minnesota residents for tolerance of different views on animal agriculture production practices. Dille said the resolution will end Minnesota's feed lot wars and start a new era in the state's history with regard to livestock. A number of agricultural organizations, including the Minnesota Agrigrowth Council, the Minnesota Milk Producers Association and Holden Farms, support the resolution, said Dille. "Livestock is good for the environment, and it's good for the economy. Minnesota should encourage livestock production in the state," he said. Dille added that hostile social and political organizations currently stop farmers from growing and make it difficult for farmers to bring their families into the business.

Senators approved the measure and sent it to the floor.

Sen. Steve Murphy (DFL-Red Wing) sponsored S.F. 1991. The bill clarifies law that provides a pay differential to state employees who are ordered to active military services and incur an income decrease as a result. Murphy said legislation authorizing the pay differential passed a few years ago, but certain agencies have not made good on the commitment.

Marybeth Theisen spoke in support of the bill. She said her husband Scott, who works at a correctional facility in St. Cloud, was activated in June 2004. Theisen said that her family did not receive the differential, despite the fact that he was a state employee, and that no one notified their family that they would not be receiving the differential. "This is not something they're telling the soldiers," she said. She added that the differential is important to soldier's families, especially when they are forced to depart quickly. "When you're given 11 days to get ready for 18 months alone, you need financial help," said Theisen. Joan Lehmkuhl said her husband, who is also a state employee, was also deployed and did not receive the differential. She said the differential would have provided \$1,200 to \$1,300 a month for her family. Murphy said that the bill contains a retroactivity provision to make the appropriate back payments.

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

S.F. 2066 was authored by Sen. Wesley Skoglund (DFL-Mpls.). The bill makes it a gross misdemeanor to own or have custody of a dog or cock trained for use in animal fighting. The bill also specifies that the animals are considered dangerous weapons and provides a disposition process for the animals. Skoglund said he knows animal fights are currently occurring in north Minneapolis and should not be allowed to continue.

Senators approved the bill and re-referred it to the Judiciary Committee.

Commerce

Department bills gain

Members of the Commerce Committee met Mon., Apr. 5, to approve several bills, including measures recommended by the Dept. of Commerce.

S.F. 1355, carried by Sen. Jim Vickerman (DFL-Tracy), exempts persons who have, by the end of September, submitted applications to take the power limited technician examination from recently enacted requirements for applicants. The bill was advanced to the Senate floor. S.F. 1732, sponsored by Sen. David Gaither (R-Plymouth), contains the department's enforcement recommendations. The measure was re-referred to the Finance Committee.

Sen. Cal Larson (R-Fergus Falls) carried S.F. 1815, which contains the department's licensing recommendations. Members adopted an amendment, offered by Sen. James Metzen (DFL-South St. Paul), exempting sellers of wireless phone insurance from licensure. The panel also adopted an amendment, offered by Sen. Mady Reiter (R-Shoreview), deleting provisions permitting insurance licensees to take all continuing education courses via distance education. Current law permits licensees to take up to half of the continuing education requirement via distance learning. A portion of the amendment reinstating a requirement that real estate licensees complete half their continuing education requirements in the first half of their license period was defeated. S.F. 1815 was forwarded to the full Senate.

S.F. 1783, carried by Committee Chair Linda Scheid (DFL-Brooklyn Park), contains the department's recommended changes to the state's insurance laws. Scheid explained that the bill had been approved by the committee last year, but was not taken up by the full Senate. Deputy Commissioner Patrick Nelson walked committee members through the measure's various provisions. He said the bill makes general technical changes and cleans up statutes regulating health insurance and workers' compensation insurance. Members adopted several amendments. One amendment, offered by Scheid, clarifies how a corporation elects to cover litigation expenses when the entire membership of the board of directors is sued. Bev Turner, representing St. Paul Travelers, said the amendment is modeled after existing corporate law in Delaware. Many of the other amendments were primarily technical. The bill was advanced to the Judiciary Committee.

Sen. Sheila Kiscaden (IP-Rochester) sponsored S.F. 1810, directing the commissioner of commerce to communi-

cate to federal authorities the state's desire for a change in federal law permitting states to reward the purchase of long-term care insurance by reducing the amount of Medicaid estate recovery carried out against long-term care insurance purchasers. Kiscaden offered, and the panel adopted, an amendment authorizing local units of government to develop joint purchasing arrangements for long-term care insurance for employees. The bill was sent to the full Senate.

Flexible benefits plan discussed

Much of the debate at the Wed., Apr. 6, meeting of the Commerce Committee centered on a bill to reduce costs and provide flexibility for small business group health coverage.

S.F. 1274, sponsored by Committee Chair Linda Scheid (DFL-Brooklyn Park), permits flexible benefits plans for small employer group health coverage. Scheid said a similar law was enacted in 1999, but never enforced. The bill has some controversy because the plans do not contain all the mandated coverages, she said. "Right now, many small employers don't provide health care coverage because they cannot afford it. The bill is trying to bring new products, which are less expensive, into the marketplace to allow small businesses to have some flexibility," Scheid said. There is need for flexibility and competition in the health insurance marketplace, she said. "Right now, many small employers cannot provide coverage," Scheid said.

Carolyn Jones, Minnesota Chamber of Commerce, spoke in support of the bill. She said health insurance mandates account for more than 40 percent of the cost of health insurance. The mandates have caused higher costs, which have made it difficult for small employers to provide health insurance, she said. Mike Hickey, National Federation of Independent Business, said the measure is the number one priority in the area of health insurance. "We need to provide flexibility and lower costs to small businesses," he said. "This is the most important thing we can do for small business," Hickey said.

Scheid said the employer and the workers would determine the benefit set, but would not have to choose plans that include all of the current mandated benefits. The mandated benefit sets drive up the costs, she said. The measure invites

competition, Scheid said, by allowing health carriers providing less than ten percent of the total amount of health insurance sold in the state to have flexible benefits, thus allowing more carriers into the state.

Sue Aberholden, National Alliance for the Mentally Ill, spoke against the bill. She said the alliance opposes the measure because of the fear there will be a reduction in mental health services. She said persons with mental illness need the same access to benefits as those with physical illnesses. "Small businesses under the bill would not be prohibited from excluding mental health services," Aberholden said.

Scheid said the intent of the bill is to encourage employers to offer some coverage. The bill was approved and re-referred to the Health and Family Security Committee.

In other action, members also considered a bill making changes to provisions regulating unclaimed property. S.F. 1360, sponsored by Sen. William Belanger (R-Bloomington), regulates unclaimed property held by cooperatives and the right to receive or recover unclaimed property. The measure also modifies public notice requirements, Belanger said. Dennis Munkwitz, director, Unclaimed Property Division, Commerce Department, said the measure repeals the requirement that the names of owners of unclaimed property to be printed in newspapers and instead provides the commissioner the discretion as to the best way to provide public notice. Munkwitz said new technologies are altering the best methods of providing public notice. Mark Anfinson, Minnesota Newspaper Association, said the association opposed the provision repealing the newspaper publication requirement. He said, while it is good idea to allow for alternative publication processes, there needs to be a baseline for providing public notice for areas best served by newspapers. Sen. Becky Lourey (DFL-Kerrick) said parts of the state do not have adequate access to web sites and other alternative processes. Lourey offered an amendment deleting the provision repealing the requirement. The amendment failed. The bill was approved and advanced to the Judiciary Committee.

The committee also took action on the omnibus liquor bill, S.F. 664. The bill permits certain brew pubs to use wort produced outside Minnesota, allows

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Minneapolis to issue an on-sale license to the concessionaire for the new Guthrie Theater's restaurant, allows on-sales of 3.2 malt liquor at 10 a.m. on Sundays and provides for a uniform 10 p.m. closing time for off-sale liquor sales. Chief Author Sen. Sandra Pappas (DFL-St. Paul) offered several amendments addressing concerns raised at an earlier hearing. The amendments were adopted. Sen. Ellen Anderson (DFL-St. Paul) offered an amendment deleting language requiring two compliance checks on each retail license holder or municipal liquor store. The amendment was adopted. The bill was approved and advanced to the Senate floor.

S.F. 1998, authored by Sen. Brian LeClair (R-Woodbury), was also heard. The measure is a Commerce Dept. bill modifying health plan companies reporting requirements, filing requirements and claims practices. The bill was approved and advanced to the Senate floor.

S.F. 1462, sponsored by Scheid, modifies many provisions relating to insurance. The bill allows posting of insurance policies on web sites, rather than reprinting the policy every five years, allows an expedited process for filing policy forms and premium rates for homeowners and personal auto insurance policies with the Dept. of Commerce, requires a \$75 fee for filing the new compliance certification, changes provisions relating to termination of an insurance agent, changes the notice requirement for rate changes for federal terrorism risk insurance, and allows insurance binders to be issued electronically. The bill was approved and sent to the full Senate.

Crime Prevention and Public Safety

Anti-spam bill okayed

The Crime Prevention and Public Safety Committee held a marathon meeting Tues., Apr. 5, in order to complete work on the many bills assigned to the committee before the first committee deadline. The panel, chaired by Sen. Leo Foley (DFL-Coon Rapids), heard the criminal law provisions of a number of bills that were referred to the panel.

The panel began with consideration of a bill aimed at fighting e-mail "spam." S.F. 927, authored by Sen. Dan Sparks

(DFL-Austin), provides criminal and civil remedies against senders of spam e-mail messages. Jim Erickson, speaking on behalf of Time Warner/ AOL, said the bill focuses on the actions leading to the sending of spam, rather than on the content of the e-mail message. The bill provides misdemeanor, gross misdemeanor and felony penalties, as well as providing for civil remedies. The bill was approved and re-referred to the Finance Committee.

Sen. Ellen Anderson (DFL-St. Paul) sponsored two measures. S.F. 944 makes modifications in provisions relating to unemployment insurance. Anderson said the bill contains criminal penalties for employers or any individuals who knowingly provide false information in order to avoid or reduce unemployment insurance contributions or benefits. Under the bill, an illegal action resulting in underpayment of \$500 or less is a gross misdemeanor and underpayment of more than \$500 is a felony. S.F. 1943 creates discipline procedures for local correctional officers. Both measures were advanced to the Senate floor.

A bill establishing a state policy for stem cell research was also heard by the committee. S.F. 69, sponsored by Sen. Richard Cohen (DFL-St. Paul), also contains a gross misdemeanor penalty if a person knowingly, for valuable consideration, purchases, sells or otherwise transfers or obtains embryonic or cadaveric fetal tissue for research purposes. The bill encompasses policy for both adult stem cell and embryonic stem cell research. Sen. Thomas Neuville (R-Northfield) said he could not support the language including embryonic stem cell research and requested a roll call vote. The bill was advanced to the Senate floor on a vote of 5-4.

S.F. 1260, authored by Sen. Yvonne Prettner Solon (DFL-Duluth), regulates the sale and delivery of tobacco products sold over the internet. Solon said the bill contains provisions authorizing the commissioner of revenue to issue cease and desist orders for violations of the bill's provisions. Under the bill, a second violation within two years is a misdemeanor and a third violation is a gross misdemeanor. The bill was approved and re-referred to the Tax Committee. S.F. 1771, carried by Sen. Sean Nienow (R-Cambridge), enhances penalties—to a gross misdemeanor—for some violations

of provisions relating to food regulation and inspection. The measure was approved and sent to the full Senate. S.F. 1804, authored by Sen. Wesley Skoglund (DFL-Mpls.), expands the definition of "public place" for purposes of the prostitution law to include a motor vehicle located on a public street, alley, parking lot or vacant lot. The bill was approved and recommended for placement on the Consent Calendar.

S.F. 2068, carried by Foley, adopts modifications to the sentencing guidelines recommended by the Sentencing Guidelines Commission. The modifications include expanding individual cells within the sentencing guidelines' grid to the full 15 percent range authorized by law, adopting a list of offenses for which permissive consecutive sentencing is authorized and making changes to the text related to the United States Supreme Court's 2004 decision in *Washington V. Blakely*. Sen. Jane Ranum (DFL-Mpls.) offered an amendment relating to prosecutors seeking an upward departure because of aggravating factors. She said the amendment was to clarify that the state has the right to attempt to prove aggravating factors. The amendment was adopted. The bill was approved and advanced to the Finance Committee.

Neuville sponsored a bill containing the governor's recommendations for funding the criminal justice system. The committee reviewed the policy provisions contained in the bill. Neuville said one of the provisions under the purview of the panel was a section creating a Gang and Drug Oversight Council to provide guidance for the investigation and prosecution of gang and drug crimes. Ranum said she was concerned about how the funding would be divided between the gang and drug investigative activities. Michael Campion, commissioner of the Dept. of Public Safety, said the responsibilities of the Gang and Drug Oversight Council include the distribution of the funds and grants. Ranum offered an amendment adding a member of a tribal police force to the oversight council. The amendment was adopted.

In addition, members reviewed provisions relating to inspections by the state fire marshal and the fees charged for the inspections. The bill also contains provisions found in other bills going through the legislative process, such as increases in 911 fees and the governor's



Bikers Against Child Abuse member Steven "Chaps" Goulet, Farmington, chats with 3-year-old Morgan Lyons and her grandmother Judi Hafner, Fridley, in the Capitol Rotunda during a rally to raise public awareness of child abuse and neglect, Fri., Apr. 1. Photo by Shelley Hawes

methamphetamine proposal. Members adopted an amendment deleting the provisions. Sen. Don Betzold (DFL-Fridley) moved to delete the appropriations provisions. The motion was adopted. The bill was re-referred to the Finance Committee.

S.F. 1551, sponsored by Sen. John Hottinger (DFL-St. Peter), facilitates registering to vote and voting. Hottinger said there were just a few provisions that fell under the committee's jurisdiction and he said an amendment had been prepared deleting three out of the four provisions. Members adopted the amendment. In addition, members adopted an amendment providing for advising people in jails

of their rights and providing them with absentee ballots. The bill was approved and advanced to the Finance Committee.

The Texas hold'em bill, S.F. 317, sponsored by Sen. Dave Kleis (R-St. Cloud), was also approved. Kleis said the bill was written to the criminal law statutes in order to guard against the possibility of using the measure to expand gambling. The bill simply legalizes Texas hold'em poker tournaments and designates the card game as a social skill game, Kleis said. The bill specifies that the sum of all prizes awarded for each tournament or contest may not exceed \$200, and that no person under 18 may participate. The bill was advanced to the full Senate. S.F.

400, carried by Sen. Gary Kubly (DFL-Granite Falls), provides for criminal bail bond forfeitures and procedures. Several members of the committee said they did not have enough information on the bail bond process to make an informed decision on the bill. Foley suggested the bill be laid on the table in order to get more information.

S.F. 1438, authored by Ranum, expands the protection against employer retaliation for crime victims. The bill prohibits retaliation against victims of domestic abuse or harassment to take time off to obtain relief through the Domestic Abuse Act or a restraining order. The bill also provides protection against employer

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retaliation against crime victims or witnesses who take time off in response to a subpoena or request of a prosecutor. Employers are also prohibited against retaliating against victims of heinous crimes, or their spouses or next of kin to take reasonable time off from work to attend proceedings involving prosecution of the crime. The measure provides criminal and civil penalties for violations. The bill was approved and advanced to the Judiciary Committee. Ranum also sponsored a bill relating to prostitution. S.F. 1877 makes it a crime to loiter with intent to participate in prostitution and appropriates money for pilot projects to reduce homelessness. The bill also repeals the crime of vagrancy. The measure was approved and re-referred to the Finance Committee. Ranum's final bill, S.F. 1143, enlarges the definition of a domestic abuse no contact order. The measure was approved and advanced to the Finance Committee.

S.F. 2000, carried by Foley, modifies the membership and duties of the Criminal Justice and Juvenile Information Policy Group and the Juvenile Justice Information Task Force. The bill also transfers authority to determine system integration priorities from the Policy Group to the CriMNet program office. The measure was approved and advanced to the floor. Foley also carried a bill, S.F. 2087, providing an exception for bullet-resistant vest reimbursements for vests made from zylon-based materials, provided the vests were purchased prior to July 1, of this year. Foley said the bill applies to about 300 individuals. The bill was approved and advanced to the full Senate.

Members also considered a bill creating a Conditional Release Board. S.F. 903, sponsored by Neuville, had been heard previously by the committee, but laid on the table for further work. Under the bill, the board has the authority to order the conditional release from prison of a nonviolent controlled substance offender, if the sentencing court determines the offense was the result of addiction, if the release doesn't pose a danger to the public and if the offender successfully completes chemical dependency treatment and serves at least 36 months or one half of the term of imprisonment. The bill also allows an offender to file a petition for expungement if the offender was conditionally released and

has not been convicted of any new offense. Ranum argued that the court does not have the expertise to determine if the offender is addicted. She suggested deleting the language requiring the court to make the determination. Instead, Neuville offered an amendment, which was adopted, deleting the requirement the court make the determination at the time of sentencing. Neuville also offered an amendment staggering the terms of the members of the board. The amendment was adopted. A third amendment, offered by Neuville, making offenders currently in prison eligible for the conditional release was also adopted. Another amendment contained provisions allowing for stayed sentences for drug offenders under certain circumstances. The amendment was adopted. The bill was approved and referred to the Finance Committee.

False information bill gains

A bill outlining the penalties for knowingly reporting false information to a police or peace officer gained when the Crime Prevention and Public Safety Committee, chaired by Sen. Leo Foley (DFL-Coon Rapids), met Thurs., Apr. 7.

S.F. 1223, authored by Sen. Wesley Skoglund (DFL-Mpls.), increases the seriousness of providing false information to a peace officer with the intention that the officer will act on the information. Under current law, said Skoglund, a first offense is a misdemeanor while subsequent offenses are gross misdemeanors. Under the bill, a first offense becomes a gross misdemeanor, and second or subsequent offenses become felonies. Skoglund said the bill will prevent people from making false reports about officers to other officers. Sen. Mike McGinn (R-Eagan) offered an amendment providing for the maximum penalty to be given when an individual knowingly provides false information stating that a police officer has committed a crime. The amendment also provides for restitution to falsely accused individuals of up to \$3,000. Sen. Jane Ranum (DFL-Mpls.) offered an amendment to the amendment to clarify that individuals must know the person to whom they are reporting is a police officer. Ranum's amendment was adopted. Skoglund offered an amendment to remove a provision applying the bill to public officers rather than just peace and police officers. The amendment to the amendment was adopted. McGinn's

amendment, as amended, was also adopted.

Senators approved S.F. 1223, as amended, and sent it to the floor.

Sen. Ellen Anderson (DFL-St. Paul) carried S.F. 1139, which enhances penalties for crimes committed by gang members against a child. Under the bill, misdemeanors are elevated to gross misdemeanors, gross misdemeanors are elevated to three-year felonies and felony sentences are increased by five years. Several parents of children who were murdered by gang members spoke in strong support of the bill.

Senators laid the bill on the table in order to work on it further.

S.F. 1201, authored by Foley, requires all offenders convicted of a violent felony to submit DNA samples to the Bureau of Criminal Apprehension (BCA). The bill expands the DNA sample requirement to all felons in 2010. Erchal Springer, BCA, said the bill replaces current law, which sunsets in June 2005. Under current law, said Springer, felons must provide a biological sample to BCA for examination and inclusion in the BCA index system. S.F. 1201 makes the requirement permanent and appropriates funding to cover the cost of sample analysis, he said. Springer also said the bill expands current law by including arrestees for predatory offenses.

Sen. Don Betzold (DFL-Fridley) said the bill takes samples from people who have been arrested but not convicted. "There is all the difference in the world between arrest and conviction," said Betzold. He asked if it would be better to wait until a person is convicted to collect the samples. Sen. Linda Berglin (DFL-Mpls.) asked why it was necessary to require samples of arrestees when a judge may order a sample if there is probable cause that the arrestee committed the crime. She offered an amendment to require a conviction or probable cause before a sample may be taken. The amendment also specifies the disposal of samples for arrestees who are not ultimately convicted. The amendment was adopted. Sen. Thomas Neuville (R-Northfield) offered an amendment to advance the sunset on current law and to delete all new parts of the bill. The amendment was not adopted.

The committee approved the bill, as amended, and re-referred it to the Judiciary Committee.

Sen. Becky Lourey (DFL-Kerrick) sponsored S.F. 1483, which modifies the Minnesota Emergency Health Powers Act of 2002. Doug Stang, Department of Health (MDH), outlined the changes in the bill. The changes include redefining public health emergencies, extending good Samaritan-style protection to first-responders, requiring the governor to call back the Legislature if a state emergency continues beyond 30 days and requiring the governor to call back the Legislature automatically if there is a national emergency. Sen. Dave Kleis (R-St. Cloud) offered an amendment extending the sunset date to 2009. The amendment was adopted. Kleis offered another amendment including language requiring the governor to consult with tribal authorities before declaring an emergency occurring on Indian lands. The amendment was adopted.

Senators approved the bill, as amended, and sent it to the floor.

Lourey also carried S.F. 1482. The bill modifies isolation and quarantine provisions in Minnesota law. McGinn offered an amendment eliminating language prohibiting officers from using deadly force and allowing them to use all necessary and lawful means in apprehending individuals for quarantine. He said the language sets a bad precedent. "If you start sending confusing messages to police officers about what force they can use, you may end up with unintended consequences in which an officer may not use deadly force that is warranted," said McGinn. He added that officers deal with civil enforcement every day and will use discretion in this type of situation. The amendment was adopted.

Members approved the bill, as amended, and forwarded it to the full Senate.

Early Childhood Policy and Budget Division

MFIP, sliding fee merger heard

A bill consolidating the Minnesota Family Investment Program (MFIP) and the basic sliding fee child care program provided the centerpiece for the Thurs., Apr. 7, meeting of the Early Childhood Policy and Budget Division. S.F. 1792, authored by Division Chair John Hottinger (DFL-St. Peter), also establishes a child care provider bonus.

Hottinger said that up to 18,000 children were dropped from child care programs two years ago. The bill expands funds for at-home infant child care, creates a qualified early care and learning provider bonus of up to 20 percent, provides eligibility criteria for persons who have an employment plan under MFIP or the Work First Program and requires the commissioner of human services to create state-specific performance criteria for qualified early care and learning providers. The bill also specifies that 60 percent of the bonus paid to the provider must be distributed to staff in the form of increased wages.

Hottinger said the division has learned, through site visits and division hearings, the importance of quality early child care. General eligibility requirements for applicants for child care assistance include families with a household income less than 250 percent of the federal poverty level guidelines. Hottinger said 152,000 people in the state meet the criteria of living on less than 250 percent of the federal poverty level guidelines.

Joel Kramer, Growth and Justice, spoke in support of the bill. The current system of early childhood child care assistance is not really about childcare, it is about employment, he said. Research is clear that accredited care does make a difference in the child's performance in kindergarten, he said. Kramer said, "The bill also provides for more funding for workers in child care, which is extremely important." Kramer said the fairest way to run the system is to fully fund the program. If people are eligible, they should be able to participate, Kramer said. He also supported a provision liberalizing the ability for a parent to attend school to have childcare. Kramer said that currently parents are trapped in low wage jobs because in order to attend school the parents must also work long hours. The result is parents giving up on school, he said.

Zoe Nicholie, Ready 4K, said the organization supports the bill because it allows parents to work and children to become ready for school. "It supports working families and it supports school readiness," Nicholie said. "Childcare is the second or third largest item in many families' budgets," she said. Establishing successful relationships between adults and other children provide a foundation for a lifetime, Nicholie said.

Members laid the bill over for inclusion in the division's omnibus bill.

Two bills sponsored by Sen. Gary Kubly (DFL-Granite Falls) were also heard. S.F. 2026 provides reimbursement to providers who experienced a decrease in rates when the rates were frozen in 2003. Hottinger said the decrease in rates was an inadvertent result of administrative changes made by the department. S.F. 2027 establishes a child care assistance provider reimbursement rate grant program. Kubly said the measure provides for reimbursement for nonmetro child care providers at rates above the 75th percentile of the market rate, which is more closely aligned with the actual cost. Both measures were laid over for inclusion in the omnibus bill.

The division also heard a presentation entitled "Minnesota School Readiness Year Three Study: Developmental Assessment at Kindergarten Entrance, Fall 2004."

Education

Vouchers bill heard

A bill creating a school voucher system for low-income students in Minnesota's two largest cities was considered by members of the Education Committee, Tues., Apr. 5.

S.F. 736, carried by Sen. David Hann (R-Eden Prairie), provides for grants to the families of students in the Minneapolis and St. Paul school districts to attend accredited or commissioner-recognized schools. Families are eligible for the grants, under the bill, if household income is at or below 250 percent of poverty and the students resides in and is enrolled in one of the two districts. The grants are limited, in the first year, to 10 percent of each district's enrollment, with 5 percent increases each year for 5 years and no limit beginning in FY 2012. The bill provides for random selection of recipients, except for reapplicants, if the number of applications exceeds the number of available grants.

It is important to note that vouchers are grants to families, not to schools, Hann said. We must determine what we mean by "public education," he said, a specific delivery system or a broader mandate to educate children. Policymakers also have an obligation to help parents fulfill their statutory respon-

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sibility as the primary educators of children, Hann said.

In no other area of our public infrastructure do we allow rationalizing failure, said Anthony Williams, a state Senator in Pennsylvania. When we hear, for example, that 60 percent of students are proficient, we do not often consider that 40 percent of students are not proficient and being denied opportunities, he said. Vouchers are part of an overall effort to reform education and serve the underserved, Williams said. John Brandl, a professor at the Humphrey Institute and

a former Senator, said the best research indicates that inner city, disadvantaged African-American students benefit the most from school choice. No research indicates that vouchers and school choice harm students, he said. Brandl also preemptively addressed major objections to vouchers. Creaming, the self-selection of the best students out of public schools, is avoided by providing for random selection, in both research and in the system created by the bill, he said. Brandl said private schools are better integrated than public schools and have more

tolerant and civically virtuous environments. Money will not be drained from public schools, he said, as long as policymakers keep an aggregate sum devoted to education. As students choose private and parochial schools, because the voucher is for less than the per-pupil formula, the average for students in public schools goes up, he said.

Thomas Berg, a law professor at the University of St. Thomas, urged committee members to consider the bill on its education merits. The constitutional footing of the bill is strong, he said,



Houston (Minnesota) Nature Center Director Karla Kinstler shows off "Alice," a great horned owl, during an Environment and Natural Resources Committee hearing, Wed., Apr. 6, as members consider a bill - sponsored by Sen. Thomas Neuville (R-Northfield), left - giving the owls protected species status.

Photo by David J. Oakes

primarily because the aid is directed at families, not institutions. Several parents also spoke in support of the bill. Tiffany Green, a Minneapolis resident, said that opportunities grow exponentially with choices. "We don't just want these students schooled, we want them educated," said Tracey Keibler.

The superintendents of the St. Paul and Minneapolis districts spoke against the bill. Both districts have been improving consistently and are acting with urgency to address the achievement gap, said St. Paul Superintendent Patricia Harvey. This bill sends the message that private schools are better than public schools, said Minneapolis Superintendent Thandiwe Peebles. The playing field is not level between the types of schools, she said. Public schools cannot choose their students and cannot unilaterally dismiss students, Peebles said. Now is not the time, she said, to be pulling revenue out of the school system. The schools have not failed our children, our leaders have failed to properly fund schools, Peebles said.

August Berkshire, Minnesota Atheists, said parochial schools indoctrinate students with religious faith. It is not government's duty to subsidize religious teaching, he said. Public dollars should support public schools, said Alan Silver of the Jewish Community Relations Council. We have many options already available, he said, with charter schools, alternative schools and other frameworks. Before considering vouchers, we need to fully fund our schools, said Mary Cecconi of Parents United Network.

We have over 100 state-funded alternative programs all over the state, with at least 45 programs in the Metro Area, said Sen. LeRoy Stumpf (DFL-Plummer). The need for more choice is not compelling, he said. This bill also could not come at a worse time, in terms of finances, Stumpf said. This proposal is not about the system, but about the needs of our children, said Sen. Gen Olson (R-Minnetrista). Most of our choice movements have been faced with a great deal of fear that the world would end, she said. Public schools have many advantages, Olson said, and parents are not going to choose another option just because it is there. A motion to re-refer the bill to the Finance Committee, without recommendation, was defeated on a 3-5 roll call vote.

Committee members considered several additional measures for possible inclusion in the omnibus education policy bill. S.F. 1847, carried by Sen. Jane Ranum (DFL-Mpls.), requires the commissioner of education to consult with numerous stakeholder groups before amending rules governing the use of aversive and deprivation procedures. S.F. 1192, sponsored by Sen. Charles "Chuck" Wiger (DFL-North St. Paul), requires school districts to consider acoustical performance criteria in construction proposals. S.F. 1874, authored by Sen. John Hottinger (DFL-St. Peter), establishes a task force to review and recommend changes to the eminence credentials for teachers of the Dakota and Anishinaabe languages.

Hann authored a proposal, S.F. 746, repealing a requirement that school districts set aside two percent of their basic revenue for staff development. S.F. 1026, sponsored by Sen. Paul Koering (R-Fort Ripley), provides for the designation of four school districts to assist other districts in developing teacher mentoring programs. S.F. 1450, carried by Stumpf, requires school boards to adopt policies before purchasing and using irradiated food. Under the bill, the policies must provide for notification of parents at least 30 days before an initial purchase of irradiated food in a food service program, clear identification of all irradiated school lunch menu items by the phrase "treated with irradiation" and the separation of all irradiated food items from nonirradiated food items.

Sen. John Marty (DFL-Roseville) carried a bill, S.F. 581, increasing access to family planning services and expanding educational efforts to prevent unintended pregnancies. Members adopted an amendment removing all of the education-related provisions from the bill before advancing S.F. 581 to the Finance Committee. Marty said his intent was to have the education-related provisions considered by the committee for possible inclusion in the omnibus education bill, while the rest of the proposal moves forward independently.

S.F. 1148, carried by Committee Chair Steve Kelley (DFL-Hopkins), contains the department's policy proposals, including alternative pathways to teacher licensure, staff development and performance pay, also called "Q comp." S.F. 1074, also sponsored by Kelley,

permits school districts in cities of the first class to negotiate flexibility in the assignment of teachers with teachers unions. Current law requires teachers to be laid off in the inverse order of their employment, regardless of the district's need for certain specialties.

Site governance model discussed

A proposal to push decision-making authority closer to the school site level was heard by members of the Education Committee, Thurs., Apr. 7. The measure was laid over for possible inclusion in the omnibus education policy bill.

S.F. 1055, carried by Sen. Linda Scheid (DFL-Brooklyn Park), permits site teams supported by 60 percent of school employees to enter into agreements with school boards to operate school sites. Scheid said the proposal takes site-based management concepts already available to a new level. It empowers teachers and staff, the people who know a site's children best, she said. Charlie Weaver, Minnesota Business Partnership, said an educated workforce is critically important to modern business. As businesses have decentralized their authority, creating better results for their customers, educators are considering decentralizing decision-making power, he said. Rose Hermodson, Minneapolis Federation of Teachers, said educators want smaller learning communities, the ability to attract students to unique programs and opportunities to work with school boards.

You can support site based management and oppose this bill, said Roger Aronson, representing the Association of Secondary School Principals. Site-based management is already being used and works, he said. At best, the bill replicates current law, while at worst, it establishes an unworkable and mischievous system, Aronson said. Grace Schwab, School Boards Association, also said the current site-based management provisions are working. Education Minnesota has serious concerns about the workability of the proposed framework, said Jan Alswager.

Committee members also considered three additional measures. S.F. 786, sponsored by Sen. Rod Skoe (DFL-Clearbrook), provides a grant to support the high school student retention program at Blackduck High School. The bill was advanced to the Finance Committee. S.F. 1806, carried by Sen. Scott Dibble (DFL-

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Mpls.), provides a grant to establish a Principals Leadership Institute providing professional development for principals. S.F. 1286, authored by Committee Chair Steve Kelley (DFL-Hopkins), provides for computer-based adaptive testing for the required statewide tests. Under the bill, if the federal Dept. of Education rejects the assessments, Minnesota opts out of the No Child Left Behind Act. Both S.F. 1806 and S.F. 1286 were laid over for possible inclusion in the omnibus education policy bill.

Members also adopted a delete-everything amendment to S.F. 1148. Kelley explained that the bill will serve as the vehicle for the omnibus bill. The delete-everything amendment represents a base upon which to build, he said. The amendment contains many provisions from bills previously heard by the committee.

Environment and Natural Resources

Shooting range protection okayed

A bill designed to permit the continued operation of shooting ranges as neighboring lands are developed was approved by members of the Environment and Natural Resources Committee at their Mon., Apr. 4, meeting. The panel, chaired by Sen. John Marty (DFL-Roseville), advanced the bill to the Committee on State and Local Government Operations.

S.F. 1908, carried by Sen. Satveer Chaudhary (DFL-Fridley), provides for the adoption of shooting range performance standards, requires shooting ranges be allowed to operate as long as they comply with the standards, prohibits nuisance actions against compliant shooting ranges and prohibits the forced closure of a shooting range unless the range is determined to pose a clear and immediate safety hazard.

In other action, the committee considered five additional measures. S.F. 1252, sponsored by Sen. Ellen Anderson (DFL-St. Paul), provides for the consumptive use of groundwater in the St. Paul Regional Water Services service area. The bill was recommended for placement on the Consent Calendar. Sen. LeRoy Stumpf (DFL-Plummer) authored a bill, S.F. 1364, allowing an outlet fee to be

charged for use of an established drainage system in Red Lake County as an outlet for drainage originating in Pennington County. The measure was advanced to the full Senate. S.F. 1371, carried by Sen. Rod Skoe (DFL-Clearbrook), was also sent to the full Senate. The bill clarifies who can enter onto land in a watershed district to make surveys and investigations.

Sen. Tom Saxhaug (DFL-Grand Rapids) sponsored S.F. 1626, which expands the authority of the commissioner of natural resources relating to electronic transactions and authorizes the commissioner to establish an electronic licensing system commission for the recovery of electronic licensing system costs. The bill was sent to the Finance Committee. S.F. 1896, carried by Chaudhary, imposes additional requirements on persons or entities requesting aquatic farm licenses. The bill was laid over for additional consideration by the Subcommittee on Game and Fish.

LCMR overhaul stalled

A bill reforming the governance structure for the environment and natural resources trust fund was considered by members of the Environment and Natural Resources Committee at their Wed., Apr. 6, meeting. The panel, chaired by Sen. John Marty (DFL-Roseville), decided to table the bill.

S.F. 1809, carried by Sen. Satveer Chaudhary (DFL-Fridley), creates a Legislative Council on Minnesota Resources to replace the Legislative Commission on Minnesota Resources. The new council is composed of 20 members, including 12 Legislators and 8 citizens.

The current process does not provide the commission an opportunity to react quickly to new ideas, Chaudhary said. He said stakeholders have also raised concerns about whether the commission has strayed from the intended direction of environment and natural resources trust fund. Some projects have been funded that are not clearly within the scope of the trust fund, Chaudhary said. The commission lacks clear citizen input, he said. While there is a citizens advisory council to the commission, its input is often discarded in favor of legislative priorities, he said.

Deputy Natural Resources Commissioner Mark Holsten said the governor asked him and Commissioner Gene Merriam to examine the current process and develop an improvement proposal. S.F. 1809 stays in the spirit of the direction the pair recommended, he said. Holsten said the Legislature stays involved in the process, under the bill, because the Legislature will be allocating funds to the council every biennium, reviewing the council's strategic plan and examining the history of council activity. The proposal keeps checks and balances in place, he said, while speeding up projects.

The current structure involves too much process, said Nancy Gibson, chair of the commission's citizen advisory council. The current system lacks a long-term vision and is not nimble enough to take care of rapid developments, she said.

Saying he sensed a reluctance to move forward with the proposal, Sen. Dennis Frederickson (R-New Ulm) moved to table the bill. The motion was approved on a divided voice vote.

In other action, committee members approved five additional bills. S.F. 893, carried by Sen. David Tomassoni (DFL-Chisholm), authorizes county boards to contract for the sale of biomass. S.F. 628, authored by Sen. Thomas Neville (R-Northfield), grants state protection to the great horned owl. The great horned owl also enjoys protected status under federal law. Both bills were sent to the full Senate.

Sen. Thomas Bakk (DFL-Cook) sponsored three bills. S.F. 610 permits funds in the snowmobile trail account to be used to maintain trails on Lake of the Woods, Rainy Lake and eight lakes in St. Louis County. The measure was referred to the Finance Committee. S.F. 1342 makes technical changes to a law providing expedited review of a proposed iron nugget demonstration facility. S.F. 1342 was sent to the Senate floor. S.F. 1534 increases the snowmobile state trail sticker fee from \$15 to \$30, requires the trail sticker for both resident and nonresident snowmobilers using state trails and dedicates the fees to the grant-in-aid trail system. The bill also provides for the acquisition of easements for permanent recreational snowmobile trails. The bill was advanced to the Finance Committee.

The committee also approved the appointment of Brenda Elmer to the Environmental Quality Board.

Environment, Agriculture and Economic Development Budget Division

Items for omnibus bill considered

Members of the Environment, Agriculture and Economic Development Budget Division met Tues., Apr. 5, to consider a number of disparate bills for possible inclusion in the division's omnibus bill. The division, chaired by Sen. Dallas Sams (DFL-Staples), laid all of the bills over.

Members began by considering a bill, S.F. 1951, to provide a grant for vineyard production research. The bill, sponsored by Sen. Rod Skoe (DFL-Clearbrook), provides \$125,000 for field research on the planting and production of cold-hardy grape cultivars. In addition, Skoe said the bill allows the research project to identify cold-hardy cultivars and cultural practices that can diversify the agricultural landscape of the state with subsequent expansion into value-added business and the winery industry.

S.F. 787, authored by Sen. Dean Johnson (DFL-Willmar), requires a study of the feasibility and desirability of constructing a rail container load-out facility in or near the city of Willmar. Johnson said the study must include an estimate of the costs and benefits of a facility to the city and region and to the state transportation system.

Sen. Bob Kierlin (R-Winona) authored two bills. The first measure, S.F. 576, appropriates money for a grant to the Root River Valley Friends of the Arts to acquire land, design and construct a theater and arts center in Lanesboro for lease to the Commonweal Theatre Company and Cornucopia Arts Center. Kierlin said the Commonweal Theatre Company is a regional attraction that contributes to the economic well-being of Lanesboro. Several representatives from the city and the theatre company spoke in support of the bill. The second bill, S.F. 134, authorizes an appropriation of \$250,000 to the Minnesota Historical Society for the historic Forestville site. Kierlin said the site provides a glimpse into the past because volunteer interpreters dress in costume and guide visitors about the town.

S.F. 1761, sponsored by Sen. Jim Vickerman (DFL-Tracy), provides an appropriation of \$200,000 in each year of

the biennium for grants to farmers for demonstration projects involving sustainable agriculture. S.F. 1257, sponsored by Sen. Yvonne Prettner Solon (DFL-Duluth), appropriates \$300,000 to promote awareness of the benefits and increase utilization of foreign trade zones located within the state.

S.F. 1429, sponsored by Sen. Ellen Anderson (DFL-St. Paul), appropriates \$4.5 million in each year of the biennium for the operation and maintenance of the Metropolitan Regional Parks System. Anderson also sponsored a bill, S.F. 1393, appropriating \$500,000 for the biennium for onetime grants to Lifetrack Resources for its immigrant/refugee collaborative programs, including those related to job-seeking skills and workplace orientation, intensive job development, functional work English and on-site job coaching. S.F. 1580, authored by Sen. Linda Higgins (DFL-Mpls.), provides an appropriation for the shade tree pest and disease control program. Higgins said the increase in Dutch elm disease is threatening many trees in the Metropolitan Area and the funds are needed to control the epidemic.

One measure was sent to the full Finance Committee. S.F. 802, authored by Sen. Thomas Bakk (DFL-Cook), modifies timber sale requirements, clarifies state forest road designation and modifies standard measurements of wood. Members adopted an amendment to delete the fiscal portions of the bill and lay the provisions over for possible inclusion in the omnibus bill. The measure was then approved and forwarded to the full committee.

Small business bills heard

The Environment, Agriculture and Economic Development Budget Division met Thurs., Apr. 7, to consider several bills aimed at assisting small business development. The panel, chaired by Sen. Dallas Sams (DFL-Staples), laid the bills over for possible inclusion in the division's omnibus bill.

S.F. 980, sponsored by Sen. Linda Higgins (DFL-Mpls.), provides an appropriation of \$310,000 for the biennium for grants to the Metropolitan Economic Development Association. The association, Higgins said, provides a variety of services to develop minority owned businesses. The association provides one-on-one business consulting, marketing assistance, providing and

arranging financing, training and leadership development, she said. In addition, the bill provides an appropriation of \$300,000 for grants to the Metropolitan Economic Development Association for the purposes of the Procurement Technical Assistance Center. The center assists in connecting Minnesota businesses with government contract opportunities, obtaining federal contracts to better leverage federal expenditures for economic growth and creating and retaining jobs in the state.

S.F. 1480, sponsored by Sen. Ellen Anderson (DFL-St. Paul), appropriates \$300,000 for a grant to Women Venture for women's business development programs. Anderson said Women Venture has a proven track record of success in helping women start and maintain their own businesses. S.F. 1618, carried by Sen. Mee Moua (DFL-St. Paul), provides \$1 million for the biennium for grants to initiate and expand health occupation training at Minnesota Opportunity Industrialization Centers. The bill specifies the grants are to go to those centers that have plans to either initiate or expand health occupation programs for individuals seeking employment as nurses, nursing assistants, home health aides or phlebotomists, or in the field of medical coding.

S.F. 1893, authored by Sen. Steve Murphy (DFL-Red Wing), establishes a program of small grants to stimulate research on improved combustion of agriculturally derived ethanol in motor vehicle engines. The measure appropriates \$200,000 for the biennium for ethanol efficiency research studies.

Three measures before the panel dealt with environmental issues. S.F. 1754, carried by Sen. LeRoy Stumpf (DFL-Plummer), appropriates \$150,000 for a grant to continue turf grass research in northern climates. S.F. 1418, authored by Sen. Rod Skoe (DFL-Clearbrook), reinstates the beaver damage control grant program. The programs are aimed at controlling beaver activities causing damage to public waters, roads, ditches and adjacent private property.

The division also advanced one measure to the full Finance Committee. S.F. 897, sponsored by Sen. Thomas Bakk (DFL-Cook), is the omnibus state lands bill. The measure authorizes the sale or exchange of state lands.

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Finally, members heard a presentation on renewable energy development funding.

Health and Family Security

Omnibus licensing bill heard

Members of the Health and Family Security Committee, chaired by Sen. Becky Lourey (DFL-Kerrick), approved the omnibus licensing bill at their Fri., Apr. 1, meeting.

S.F. 1204, carried by Sen. Sheila Kiscaden (IP-Rochester), is the vehicle for the omnibus bill. Tom Hiendlmayr, Department of Health (MDH), outlined the provisions in the bill, which include changing the licensure methods for various kinds of health and human services professionals and changing the mechanisms by which the state holds practitioners accountable for violations. Kiscaden offered an amendment to S.F. 1204 reducing from 12 to 6 months the period in which an individual may practice without a license before becoming subject to disciplinary action. The amendment was adopted.

All of the following bills were amended onto S.F. 1204.

S.F. 1488, authored by Sen. Rod Skoe (DFL-Clearbrook), allows respiratory care practitioners who are licensed in other states to provide licensed care in the case of an emergency, as a member of an organ harvesting team or as part of an ambulance treatment team on board an ambulance.

S.F. 619, sponsored by Sen. Brian LeClair (R-Woodbury), provides for the licensure of physical therapists who have practiced under the laws of another state for five of the last seven years. LeClair said the bill originated as an effort to help a constituent who encountered problems trying to obtain a Minnesota license despite having practiced for more than 20 years in three other states. LeClair said the Minnesota Board of Physical Therapy objects to the scope of the bill, so he offered an amendment to narrow the impact of the measure to affect only his constituent. The constituent, Sibylle Gridley, said she has practiced physical therapy in Illinois, Ohio and Wisconsin as well as Germany but encountered difficulties in trying to obtain a license in Minnesota because of the way the licensing board evaluates education

credits and experience. LeClair said Gridley never made a formal application to the board, but said the board reviewed extensive correspondence from Gridley and indicated it does not see her education in Germany as equivalent to what is required by Minnesota standards.

Sen. Betsy Wergin (R-Princeton) said writing laws for a single person may not be good government and that she preferred the original version of the bill, even though that version needed work. Stephanie Lunning, Minnesota Board of Physical Therapy, said because Gridley never made an application, the board cannot officially rule on licensing her. Sen. Mee Moua (DFL-St. Paul) said she encouraged people to submit applications and receive a denial before seeking intervention by the Legislature.

Sen. Steve Kelley (DFL-Hopkins) carried S.F. 765. Kelley said the bill makes some housekeeping changes to the Psychology Practice Act, establishes the procedure through which psychological practitioners may become licensed psychologists and modifies the requirements for licensure as a psychological practitioner.

Kiscaden carried S.F. 1289, the Minnesota Board of Social Work Practice Act. Frank Merriman, executive director, Board of Social Work, said the bill was non-controversial. The main purpose of the bill, said Merriman, is to abolish the board's rulemaking process and put into statute the board's requirements.

S.F. 1718 was also authored by Kiscaden. The bill allows audiologists to dispense hearing instruments without having to be a licensed hearing instrument dispenser. The bill originated, said Kiscaden, when audiologists came forward with a proposal to correct problems in the current system. Subsequently, she said, hearing instrument dispensers said they disliked some provisions in the audiologists' new approach. Kiscaden offered an amendment that she said addresses most of the dispensers' concerns. The bill does not change any consumer protections, she added.

Dr. Josephine Helmbrecht, president, Minnesota Academy of Audiology, said audiologists are currently regulated both as audiologists and as hearing instrument dispensers. She said dispensing is a major part of audiologist training. The bill streamlines regulation of audiologists by reducing the regulation of them in both areas, said Helmbrecht.

Kiscaden sponsored S.F. 1830 as well. The bill makes minor changes to requirements affecting physician assistants (PAs). Walt Rothwell, a PA at the Mayo Clinic, said the bill removes time oversight and prescription requirements, such as needing to list the name of the supervising physician on a prescription. The changes do not significantly alter the relationship between physicians and physician assistants, said Rothwell.

S.F. 1923, authored by Kiscaden, transfers oversight authority of mental health professionals from MDH to boards that license mental health professionals. While the state requires a mental health practitioner to be licensed, said Kiscaden, it is not clear which entity handles consumer complaints or deals with unlicensed practitioners. Merriman said the bill creates a committee with representatives from each mental health board to act as a governing body for complaints.

Kiscaden's final bill, S.F. 309, modifies provisions regarding professional counselors. Kiscaden offered as an amendment the contents of S.F. 1799, a bill of which she is also the author. The amendment specifies transitional licensing requirements for alcohol and drug counselors. Bob Melson, MARCH, spoke in support of the amendment, which he said was somewhat controversial. "Still, it is the perfect outcome of the political process. Nobody gets everything he wants, but we can all live with the outcome," he said. Melson said the amendment offers licensure for alcohol and drug counselors who undergo 2,000 hours of supervised work under an already licensed counselor. The amendment also allows the employment of social workers to do case management and assessment work, he said. A representative from the Minnesota Association of County Social Service Administrators spoke in support of the bill, saying that it will help alleviate the shortage of counselors many counties face.

Lourey said there is a higher standard for counselors coming from MDH and asked how counselors receiving licensure under the amendment would receive training to meet the new standard. Melson said the new standards require greater clinical knowledge and expertise and that new counselors will receive the necessary training to meet the requirements. The amendment was adopted.

Kiscaden offered another amendment outlining the conditions under which the 2,000 hours of supervision must be conducted. The conditions spread the hours out evenly, require that at least 75 percent of the hours must occur in person and require board verification of the hours. The amendment was adopted. Lourey sponsored two bills, S.F. 1498 and S.F. 1993. S.F. 1498 makes technical changes to dental practice licensure. The bill establishes a renewal requirement for limited faculty dentists, extends the renewal requirement for full faculty dentists, prescribing various licensure fees and modifies supervision requirements for dental hygienists administering anesthetics or nitrous oxide. Dominic Sposeto, representing the Minnesota Dental Association, spoke in support of the bill.

S.F. 1993 modifies several provisions relating to physical therapists. Lunning said the bill contains technical changes that do not affect the scope or supervision of physical therapists. The changes include adopting language for ending licenses and adopting discipline procedures for physical therapists who do not renew their licenses on time, said Lunning. The bill also allows physical therapists to refer patients to other health care services, such as substance abuse treatment, if there is probable cause for concern.

Senators approved S.F. 1204, as amended, and re-referred it to the State and Local Government Operations Committee.

Disclosure bill approved

A bill requiring health care providers to disclose billing information and limiting the amount the provider may charge to uninsured individuals gained when the Health and Family Security Committee met, Tues., Apr. 5. The panel, chaired by Sen. Becky Lourey (DFL-Kerrick), also approved three others bill.

S.F. 1162 was authored by Sen. Linda Berglin (DFL-Mpls.). The bill requires health care providers to disclose the payments received from Medicare and Medical Assistance (MA) and limits the amount a provider may charge an uninsured patient. Berglin said uninsured patients currently pay greater costs than patients with private or government coverage. Under the bill, a provider may not charge more to an uninsured patient

making less than \$500,000 annually than what it would charge to its largest health provider. Lori Swanson, solicitor general, Attorney General's Office, said a recent Harvard University study revealed that 50 percent of all bankruptcies today are caused by medical debt. "The lesson is that people are using financially unsound ways to deal with medical debt," said Swanson, who added that the bill would help make medical costs more reasonable.

Sen. Sheila Kiscaden (IP-Rochester) asked why uninsured individuals who earn up to \$500,000 a year should receive medical discounts. Berglin said the measure does not provide discounts, but rather gives everybody a fair price, a price others pay when they receive the same service. Kiscaden offered an amendment to reduce the figure to \$125,000. The amendment was adopted.

David Feinwachs, general counsel, Minnesota Hospital Association, said the bill highlights the problems of cost-shifting in health care. "Cost-shifting is not something the hospital community invented. It is something the hospital community inherited," said Feinwachs. He added that the bill has significant problems about which the hospital community is concerned. He cited the areas of means testing and provisions relating to insurance as the most problematic. Berglin said the bill will not contribute to further cost-shifting.

Sen. Steve Kelley (DFL-Hopkins) noted that the bill applies to all medical procedures, not just medically necessary ones. Berglin offered an amendment limiting the bill to only medically necessary procedures. Medically necessary procedures, she said, are defined as services necessary to maintain or preserve health as opposed to optional services. The amendment was adopted.

Sen. Betsy Wergin (R-Princeton) said many people do not know the actual cost of health care and what procedures are necessary. "We need clarity in health care," said Wergin. She offered an amendment requiring the commissioner of health to select, based on national data, the 25 most frequently administered inpatient services, the 25 most frequently administered out-patient services and the 50 most frequently administered prescription drugs and to provide methodology for figuring the cost of each procedure or drug. "This will at least give the public something to look at when they go in for a

procedure. It will help individuals and health plans make better choices," Wergin said. She added, "It is also a start in letting the public know what medical procedures cost. Right now, many people think a doctor's visit costs \$5, \$10 or \$15, because that is their co-pay," Wergin said. Berglin said she does not oppose the amendment but that adopting it will add a cost to the bill. The amendment was adopted.

Sen. Brian LeClair (R-Woodbury) said the bill deals with two issues: price disclosure and price limitation. He said he is in favor of the provisions requiring price disclosure, but opposes price limitations because the manner in which they are enacted creates an incentive not to have insurance. He offered an amendment to delete all provisions in the bill except for the new language added by Wergin's amendment. Berglin said she opposed the amendment and would table the bill if it were adopted. The amendment failed on a 3-6 roll call vote.

Kelley offered an amendment limiting the price a hospital may charge to 120 percent of what providers pay. Berglin offered an amendment to Kelley's amendment changing the figure to 100 percent. She said Kelley's amendment would cause people to pay 20 percent more than the highest possible charge to providers, since some smaller providers do not negotiate discounts at all. Berglin's amendment failed on a 1-9 roll call vote. Kelley incorporated language into his amendment including the cost of cost-sharing payments by patients in the price calculated for uninsured patients. The intent, said Kelley, was to include both the bill and any additional payments an insured patient would pay in calculating an uninsured person's bill. Kelley's amendment was adopted on a 7-1 roll call vote.

Berglin said the bill, as amended, protects people with incomes lower than \$125,000 from having to pay more than 120 percent of the highest health plan rate. Uninsured patients making more than \$125,000 will pay whatever hospitals choose to charge them, said Berglin.

Senators approved S.F. 1162 on a 6-3 roll call vote and re-referred it to the Finance Committee.

S.F. 1726, authored by Sen. Gary Kubly (DFL-Granite Falls), advanced to the floor. The bill allows active duty National Guard members to suspend their MinnesotaCare (MnCare) coverage while

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on duty in order to use health coverage provided by the federal government. The bill also grants a six month reprieve from an increase in income and assets while a person is on active duty, said Kubly. Wergin offered an amendment reconciling the bill with a similar measure. Under the amendment, if a military person called to active duty voluntarily disenrolls in MnCare, the person may reenroll and be put immediately back into the program without having to undergo the standard four-month waiting period. The amendment was adopted.

Lourey carried S.F. 1344. The measure repeals a cap on the Minnesota Family Investment Program (MFIP). Kate Krisik, Minnesota Catholic Conference, and Jim Koppel, Children's Defense Fund, both spoke in support of the measure. The committee approved the bill and sent it to the Finance Committee. S.F. 1198 was carried by Sen. Dick Day (R-Owatonna). The bill adds marriage and family therapy to the list of professional services in Minnesota law. Senators approved the measure and forwarded it to the full Senate.

MFIP, marijuana bills gain

The Health and Family Security Committee, chaired by Sen. Becky Lourey (DFL-Kerrick), held an evening meeting, Tues., Apr. 5, to hear three bills relating to the Minnesota Family Investment Program (MFIP) and one measure permitting the use of medical marijuana.

Sen. Linda Berglin (DFL-Mpls.) carried S.F. 1955. The bill creates a separate state program for the MFIP work participation rate enhancement program, makes participants eligible for child care assistance and establishes eligibility criteria for the program. Under the bill, all participants are also required to participate in family stabilization services and to develop, in conjunction with a case manager provided by the county, a family stabilization plan with which they must comply. The bill also requires that each county and tribe receive 100 percent, instead of 95 percent, of its calendar year allocation as well as additional funds from the federal Temporary Assistance for Needy Families (TANF) bonus funds the state receives.

Meghan Mohs, Minnesota Association of County Social Services Administrators (MACSSA), spoke in support of

the bill. She said it makes sense to work with families that have more challenges.

Senators approved S.F. 1955 and sent it to the Finance Committee.

S.F. 1520, sponsored by Sen. Steve Dille (R-Dassel), was also approved and re-referred to the Finance Committee. The bill exempts refugees and asylees from the diversionary work program and allows them to enroll directly in MFIP. Under the bill, eligible refugees include those who have a case manager, are enrolled in a federal matching refugee assistance program or have been assigned to a local refugee resettlement agency. The bill also provides refugees the option of being assigned an agency with experience assisting refugees from a particular culture.

Sen. Mee Moua (DFL-St. Paul) authored S.F. 1600. The bill provides for job counselors and job retention services to be added to MFIP employment and training services. The counselors will explain to participants concepts such as probationary employment periods, said Moua. Moua offered an amendment establishing civil penalties for employment offenses associated with the program. The amendment was adopted.

The committee approved the bill and forwarded it to the full Senate.

S.F. 1973, sponsored by Sen. Steve Kelley (DFL-Hopkins), permits the use of marijuana by medical patients with debilitating medical conditions. The bill also limits the amount of marijuana a patient or care provider is allowed to possess to 12 plants and 2.5 ounces of marijuana and requires the commissioner of health to adopt and implement rules on the practice. Kelley said the state should show compassion for individuals with debilitating conditions. "We ought to allow them to do this if it alleviates their pain," he said. He added that other states have allowed patients to use marijuana if the patients feel the treatment works for them.

Jerome Schaffer, a former cancer patient, said a small amount of marijuana has the ability to ease the pain and nausea he experiences as a result of chemotherapy. "Of all the medication I have taken, I can safely say that medical marijuana worked better than any other," said Schaffer. He also told the committee how he was arrested and jailed when police found a small amount of medical marijuana in his truck while assisting him with a flat tire. Despite the experience,

said Schaffer, he returned to medical marijuana, with his doctor's blessing, because it is the only medication that gives him relief. "I continue to use medical marijuana to keep food down. I don't think I belong in jail for doing so," Schaffer said.

Senators approved the measure and re-referred it to the Judiciary Committee.

Health and Human Services Budget Division

Long-term care bill approved

A bill preparing Minnesota to take advantage of possible changes in federal long-term care law was approved when the Health and Human Services Budget Division, chaired by Sen. Linda Berglin (DFL-Mpls.), met Tues., Apr. 5. The panel also heard a variety of other bills and an overview of budget changes to the Department of Health (MDH) and the Department of Human Services (DHS).

Berglin authored S.F. 540, which authorizes Minnesota to establish a program to finance long-term care through a combination of private insurance and Medical Assistance (MA). The bill is intended to prepare Minnesota to take advantage of possible modifications to federal law, said Berglin. She offered an amendment that ensures policies in the bill are already approved by the Department of Commerce and would make the bill budget neutral. The amendment was adopted. Senators approved the measure and sent it to the full Finance Committee.

The following bills were laid over for possible inclusion in the omnibus bill.

Sen. Thomas Bakk (DFL-Cook) sponsored S.F. 1101. The bill allows eight small hospitals in Northern Minnesota to use their swing beds, said Bakk. After a restructuring to the reimbursement system last year, he said, the swing bed programs at the eight hospitals fell through the cracks. Bakk said the bill has a minimal fiscal impact of only \$4,000 but is very important for the state.

S.F. 1607 was carried by Sen. James Metzen (DFL-South St. Paul). The bill authorizes the downsizing of a 14-bed intermediate care facility (ICF) in Inver Grove Heights. Under the bill, the ICF would become an eight-bed facility. Metzen said the facility has had trouble attracting new residents because residents must currently share bedrooms. After the

downsizing, the facility would have single rooms, he said. He added that the only two options available to the facility currently are to close or to downsize. A representative from the ICF said the facility can definitely make placements for the four individuals who would be displaced by downsizing, but may not be able to relocate all of its residents should the facility close. Ann Sessoms, DHS, said a downsizing would affect the facility's reimbursement rate and that DHS has no capacity to increase the rates. She said 63 similar facilities lost money in the 2002-2003 fiscal year. Metzen offered an amendment specifying a per diem reimbursement rate for the facility rather than determining the rate based on variable costs, such as food and staff. The amendment was adopted.

S.F. 1589, authored by Sen. Dennis Frederickson (R-New Ulm), provides for the replacement of an existing ICF facility in New Ulm. Frederickson said the current home had been approved for replacement in 2001, but because of a reimbursement rate calculation error, the facility did not receive adequate funding to conduct the project. Devon Nelson, who works at the facility, said the home was told to make the request again the next year, but there was no money for the project the following year. Replacing the facility will cost \$115,000 in 2007 and \$125,000 each year thereafter, said Frederickson.

Sen. Yvonne Prettner Solon (DFL-Kerrick) carried S.F. 23. The bill requires pharmaceutical manufacturers to disclose certain pricing information to the commissioner of human services as a requirement for licensure. Solon said DHS pharmacy manager Cody Wiberg said if the state obtains savings under the bill, it may be because it is not reimbursing local pharmacies adequately. As a result, Solon offered an amendment that increases the annual licensing fee by \$275 to ensure adequate reimbursement to the pharmacies. She said the increase could be easily covered by the proceeds from filling one prescription. Berglin asked Wiberg if the department will save money by collecting rebates for the state. Wiberg said it is possible.

S.F. 1864, authored by Sen. Linda Higgins (DFL-Mpls.), authorizes a one-time appropriation of \$500,000 to fund the establishment of a Minnesota Center for Nursing. The money will come from

nurse licensing fees, said Higgins. She said the center will establish a strategic statewide plan to address Minnesota's nursing shortage. Nursing shortages, on both a state and federal level, are a critical issue and negatively affect the cost and quality of health care, Higgins said. Ann Jones, Minnesota Colleagues in Caring, said the idea for the center is the result of recommendations by nurses on issues that affect them.

Sen. Becky Lourey (DFL-Kerrick) sponsored S.F. 973. Bob Cipolle, director, Peters Institute of Pharmaceutical Care, said the bill provides MA coverage of medication therapy management (MTM). Cipolle said MTM has been proven to reduce medical costs. He said Missouri reported a 45 percent reduction in hospitalization and a significant decrease in emergency room visits due to problems with medication therapy after implementing MTM. "We basically spend as much to solve drug therapy problems as we spend purchasing prescription drugs," said Cipolle. Lourey said the bill will have an implementation cost in 2006, but it is expected to generate savings in 2007 through 2009. "The bill provides better health outcomes for patients, a partnership in the health community and state savings," she said. Cipolle added, "Patients are the biggest advocates of MTM, and the practice is almost universally accepted by medical professionals."

The division also heard an overview of budget changes to DHS and MDH. Jane Hardwick outlined the changes to DHS. She said the first change adjusts maximum payment rates for certain childcare centers by increasing reimbursement funds by \$458,000 for the biennium. The measure has already been incorporated into the early childhood budget, said Berglin. Hardwick said the second change is to pharmacy coverage. Under the change, MDH will seek Medicare level rebates permitted by federal law for the General Assistance Medical Care (GAMC) program and dedicate the money from the rebates to work with pharmaceutical manufacturers to design a drug discount card. The measure would generate \$2.6 million for the next biennium, most of which will be dedicated to contracting with a pharmacy benefits manager to administer the card program, said Hardwick. The third change area deals with programs in adult mental health programs, said Hardwick. Under

the new changes, the department will restructure the collective bargaining memorandum of understanding for mental health workers, fund temporary care units while new units are being built and provide one-time appropriations for community hospitals. The community hospitals will cost \$3.5 million while the effects of restructuring the memorandum will cost around \$7 million, said Wes Kooistra, DHS. Representatives from MDH said their biggest budget change was the addition of three full-time employees for the purposes of hospital credentialing and trauma case registration.

Hospital proposal overview heard

The Health and Human Services Budget Division, chaired by Sen. Linda Berglin (DFL-Mpls.), met Wed., Apr. 6, to hear an information presentation from the Department of Health (MDH) on proposals for a new hospital in Maple Grove.

Scott Leitz, director of the health economics program at MDH, provided the presentation on the proposals. Since 1984, he said, there has been a moratorium on construction of new hospitals in Minnesota, but a 2004 law established a new review process for proposals seeking an exception to the moratorium. The new law requires the commissioner of health to issue a finding as to whether the proposal is in the public interest and maintains a requirement for approval by the Legislature, said Leitz.

Leitz said there are three proposals, from the existing facilities of North Memorial, Fairview and the Maple Grove Tri-Care Partnership (Allina/Park Nicollet/Children's Hospital), to build a hospital in Maple Grove. All proposals cited public input and a growing demand for hospital services in the area as reasons to build a new facility, said Leitz. He added that high occupancy rates in the Metro Area are also an important factor for the Maple Grove area, which is expected to grow at 3 to 4 times the rate of overall state growth over the next decade. Leitz said MDH analysis of the situation showed that a new hospital would mean that strain on surrounding facilities will increase over the next few years, but that the public supports the proposal. Overall, he said, MDH found that it is in the public interest to build another hospital in Maple Grove.

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Berglin asked what services the hospital would provide. "We do not need to duplicate every kind of expensive equipment that adds cost to the system. Only certain areas need more beds," she said. Leitz said the proposals included mostly basic services. Berglin also asked how a new hospital would affect the uncompensated care system in the Metro Area. Leitz said MDH looked at the issue, but was not able to come up with a dollar figure on how a new facility would affect the system. The department did look at how the payer mix would change if a new hospital opened in Maple Grove, he said. Berglin said perhaps a new hospital should be required to provide an increased amount of uncompensated care. Sen. Leo Foley (DFL-Coon Rapids) noted that the Maple Grove area is home to many young, healthy people and asked how area age demographics affect hospital stays and services. Leitz said MDH included age specific use rates in its projections regarding the various proposals. Berglin said the division may consider the proposals in the future.

Sen. Steve Murphy (DFL-Red Wing) carried S.F. 1926, which increases taxes on alcoholic beverages and dedicates the proceeds to grants for treatment services. "The bill is an attempt to bring some money to a system that has been historically and terribly under funded," said Murphy. The bill also creates new tools for probation services and innovative treatment programs, he said. Therese McCoy, Scott County Services, said the revenue generated by the bill would allow counties to perform vital services. Among the services, she said, are more drug testing, the expansion of electronic home monitoring and alcohol testing of repeat DWI offenders and the ability to attract better treatment centers. Roxanne Bartsch, Wabasha County, spoke in support of the bill and said it would help fund an innovative, and successful, substance abuse court program, which recently began operation in Wabasha County. Berglin added that for every dollar spent on treatment programs, the state saves \$10 in corrections costs.

Senators approved the bill and sent it to the full Finance Committee.

S.F. 606 was carried by Sen. John Marty (DFL-Roseville). Marty said the bill is similar to Murphy's bill and provides funding to a wide variety of treatment measures. He said the bill

allows law enforcement to do more enforcement, allows state and local correctional systems to provide more treatment programs, provides money for earlier and more aggressive assessment of possible substance abuse by offenders and addresses issues associated with DUI offenders and domestic violence. To pay for the programs, said Marty, the bill increases taxes on alcoholic beverages.

The division approved the measure and referred it to the full Finance Committee.

Berglin sponsored S.F. 2054. She said the bill deals with the state's existing chemical dependency programs. Previously, she said, Minnesota's chemical dependency program had three tiers, but over time, the third tier was eliminated and the chemical dependency reserve account was used to balance the budget. "The use of this one-time money to balance the budget created a permanent problem," said Berglin. The bill changes the chemical dependency allocation formula by reducing county expenditures by five percent annually until the maximum county match is 15 percent. Berglin said many counties currently pay far more than 15 percent, and some pay more than 50 percent, a figure that indicates they are subsidizing the state's contribution to the fund.

Sen. Linda Higgins (DFL-Mpls.) asked if some counties would pay more under the formula changes, because they currently pay less than 15 percent. Berglin said a few counties might, but that, overall, the bill makes the state fulfill its responsibility to pay for the program.

Members approved the bill and referred it to the full Finance Committee.

Sen. Brian LeClair (R-Woodbury) said his bill, S.F. 1349, is very similar to Berglin's bill. The only difference between the two bills, he said, is that his measure caps how much a county may spend on chemical dependency treatment. LeClair asked that the bill be laid on the table.

Jobs, Energy and Community Development

Athlete drug testing okayed

A bill expanding the authority of employers to require employees to undergo random drug testing was approved by members of the Jobs, Energy and Community Development Committee, Fri., Apr. 1.

S.F. 1780, carried by Sen. Ann Rest (DFL-New Hope), adds professional athletes to the categories of employees that may be subject to the drug and alcohol testing requirement. Current law permits required random testing only of employees in safety-sensitive positions. Rest said the bill does not interfere with the labor agreements between athletes and their employers, but does clarify management's right to require drug testing. Jerry Bell, president of the Minnesota Twins, said the measure ensures no conflict exists between the provisions of the Major League Baseball labor agreement and state law. Sen. James Metzen (DFL-South St. Paul) offered, and the committee adopted, an amendment limiting the scope of the bill to athletes covered by bargaining agreements. S.F. 1780 was advanced to the full Senate.

Several measures relating to telecommunications were also heard. S.F. 1647, sponsored by Committee Chair Ellen Anderson (DFL-St. Paul), is an effort to modernize the collection of fees on telephone access lines. The fees are used for 911, telephone assistance plan and the hearing impaired fee, Anderson said. What we are trying to do is modernize the collection of fees and acknowledge the new technology for telecommunications, including voice over internet, she said. Deputy Commissioner Ed Garvey said the bill is designed to provide a sustainable and stable structure for collecting the fees that will be technology neutral.

S.F. 1045, sponsored by Sen. Jane Ranum (DFL-Mpls.), deals with the fees for 911 service. The bill increases the fee for 911 to be sure that the public safety communications (PSAP) system and the 800 megahertz system are fully funded. The bill guarantees that funds from an increase in the fee would be used for the PSAP and 800 megahertz system. I believe as policy makers we should be able to decide on the use of the fees, rather than the Public Utilities Commission, Ranum said.

Sen. Steve Kelley (DFL-Hopkins) said the two bills had been heard by the Subcommittee on Telecommunications and Technology and several amendments need to be adopted to make the bills consistent with one another. He said S.F. 1647 establishes a per number basis for collection of the fees, while S.F. 1045 continues the per line basis for charging the fees. He said the full committee

needed to amend language using the per number basis onto S.F. 1045 and amend language providing for an increase in fees onto S.F. 1647. In addition, he said both measures contain language that is also in the omnibus telecommunications bill, S.F. 1370.

Kelley said the language in S.F. 1045 relating to how the funds from the fee could be used was not changed and that funds raised for the 800 megahertz system will be used for the system. The bill was approved and advanced to the State and Local Government Operations Committee. Members then adopted a series of amendments to S.F. 1647 to make the language consistent with other bills. The measure was approved and re-referred to the Finance Committee.

S.F. 1370, sponsored by Kelley, is the omnibus telecommunications bill. Last year, we tried to ease the regulatory burden on traditional wire-line companies and the bill continues the process, Kelley said. The measure provides for an alternative form of regulation for certain telephone companies, provides for reduced reporting requirements, establishes a single per number fee system, regulates wireless telephone directories, creates a task force on telecommunications and regulates the cancellation of long distance service. After several hours of considering amendments and debating the bill, members approved the measure and re-referred it to the State and Local Government Operations Committee.

Members also heard a variety of other bills. S.F. 1861, sponsored by Kelley, exempts the installation of piping systems by a biotechnology manufacturing firm, Protein Design Labs, from building plan review by the city of Brooklyn Park. Phil Gerlach, Protein Design Labs, said the firm would meet all standards and requirements, but the inspection process would take several months. The bill also requires the commissioner of labor and industry to convene a working group to study procedures for supervision of installation of biotechnology piping systems. The bill was approved and re-referred to the State and Local Government Operations Committee. Kelley also sponsored S.F. 1225. The measure establishes a broadband revolving loan fund to provide loans for local communications infrastructure, including any technology that can deliver broadband to residential and institutional customers.

The committee adopted an amendment authorizing an appropriation from the bond proceeds fund to be deposited into the broadband revolving loan fund. The amendment was adopted and the bill advanced to the Finance Committee. Sen. Dan Sparks (DFL-Austin) sponsored a bill, S.F. 1777, providing for licensure of sellers and brokers of manufactured and industrialized/modular homes. Representatives of the manufactured home industry spoke in support of the measure. They said current law extends licensure requirements to everyone, except the salesperson, involved in the sale of a manufactured home. The bill was sent to the Senate floor.

Renewable energy mandate ok'd

A bill requiring 20 percent of Minnesota's energy to come from renewable sources was approved by members of the Jobs, Energy and Community Development Committee at their Mon., Apr. 4 meeting. The panel advanced the measure to the full Senate.

S.F. 1687, carried by Committee Chair Ellen Anderson (DFL-St. Paul), requires utilities to generate at least 20 percent of their electric energy from renewable sources by 2020. Current law sets an objective renewable generation level of 10 percent by 2015. The bill imposes a 10 percent requirement in 2010 and gradually increases the requirement until the 20 percent level is reached in 2020. "We should be national leaders in this area," Anderson said.

Because members of the Subcommittee on Energy had already heard substantial commentary on the bill, Anderson said the committee would consider limited additional comments before acting on the bill. Representatives of unions and construction companies discussed the business benefits flowing from the bill. Anderson said the requirement will be good for job growth, economic development and the environment. Utilities support the use of renewable energy sources when feasible, said Lee Sundberg, representing the Minnesota Rural Electric Association. However, he said, the state should maintain the existing objective, instead of imposing an inflexible requirement. Ed Schnable, PolarFab, said many renewable sources of energy, especially wind, are unreliable and impose additional costs on manufacturers.

Committee members also considered nine additional bills. H.F. 218, carried by Sen. Julie Rosen (R-Fairmont), extends eligibility to receive the renewable energy production incentive. Rosen also carried S.F. 1385, authorizing a study by the Department of Commerce to determine technical and economic aspects of using biodiesel fuel as a home, industrial and commercial heating fuel. S.F. 1485, authored by Sen. Dan Sparks (DFL-Austin), requires the certification and regulation of crane operators. S.F. 776, also carried by Sparks, regulates customer service call centers and customer sales call centers. S.F. 1984, sponsored by Anderson, increases the penalties for failure to pay migratory workers. The bills were sent to the Senate floor.

Sen. Mee Moua (DFL-St. Paul) sponsored a bill, S.F. 1603, prohibiting railroads from delaying treatment of injured employees and from disciplining employees for requesting treatment. Sen. Betsy Wergin (R-Princeton) carried S.F. 1179. The bill provides up to \$300,000 for a geothermal heating and ventilation system for a cooperative joint community learning center and health and wellness center in Onamia. S.F. 402, authored by Sen. Thomas Bakk (DFL-Cook), clarifies that apprentice registration fees collected by the state are charged only once each year in which an apprentice is indentured or registered. Sen. Satveer Chaudhary (DFL-Fridley) carried S.F. 588, which prohibits the misclassification of employees as independent contractors instead of as wage or salary employees. The measures were re-referred to the Finance Committee.

Housing bills heard

The Jobs, Energy and Community Development Subcommittee on Housing met Thurs., Apr. 7, to hear several measures dealing with housing. The panel, chaired by Sen. Scott Dibble (DFL-Mpls.), advanced the measures to the full committee.

A bill aimed at preventing homelessness establishes a program to stabilize housing for children attending elementary or secondary school. Chief Author Steve Kelley (DFL-Hopkins) said the bill, S.F. 1646, is an attempt to achieve an educational goal through noneducation means. He said children are able to learn better with a stable home

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situation. He said the goal of the program is to eliminate or reduce change of residence of a student so that both the student's home and the school of attendance remain stable. Under the measure, families must contribute up to 25 percent of their income toward housing and the responsible adult must make a commitment to remain in the residence until the end of a school year.

S.F. 1953, sponsored by Sen. Richard Cohen (DFL-St. Paul), increases the deed tax and appropriates part of the increase to the housing development fund to be used for rental housing assistance and for the economic development and housing challenge program. S.F. 1671, authored by Sen. Mee Moua (DFL-St. Paul), provides a corporate and individual income tax credit for contributions to qualifying affordable housing. The bill defines the contribution as cash or the fair market value of land and improvements or marketable securities or construction materials and supplies to be used for qualifying housing. A bill exempting temporary farm labor manufactured home parks from regulation was also approved. S.F. 1509, carried by Sen. Gary Kubly (DFL-Granite Falls), applies to smaller farm labor manufactured home housing areas associated with seasonal agricultural operations.

Energy bills advance

The Jobs, Energy and Community Development Subcommittee on Energy met twice Fri., Apr. 8, to consider bills that must be heard by other committees. The panel, chaired by Sen. Gary Kubly (DFL-Granite Falls), met to hear two measures, recessed to allow the full committee to meet, and came back to hear bills needed to be heard and forwarded to the full committee in order to be re-referred to other committees.

S.F. 1901, sponsored by Sen. James Metzen (DFL-South St. Paul), allows recovery of costs of certificate of need proceedings. The measure specifies that the Public Utilities Commission costs exceeding the certificate of need application fees that are incurred by the commission are to be recovered from the applicant. The measure was laid over for inclusion in the subcommittee's omnibus bill. S.F. 1902, also carried by Metzen, transfers power plant siting and routing, wind energy conversion systems and pipeline authority from the Environmen-

tal Quality Board to the Public Utilities Commission. The measure was forwarded to the full committee.

The full Jobs, Energy and Community Development Committee came to order and considered four bills. The first, S.F. 1902, had been heard moments before in subcommittee. The measure was approved and advanced to the State and Local Government Operations Committee. The full committee, chaired by Sen. Ellen Anderson, considered three additional bills. S.F. 527, sponsored by Sen. Mady Reiter (R-Shoreview), authorizes electric or utility special assessments exceeding standards on petition of all affected owners. The measure was also forwarded to the State and Local Government Operations Committee. S.F. 940, sponsored by Sen. David Tomassoni (DFL-Chisholm), expands the definition of farm-grown closed-loop biomass and changes the conditions for Public Utilities Commission approval of a pending request for a biomass project. The measure was approved and re-referred to the Environment and Natural Resources Committee. S.F. 1846, sponsored by Sen. Steve Kelley (DFL-Hopkins), establishes an energy savings program and authorizes the Dept. of Administration to use energy forward pricing mechanisms for budget risk reduction. The measure was approved and re-referred to the State and Local Government Operations Committee.

The Energy Subcommittee reconvened in order to act on several measures and begin assembling the subcommittee's omnibus energy bill. The panel approved three bills and advanced them to the full committee. S.F. 2091, authored by Sen. Dick Day (R-Owatonna), provides a tax exemption for an electric generation facility. S.F. 2163, carried by Sen. Lawrence Pogemiller (DFL-Mpls.), provides tax exemptions for a hydroelectric generating facility. S.F. 2166, carried by Anderson, clarifies the market value exclusion for electric power generation.

Two measures were laid over for possible inclusion in the omnibus energy bill. S.F. 2148, carried by Anderson, is an agency bill that corrects statutory references, repeals obsolete programs and removes obsolete language. S.F. 1399, sponsored by Sen. Scott Dibble (DFL-Mpls.), regulates eligibility for grants from the renewable development fund.

Panel members first considered two articles for the omnibus bill, S.F. 1368.

Anderson, the chief sponsor of the bill, said her plan was to act on the first two articles, dealing with transmission and with community based energy tariffs, and then consider the bills that had been laid over for inclusion in the bill. Anderson said the first two articles have been worked on by a range of stake holders and represent a compromise agreement.

Judiciary

Human trafficking ban gains

A bill providing for civil and corporate liability for trafficking in persons was approved by members of the Judiciary Committee when they met on the day of the first deadline, Tues., Apr. 5.

S.F. 1689, carried by Sen. Sandra Pappas (DFL-St. Paul), provides both civil and criminal remedies for trafficking in persons. Provisions under the committee's jurisdiction permit victims of trafficking to sue persons who have violated the bill's criminal trafficking provisions, permit courts to award punitive damages and attorney fees and allow courts to order dissolution or reorganization of corporations engaged in trafficking of persons. The measure also provides for the distribution of proceeds from the sale of property forfeited for violation of the trafficking ban. Members adopted an amendment, offered by Sen. John Marty (DFL-Roseville), providing that a victim's age or consent is not a defense to a civil action for human trafficking. S.F. 1689 was advanced to the Finance Committee.

Sen. Satveer Chaudhary (DFL-Fridley) carried a measure, S.F. 1307, requiring businesses, which own or license computerized data containing personal information, to disclose security breaches to persons whose data may have been compromised by the breach. Chaudhary offered, and the committee adopted, an amendment expanding the bill's scope to include non-computerized data. Members also adopted an amendment, offered by Sen. Thomas Neuville (R-Northfield), providing for enforcement of the requirement by the attorney general and by private civil action. The measure was sent to the full Senate.

S.F. 227, sponsored by Sen. Yvonne Prettner Solon (DFL-Duluth), establishes a cancer drug repository program. A provision in the bill provides immunity from civil liability to persons participating in the program, unless the acts involve



Don Quaintance, Isanti, holds up a sign in front of the Capitol during a rally in support of gay, lesbian and bisexual equality, Thurs., Apr. 7.

Photo by David J. Oakes

reckless, wanton or intentional misconduct or professional malpractice. The bill was re-referred to the Finance Committee. S.F. 1504, authored by Sen. Linda Berglin (DFL-Mpls.), creates a public corporation responsible for the management of Hennepin County Medical Center. The bill exempts the public corporation from the open meeting and data practices laws governing governmental bodies, but does require the corporation to make financial information publicly available and to hold annual public meetings. S.F. 1504 also makes the corporation a municipality for

purposes of the Municipal Tort Claims Act. The bill was sent to the Senate floor.

Transportation bills' data provisions heard

The Judiciary Subcommittee on Data Practices held an evening meeting Tues., Apr. 5, to review bills dealing with a variety of subject areas that have provisions relating to data practices. S.F. 1504, authored by Sen. Claire Robling (R-Jordan), modifies provisions regulating motor vehicle and driver applications and

records. The bill also modifies vehicle accident reports and procedures. The data practices portion of the bill clarify that data provided to register a vehicle is classified according to federal law, permits a vehicle owner to consent in writing to the disclosure of personal information otherwise exempted by federal law and eliminates the requirement that the Dept. of Public Safety allow vehicle owners to request that bulk surveys, marketing or solicitation not be directed to them. The measure also permits a vehicle owner to request classification of the owner's name and address as private data on individuals if the classification is needed to protect the owner's family's safety.

S.F. 1731, carried by Sen. Satveer Chaudhary (DFL-Fridley), regulates data obtained by scanning drivers' licenses, permits and identification cards. Under the bill, a person may not retain information from scanning the licenses, permits or identification cards except for the holder's name, date of birth, license or identification card number and expiration date. In addition, the bill specifies the information may not be used for advertising or marketing purposes.

S.F. 1425, authored by Sen. Julianne Ortman (R-Chanhassen), provides for the classification of specific Dept. of Transportation data as protected nonpublic or confidential data when the department is undertaking a design-build project. The bill provides that the data become public when published as part of a request for proposal process.

S.F. 708, sponsored by Sen. Debbie Johnson (R-Ham Lake), classifies specific financial or proprietary data of the State Board of Investment as nonpublic and provides definitions of financial or proprietary data. S.F. 1883, carried by Subcommittee Chair Wesley Skoglund (DFL-Mpls.), provides for the classification of security data and data created or maintained by a government entity as part of the selection or evaluation process. The bills were laid over for possible inclusion in S.F. 1883.

Skiing, obesity bills heard

Several topics were before members of the Judiciary Committee as they met Thurs., Apr. 7, to consider bills before the second committee deadline. Among the proposals were bills relating to the liability of skiers and ski area operators, the liability of food vendors for weight gain

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and the ability of parties to appeal the certification of class actions.

S.F. 415, presented by Sen. Steve Murphy (DFL-Red Wing) on behalf of Sen. Dallas Sams (DFL-Staples), defines the responsibilities, rights and liabilities governing the relationship between ski area operators and skiers. The measure prohibits actions for injuries resulting from the inherent dangers and risks of skiing. Everyone knows that skiing is dangerous, Murphy said. Lee Nelson, Welch Village, said Minnesota ski operators have faced increasing litigation and threatened litigation from skiers, often involving dangerous activity engaged in by skiers. Twenty-eight other states have provisions similar to what is proposed in S.F. 415, Nelson said. Without this protection, we are likely to see more ski areas close in Minnesota, he said.

Sen. Satveer Chaudhary (DFL-Fridley) said the bill tilts too far toward protecting operators against actions brought by skiers. The only duty really imposed on the operator, under the bill, is visible signage, he said. Chaudhary said the bill protected operators from the results of their own negligence in maintaining equipment or other misconduct. Sen. Wesley Skoglund (DFL-Mpls.) offered an amendment deleting a provision not requiring chair lifts to include passenger restraints. The amendment was adopted. Rochester attorney Jim Suk said many young skiers are the ones most likely to be injured. The bill does not provide for consumer safety, especially for young, inexperienced skiers, he said. The operator is off the hook after posting signs, Suk said, leaving families without compensation for the deaths or injuries of their children. The bill abolishes the common law responsibilities of a property owner, he said, in one of the most anti-consumer forms.

A motion to table the bill was approved.

S.F. 631, carried by Sen. David Hann (R-Eden Prairie), provides immunity from civil suit for weight gain or obesity to producers, growers, manufacturers, packers, distributors, carriers, holders, marketers and sellers of food and nonalcoholic beverages. Tom Day, Hospitality Minnesota, said academic studies indicate people are eating the same amount of food they have been eating for decades, but are exercising much less. Several food vendors

have been sued for allegedly causing consumers to gain weight, he said, but personal responsibility needs to be maintained. Restaurants are already responding to the marketplace, providing consumers with more information and options to guide them in making dietary choices, Day said.

The bill is directed at a non-problem, said Joel Carlson of the Minnesota Trial Lawyers Association. No obesity lawsuits have been filed in Minnesota, he said. The bill also ignores the second leading cause of death in our country, obesity, Carlson said. Minnesota is not an overly litigious state, he said, and a broad grant of immunity to the industry is inappropriate without some consumer safeguard. No one denies that obesity is a problem, Hann said, but the question is who we are going to say is responsible: individuals or third party vendors. The bill does not prevent lawsuits based on mislabeling or disinformation, offering consumers protection, he said.

The bill was approved and sent to the full Senate.

S.F. 1416, carried by Sen. Julianne Ortman (R-Chanhassen), permits parties to immediately appeal trial judges' orders certifying or refusing to certify a class for a potential class action. Under the bill, all other proceedings in the action are stayed while the appeal is being decided. Mike Rothman, an attorney with Winthrop and Weinstine, said both sides in a potential class action face daunting cost issues depending on which way a class certification ruling goes. A plaintiff denied class certification often cannot afford to pursue an individual lawsuit, while a defendant must defend a class action, at great cost, only to later prevail on the class certification issue on appeal, Rothman said. Carlson spoke against the bill. He said Minnesota ranks very high in its pro-business court system, especially in the class action area. Class certification is not an issue that is appealed frequently, Carlson said. He also spoke against a provision in the bill requiring individuals to have suffered an ascertainable loss of money or property to be considered a member of a class. We allow class actions in civil rights litigation, Carlson said, where individuals may not have suffered monetary or property losses. S.F. 1416 was advanced to the Finance Committee.

Sen. Jane Ranum (DFL-Mpls.) sponsored S.F. 1438, which provides civil

remedies for employer discrimination against employees taking time off from work to obtain orders for protection, to obtain restraining orders or to attend criminal proceedings as a witness, victim or member of the immediate family of a victim. Members adopted an amendment, offered by Sen. Julianne Ortman (R-Chanhassen), removing a provision limiting damages to six weeks' lost wages. The measure was re-referred to the Committee on Jobs, Energy and Community Development.

S.F. 917, presented by Sen. LeRoy Stumpf (DFL-Plummer) on Sams' behalf, provides grants to agencies encouraging women to carry pregnancies to term. The bill requires programs receiving grants to have privacy policies and procedures ensuring that information identifying women seeking services is not made public or shared with other organizations without written consent. Marty offered an amendment requiring that referrals for adoption services be made only to accredited adoption agencies. The amendment was adopted and the bill forwarded to the Finance Committee.

S.F. 2066, carried by Skoglund, provides criminal penalties for animal fighting, such as dogfighting and cockfighting. Members removed from the bill provisions under their jurisdiction, which labeled certain evidence as competent. Committee Chair Don Betzold (DFL-Fridley) said the existing Rules of Evidence are sufficient to establish what evidence a court will consider. The bill was approved and advanced to the Finance Committee.

K-12 Budget Education Division

Fund transfer bills heard

The K-12 Education Budget Division, chaired by Vice Chair Sharon Marko (DFL-Cottage Grove), met Mon., Apr. 4, to consider several bills dealing with fund transfers. All of the measures were laid over in order to be considered for the division's omnibus bill.

S.F. 1746, sponsored by Sen. Jim Vickerman (DFL-Tracy), authorizes an account transfer for Independent School District No. 177, Windom. S.F. 2023, sponsored by Stumpf, authorizes a fund transfer for Independent School District No. 2609, Win-E-Mac. S.F. 2078, carried

by Sen. Dean Johnson (DFL-Willmar), authorizes a fund transfer for Independent School District No. 347, Willmar. S.F. 2086, authored by Johnson, authorizes a fund transfer for Independent School District No. 2396, Atwater-Cosmo-Grove City. S.F. 2017, also sponsored by Johnson, allows Independent School District No. 345, New London-Spicer, to transfer future fund balances in its debt redemption fund to its general fund. S.F. 798, carried by Sen. Julianne Ortman (R-Chanhassen), authorizes a lease levy for Independent School District No. 110, Waconia.

Levy authorization bills heard

The K-12 Education Budget Division meeting Tues., Apr. 5, was devoted to consideration of several bills authorizing levies. The panel, chaired by Sen. LeRoy Stumpf (DFL-Plummer), laid all the bills over for consideration for inclusion in the division's omnibus bill.

S.F. 1420, authored by Sen. Tom Saxhaug (DFL-Grand Rapids), allows

school districts to levy the amount necessary to pay for increases in health care premiums for current employees based on the benefit level provided during the 2004-2005 school year. S.F. 142, carried by Sen. Michelle Fischbach (R-Paynesville), provides that for taxes payable in 2006, a school district in statutory operating debt may levy up to the amount paid for school buses purchased by the district from May 1, 2004, through Sept. 1, 2004. S.F. 1744, also sponsored by Fischbach, extends the garage lease levy for Independent School District No. 748, Sartell.

S.F. 624, sponsored by Sen. James Metzen (DFL-South St. Paul), creates a system to finance replacement school buses and authorizes a levy of an amount equal to the bus loan revenue times .25 percent. S.F. 741, authored by Sen. David Hann (R-Eden Prairie), provides for a trial period of student transportation fees. S.F. 1965, sponsored by Fischbach, authorizes a fund transfer for Independent School District No. 741, Paynesville. S.F. 1906,

authored by Sen. Jim Vickerman (DFL-Tracy), modifies the transportation sparsity formula.

Education funding increase proposals considered

Several bills providing for increases in the basic education formula were heard by members of the K-12 Education Budget Division, chaired by Sen. LeRoy Stumpf (DFL-Plummer), at their Wed., Apr. 6 meeting. All the bills were laid over for possible inclusion in the panel's omnibus budget bill.

The current formula allowance per pupil is \$4,601 per year. S.F. 12, sponsored by Sen. Charles "Chuck" Wiger (DFL-North St. Paul), increases the formula allowance by \$400, to \$5,001, for FY 06 and beyond. S.F. 1239, authored by Sen. Michael Jungbauer (R-East Bethel), increases the formula allowance by \$150 for FY 06 and by \$250 for FY 07 and beyond. S.F. 1304, carried by Sen. Steve Kelley (DFL-Hopkins), increases the formula allowance to \$4,851 in FY 06 and to \$5,101 in all subsequent years. The bill also provides for special education growth factors.

Sen. Michele Bachmann (R-Stillwater) carried S.F. 1532, which increases the formula allowance by \$200 for FY 06 and \$420 for FY 07 and beyond and requires school districts to spend at least 90 percent of the additional basic revenue on regular classroom instruction. S.F. 1697, carried by Sen. Satveer Chaudhary (DFL-Fridley), applies an annual inflationary adjustment to the formula beginning in FY 06.

The division also heard S.F. 1311, carried by Sen. Ann Rest (DFL-New Hope), increasing the age of eligibility for area learning center pupils and increasing pupil unit counts for school district funding purposes. S.F. 10, sponsored by Wiger, and S.F. 1698, carried by Chaudhary, restore special education growth factors.

School finance study bill heard

A bill appropriating funding for a school finance study was heard when the K-12 Education Budget Division, chaired by Sen. LeRoy Stumpf (DFL-Plummer), met Thurs., Apr. 7.

Stumpf carried S.F. 1402, which appropriates \$175,000 to the commissioner of education to conduct a school



Ivan Sand Community School student Blaine Erickson, Elk River, describes the benefits he has derived from attending an alternative learning center to members of the K-12 Education Budget Division, Wed., Apr. 6.

Photo by David J. Oakes

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finance study. Under the bill, the study, which will be performed by an independent contractor with experience in working with various state education finance systems, will continue and complete the work done by the governor's education funding task force. Stumpf said the study will build on information from the existing task force report to provide a more complete picture of what education should cost. He said the study will also incorporate different models, such as the successful schools model, the professional judgment panel model and academic analysis.

Mary Cecconi, Parents United Network, said, "We still don't know what it costs to adequately educate a child in Minnesota. Are we paying too much or too little? How much is enough?" She added, "You need that information to form good public policy." Representing Schools for Equity in Education, Brad Lundell said the study would provide not just one number, but a set of numbers, on what it costs to educate a child. Having a range of numbers is important, said Lundell, because it allows for flexibility in funding amongst districts. A comprehensive overview of various models will also provide a clear picture of cost demands as they vary by district and allow the state to formulate a more equitable funding model, he said. Dr. Greg Vandal, superintendent, Sauk Rapids-Rice Schools, said the study is a pursuit worthy of the state's efforts. "The bill provides an opportunity to find a scientific answer to the most difficult question relating to education: how much is enough?" Vandal also noted that the subject is complex and that no one model will fit all schools.

Sen. Betsy Wergin (R-Princeton) said she liked the idea of a finance study but did not know how a study could be conducted without establishing legislative parameters on what constitutes an adequate, or, preferably, the best, education. "How do we make a study work unless we define what we are actually going to price?" asked Wergin. She also asked how specific costs, such as special education, will fit into the study.

Senators approved the measure and laid it over for possible inclusion in the division's omnibus bill.

Stumpf also carried S.F. 394. The bill allows East Grand Forks to levy its remaining disabled access levy authority for up to five years. The levy, which will

raise \$229,000, will allow East Grand Forks to complete disability access projects, said Stumpf. The projects were put on the backburner after floods hit the region in 1997, said Stumpf, and the district had to focus on rebuilding schools over the next few years, although the levy authority ran out in 1999.

The division approved the measure and recommended it for possible inclusion in its omnibus bill.

Sen. Ann Rest (DFL-New Hope) sponsored S.F. 1889. She said the bill proposes an additional way in which to fund schools by recognizing market-based, regional cost differences in delivering education. The bill creates an education price index, a measure of relative wage rates throughout Minnesota school districts, to incorporate into the education funding formula. Rest said wage rates are higher in the Metro Area than they are in other regions of the state and that that factor should be taken into account as the state delivers education dollars to districts. Sen. David Gaither (R-Plymouth) said the hourly wage rate in the Metro is 31.7 percent higher on average than in other districts, so it is not surprising that school differences experience different cost pressures.

Sam Walseth, Minnesota Rural Education Association (MREA), spoke in strong opposition to the bill. He said an education price index undermines the state's ability to provide a uniform public school system. "By putting this type of cost driver into a formula, you exacerbate the disadvantaged status of rural schools," said Walseth. He said investing in formula increases for all students is the best thing the state can do for education. Vernae Hasbargen, also of MREA, said the state has a constitutional responsibility to provide a uniform educational system. "That responsibility would be tremendously undone through the bill," she said. She said if the bill were fully implemented, over the next four years it would grow per pupil funding in the Metro Area to \$7,320 while per pupil funding in the rest of the state would remain frozen.

Wergin said the bill makes rural areas a training ground for professionals who will then move to the next district to get a better wage. Sen. Gen Olson (R-Minnetrista) asked, "How can you not look at cost inputs?" Gaither said it is disingenuous to ignore the reality of how

costs vary from state to state and from region to region within the state.

S.F. 1889 was approved and laid over for possible inclusion in the omnibus bill.

S.F. 245, carried by Sen. John Marty (DFL-Roseville), restores funding to various education programs, including charter school lease aid, community education programs, adult basic education, limited English proficiency services, special education services and the safe schools program. The bill also reinstates funding for the Way to Grow program and the after-school enrichment program and increases funding for the Early Childhood Family Education program and the general education revenue program.

Senators removed the provisions relating to K-12 education and laid them over for possible inclusion in the division's omnibus bill. The division approved the bill, minus the K-12 provisions, and re-referred it to the Early Childhood Policy and Budget Division.

Sen. Tom Saxhaug (DFL-Grand Rapids) authored S.F. 945, which requires the state to pay special education costs in excess of \$35,000 per child. Grace Schwab, Minnesota School Boards Association, said the bill allows districts to have a finite number they know they will have to pay before the state provides financial assistance.

The division approved the bill and laid it over for possible inclusion in the omnibus bill.

Public Safety Budget Division

Testimony heard

The Public Safety Budget Division, chaired by Sen. Jane Ranum (DFL-Mpls.), met Mon., Apr. 4, to hear testimony on five bills. No action was taken on any bill.

Sen. Wesley Skoglund (DFL-Mpls.) sponsored two bills. S.F. 676 makes obstructing or interfering with a member of an ambulance service personnel crew a crime. Under the bill, interference may be considered a misdemeanor, a gross misdemeanor or a felony. The bill is similar to existing laws relating to interference with firemen and police officers, said Skoglund. "Sanctions ought to be the same for blocking an ambulance crew as they are for blocking a police officer," he said. O.J. Doyle, Minnesota Ambulance Association, spoke in support

of the bill. He related an incident in which a man would not move his car to let an ambulance pass, saying similar incidents make the law necessary for public safety. Skoglund offered an amendment extending the bill to cover non-profit services as well as public services. The amendment was adopted.

Sen. Linda Berglin (DFL-Mpls.) asked if it was appropriate to make interference a crime. She said prison beds might be better housing more serious offenders. She also said more immediate ways of dealing with the problem, such as large fees, would be a better way to deal with the problem. Ranum said the bill provided a gradation of offense, so not all violations would be prosecuted as a felony.

Skoglund's second bill, S.F. 781, requires the commissioner of public safety to determine if individuals holding hunting licenses are ineligible to possess a firearm. Under the bill, the commissioner must review information on individuals who hold a hunting license and cross-check it with information on individuals who may not possess a firearm. The bill also specifies that the commissioner will forward the names of matches to the commissioner of natural resources, the superintendent of the Bureau of Criminal Apprehension, the State Court administrator, and the commissioner of corrections, any relevant law enforcement officers and relevant correctional agents. "Currently, nobody checks to make sure individuals out hunting aren't felons who are not allowed to have a gun," said Skoglund. He offered an amendment requiring the commissioner to review the information quarterly instead of annually to assure various hunting seasons are covered in a timely fashion. The amendment was adopted. Vern Wagner, Minnesota Outdoor Heritage Alliance, said hunting groups support the bill.

Sen. Steve Murphy (DFL-Red Wing) authored two bills. The first, S.F. 1124, increases from \$300 to \$600 the state reimbursement ceiling for bullet-proof vests purchased by peace officers and law enforcement agencies. Murphy said there is a vest reimbursement fund to cover the cost. S.F. 804, also sponsored by Murphy, expands the crime of fourth-degree assault to include the infliction of bodily harm or the intentional transfer of bodily fluid to workers at secure treatment facilities. "The bill puts people who work in secure

treatment facilities in the same protection category as corrections officers, probation officers or those employed to care for inmates," said Murphy. Individuals in the secure treatment facilities know that they can mistreat workers without consequence, he said. He added that most of the workers the bill will affect are female health care professionals working primarily with male patients.

Berglin said there are consequences because poor behavior ends up on an inmate's record. She also said legislation passed two years ago gave the Department of Human Services (DHS) more authority in dealing with these types of situations. Sen. Julianne Ortman (R-Ortman) said the behavior in the bill is considered criminal conduct outside of the facilities, whether a perpetrator has a mental condition or not. She said not every violation will be prosecuted, but that it makes good sense to allow for the option of treating this behavior as a crime.

Sen. Paul Koering (R-Fort Ripley) carried S.F. 123. The bill increases penalties for crimes of privacy invasion. Koering said the bill updates statutory law so penalties are appropriate for new forms of privacy violations made possible by new technology, such as video voyeurism. Under the bill, misdemeanor offenses become gross misdemeanor offenses, and gross misdemeanor offenses become felony offenses. The bill gives county attorneys better tools to charge people committing this type of crime, said Koering.

Methamphetamine bill heard

A bill making numerous changes to laws relating to methamphetamines was heard when the Public Safety Budget Division, chaired by Sen. Jane Ranum (DFL-Mpls.), met Wed., Apr. 6. The panel also heard seven other measures. The bills were laid on the table for possible inclusion in the division's omnibus bill.

Sen. Julie Rosen (R-Fairmont) carried S.F. 423. She said the bill addresses several areas of law relating to methamphetamines, including penalties for intent to manufacture the drug, penalties for child endangerment associated with the drug, treatment programs and school education programs. She said the bill complements previous methamphetamine legislation from S.F. 51, which deals with precursor drugs. Passing S.F.

423, said Rosen, will make the jobs of 10 new Bureau of Criminal Apprehension agents authorized in S.F. 51 much easier. She also said the bill helps to deal with methamphetamine crime comprehensively. "Meth is morphing. Every week there is something new that comes out about this drug," Rosen said. The bill costs \$2.6 million in 2006 and more than \$3 million each year thereafter, said Rosen.

Sen. Linda Berglin (DFL-Mpls.) offered an amendment, on behalf of Rosen, under which courts must presume a waiver of restitution if a defendant is indigent. Rosen said the amendment will save costs, so courts do not spend money trying to get money out of defendants who have none. Sen. Thomas Neuville (R-Northfield) said he has concerns about the amendment. "Restitution judgments might be uncollectible," he said, "but one of the fundamental things we try to protect are victims' rights." Ranum added that many crimes have large damages and said she is not sure methamphetamine crimes should be treated differently. She said what makes the bill different is the mandatory nature of the restitution provision. Sen. Julianne Ortman (R-Chanhassen) said removing the requirement that courts must waive restitution if a defendant is indigent and allowing courts discretion on whether to waive restitution would be a better idea. Neuville responded that simply removing the provision on waiving restitution would allow courts discretion in accordance with current law. Rosen requested that Berglin withdraw the amendment, so she could work further on the issue.

Another bill relating to methamphetamine, S.F. 901, is sponsored by Sen. Wesley Skoglund. He said the bill is one of a group of meth bills aimed at protecting the public from the drug. The bill makes it a crime to dispose improperly of or to abandon methamphetamine waste products. The bill also establishes a citizens' "tip line," requests a report from the Legislative Auditor on the efficacy of drug treatment programs, establishes a methamphetamine awareness and educational account and requires the Board of Veterinary Medicine to report on animal products that may be used to manufacture methamphetamines. The cost of the bill, which is just under \$1 million for fiscal year 2006, is due to the cost of putting people who dispose of the

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waste improperly in prison. Skoglund also said it is important to fund a section in the bill asking the Board of Veterinary Medicine to evaluate what veterinary medicines might be used to produce methamphetamines. Skoglund said it is only a matter of time before someone finds a formula to use veterinary medications to make the drug and said because the board is small, it should be funded to undertake the study.

Skoglund also authored S.F. 992. The bill expands the crime of identity theft by creating a 20-year felony for identity theft crimes that involve the possession or distribution of child pornography. Currently, said Skoglund, the maximum sentence is 10 years. The bill also requires the court to order an offender to pay restitution of at least \$1,000 to victims. Skoglund said the provision is necessary because it costs victims of this kind of identity theft significant financial resources to help reestablish their reputations after being associated with child pornography.

S.F. 277 was carried by Neuville. The bill repeals a sunset on a provision that provides for money from case settlements from the attorney general to be placed in the state's general fund. The statute requiring the settlements to go to the state originated after the tobacco litigation, said Neuville, because many people felt money associated with the case should have been appropriated by the Legislature, not the Attorney General's Office. "The fundamental issue here is that the Legislature appropriates public money. We are the ones who have a constitutional duty to appropriate the money," he said.

Ken Peterson, deputy attorney general, spoke in opposition to the bill. He said the bill is bad policy because it disallows Minnesota's participation in cases in which settlement options include distributing money to charities. Minnesota is the only state in the union not to be allowed to participate in the cases, said Peterson.

Neuville said inability to participate in the cases is what creates a \$152,000 fiscal note on the bill. He offered an amendment making it clear that the state may participate in multi-state class action suits, even if they involve settlement money being distributed to charities or

non-profit organizations. Neuville said the amendment makes the bill budget neutral and gives the attorney general more leeway in setting cases. The amendment was adopted.

Sen. Leo Foley (DFL-Coon Rapids) carried S.F. 349, which expands the crime of first-degree murder for child-abusers. Current law limits the application of the provision to situations in which the abuse was perpetrated on the victim, while S.F. 349 expands applicability to include child abuse of any child. Foley said the bill has no cost to the state.

S.F. 934 was authored by Ranum. The bill makes it a crime to strangle a family or household member. Ranum said the act of strangling is a red flag that often foreshadows an individual killing the victim. She said the bill's cost is justified because it will reduce the cycle of 911 calls and law enforcement associated with serious domestic abuse and will likely reduce the number of individuals committed to life sentences for murdering family members after having strangled them previously.

Sen. Steve Kelley (DFL-Hopkins) authored S.F. 336, which prohibits the use of false pretense to obtain the identity of another person. Kelley said the definition of false pretense includes any false, misleading or fraudulent information depicting a name, address, web address, e-mail address or telephone number to which the user has no legitimate claim of right.

Sen. Mady Reiter (R-Shoreview) sponsored S.F. 1400. The bill expands the St. Paul Police Department's Internet Crimes Against Children (ICAC) Task Force to a statewide, multi-agency, multi-jurisdictional task force to respond to technology-facilitated crimes against children. Reiter said the task force has been in operation since 2000 and that the task force has no dedicated funding streams. Rick Anderson, who chairs the task force, said ICAC received a federal grant, but is seeking additional funding because it needs to support law enforcement in investigating a large case load of the crimes. Sen. Leo Foley (DFL-Coon Rapids) said the bill may need to go to the policy committee. The bill was advanced to the Crime Prevention and Public Safety Committee.

State and Local Government Operations

Minnesota Twins community ownership proposal okayed

A bill providing for community ownership of the Minnesota Twins baseball team was heard at the Fri., Apr. 1, meeting of the State and Local Government Operations Committee. S.F. 900, sponsored by Sen. Ellen Anderson (DFL-St. Paul), directs the governor and the Metropolitan Sports Facilities Commission to facilitate the formation of a corporation to acquire the baseball franchise and to identify an individual private managing owner. The bill specifies that the corporation have two classes of stock, both of which would give holders voting rights with respect to any relocation or voluntary contraction of the franchise. Further, the bill specifies the private managing owner must own at least 25 percent, but no more than 35 percent of the common stock. The bill also prohibits anyone, other than the managing owner, from owning more than 5 percent of the common stock and at least 50 percent of the common stock must be sold to members of the general public. The bill was approved and sent to the full Senate.

The committee, chaired by Sen. Linda Higgins (DFL-Mpls.), also heard a bill making changes to the Metropolitan Airport Commission (MAC) regulation of taxicabs. S.F. 1321, sponsored by Higgins, provides for additional taxicabs at the Minneapolis-St. Paul International Airport, provides a procedure to increase fees on taxicab services by two thirds vote of the commission and requires the MAC to allow the transfer of taxicab permits and assets. The measure was sent to the Senate floor without recommendation.

S.F. 1083, sponsored by Sen. John Hottinger (DFL-St. Peter), authorizes the state auditor to waive rules and laws applying to local government units and creates a grants board to fund cooperative efforts in public service delivery. The measure is similar to the provisions governing the Board of Government Innovation and Cooperation that were repealed three years ago, Hottinger said. The bill was approved and sent to the Finance Committee. S.F. 1956, authored by Sen. Linda Berglin (DFL-Mpls.), provides for the governance of the

Hennepin County Medical Center. The measure was approved and re-referred to the Judiciary Committee. S.F. 1510, carried by Sen. Satveer Chaudhary (DFL-Fridley), establishes the Minnesota Financial Crimes Oversight Council and provides for a statewide financial crimes task force. The measure was advanced to the Transportation Committee.

S.F. 1291, sponsored by Sen. Steve Kelley (DFL-Hopkins), provides for licensing teachers of interdisciplinary teaching and facilitating learning in innovative schools and programs. The measure was sent to the Senate floor. S.F. 1980, authored by Sen. Steve Murphy (DFL-Red Wing), is the omnibus transportation bill. Murphy said just a few provisions of the bill fell within the panel's jurisdiction. The bill was approved and sent to the Finance Committee. S.F. 1578, authored by Higgins, reenacts the Board of Firefighting Training and Education. The measure was approved and advanced to the floor. S.F. 1706, carried by Higgins, creates a task force to discuss collaboration between schools and mental health providers. The bill was approved and re-referred to the Education Committee.

The committee also approved the appointment of Dan Wolter to the Metropolitan Council.

Telecom bill gains

In an effort to finish work on the numerous bills assigned to the committee before the first deadline, members of the State and Local Government Operations Committee met twice Mon., Apr. 4. The panel, chaired by Sen. Linda Higgins (DFL-Mpls.), dealt with issues as diverse as telecommunications and vehicle insurance verification.

The telecommunications omnibus bill, S.F. 1370, was approved and advanced to the Finance Committee. Sen. Steve Kelley (DFL-Hopkins), chief author, said the measure is a small omnibus bill, but makes some significant changes to reflect advancing technology. He said the first portion of the bill deals with the regulation of telecommunications. The bill sets up reduced regulation in markets where there are three or more competitors in the business or residential areas, he said. Kelley said the bill also provides for a reduction in the number of reports that are required. "One of the more controversial portions," he said,

"clarifies the authority of the Public Utilities Commission to make one company make a remedial payment to another." Kelley said the bill also requires telephone fees to be based on telephone numbers rather than telephone lines. He said the advent of new technology has eroded the revenue collected from fees, because the new technology, such as wireless and internet, does not use telephone lines. The bill also regulates wireless directories and specifies that 911 calls routed to the general access number at a public safety answering point do not qualify as being routed through a 911 emergency telecommunications system. The measure also provides a process for additional cable franchises, Kelley said. The bill also provides for a Joint Legislative Task Force on Telecommunications, he said.

Sen. Sharon Marko (DFL-Cottage Grove) questioned the provision relating to remedial payments because the issue is currently before the courts. Kelley said he was not a fan of the provisions, but it was included because of other portions of the measure. Marko moved to delete the provisions and provisions providing for reduced regulation. The motion was adopted. Sen. Jim Vickerman (DFL-Tracy) said he had been contacted about deleting the section providing a process for additional cable franchises. Gregory Gray, Minneapolis Urban League, spoke in opposition to the provision. He said current law specifies that an additional cable company must be available for the entire franchise area, but the bill allows cable companies to select specific areas to provide service. Vickerman moved to delete the provision. Kelley argued against the motion and said the provision is designed to give local governments more flexibility and spur competition. The motion to delete the provision was adopted. Sen. Scott Dibble (DFL-Mpls.) offered an amendment changing the makeup of the task force created in the bill by adding three members representing residential customers to the two included in the bill. The motion was adopted. The bill was re-referred to the Finance Committee.

S.F. 1468, sponsored by Sen. Richard Cohen (DFL-St. Paul), modifies public employer reimbursement for compensation paid to firefighters and peace officers killed or injured in the line of duty. The measure was approved and sent to the

Finance Committee. S.F. 1929, carried by Sen. Dean Johnson (DFL-Willmar), provides a process for making the officer of county recorder and county auditor-treasurer appointive, rather than elective. The measure was advanced to Senate floor. A similar bill, S.F. 1135, authored by Sen. Dennis Frederickson (R-New Ulm), permits the appointment, rather than the election, of the county recorder in Brown County. The measure was also advanced to the floor.

S.F. 1598, carried by Sen. James Metzen (DFL-South St. Paul), increases the compensation of State Board of Investment employees. The measure was approved and sent to the Senate floor. S.F. 1841, sponsored by Sen. John Hottinger (DFL-St. Peter) repeals the Project Riverbend Board. The measure was recommended for the Consent Calendar. S.F. 1719, authored by Sen. Becky Lourey (DFL-Kerrick), reinstates some American Indian advisory councils. The measure was approved and sent to the Senate floor.

A bill creating a statewide health insurance pool for school district employees and retirees was also heard. S.F. 1459, sponsored by Sen. Don Betzold (DFL-Fridley), said the bill was before the panel because of a provision creating a Minnesota School Employee Insurance Board. Sen. Claire Robling (R-Jordan) offered an amendment making participation in the pool optional and allowing cash in lieu of insurance benefits to be one of the items to be negotiated. The amendment was adopted. Marko offered an amendment to alter composition of the board membership. The measure was adopted. Sen. David Senjem (R-Rochester) offered an amendment, which was adopted, to allow representatives of the school boards to be individuals other than board members. The measure was re-referred to the Finance Committee without recommendation.

S.F. 1869, sponsored by Sen. Sheila Kiscaden (IP-Rochester), modifies a shared hospital or ambulance service purchasing provision. The measure was approved and sent to the full Senate. S.F. 1768, carried by Sen. Brian LeClair (R-Woodbury), authorizes the commissioner of administration to transfer surplus state computers to Minnesota Computers for Schools. The bill was approved and sent to the Senate floor.

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Northwest Airlines bill heard

The evening session of the State and Local Government Operations Committee, Mon., Apr. 4, was devoted to discussion of a number of controversial bills. S.F. 208, sponsored by Sen. Satveer Chaudhary (DFL-Fridley), prohibits the Metropolitan Airports Commission from going forward with the Northwest Airlines expansion plan, 20/20 Vision, or allowing the demolition of maintenance or hangar facilities at the Minneapolis-St. Paul International Airport without authorization from the Legislature. Ted Ludwig, president, Aircraft Mechanics Fraternal Association, Local 33, said spoke in support of the measure. He said the union anticipates another 2,000 mechanics' jobs will be lost if the 20/20 Vision plan proceeds. In addition, Ludwig said the airline also has not met the terms of the covenants reached in the 1994 agreement between the state and Northwest Airlines. "We feel the plan, the way it is laid out now, is not good for the state, not good for the airline and certainly not good for airline mechanics," Ludwig said. He said the bill stops the plan temporarily until issues could be ironed out.

The committee adopted an amendment that Chaudhary said represents a compromise. He said the amendment deletes the moratorium on the expansion, but prohibits the commission from entering into a lease agreement with an airline if more than 50 percent of the gates in a terminal are leased by the lessee airline and its partners. In addition, the amendment prohibits an airline that operates a specific number of flights from performing overhaul maintenance of its aircraft outside the United States and from performing, outside the state, a greater percentage of its total overhaul maintenance than the percentage of the airline's total operations that use Minnesota airports. Chaudhary said the amendment still retains provisions about the retention of jobs and the maintenance of planes overseas. The amendment was adopted. Chaudhary said the state should not aid the monopoly of Northwest Airlines in Minnesota.

Vicki Tigwell, chair of the Metropolitan Airports Commission, spoke in opposition to the bill. She said the expansion portion of the bill was vital for the state's economy. She said the Humphrey Terminal is an excellent

facility and should not be characterized as an inferior terminal. Kathleen Nelson and Mike Mahoney, representing Northwest Airline, also spoke in opposition to the bill. Nelson said the airline employs 16,000 in the state and that, although the airline has experienced difficulties, it anticipates remaining in the state. She said the airline supports the 20/20 Vision plan in order to meet the needs of all the airlines serving Minnesota. Nelson said she was concerned that under the amendment, when Northwest's lease runs out in 2015, the airline would be required to remove 50 percent of its flights.

Sen. Dick Day (R-Owatonna) said the bill before it was amended was bad and the amended version was worse. Sen. Scott Dibble (DFL-Mpls.) said the bill merely allows for the state to study the issue more before making a final commitment. Sen. Betsy Wergin (R-Princeton) said the amended version seems unworkable. Wergin moved to table the bill. The motion prevailed.

S.F. 762, the Clean Water Legacy Act, sponsored by Sen. Dennis Frederickson (R-New Ulm), also sparked considerable discussion. Frederickson said the goal of the bill is to conform to the federal Clean Water Act of 1972. He said the measure provides authority, direction and funding to achieve and maintain water quality standards for Minnesota's surface waters. The measure was approved and advanced to the Finance Committee.

S.F. 1884, authored by Committee Chair Linda Higgins (DFL-Mpls.), repeals references in the State Building Code to the International Mechanical Code and replaces them with references to the 1991 Uniform Mechanical Code with Minnesota Amendments. Gary Thaden, government affairs director, Minnesota Mechanical Contractors Association, said the bill is supported by a number of plumbing and heating associations. The bill is about the fairness of the process, Thaden said. The process by which the International Mechanical Code was adopted was not done properly by the Dept. of Administration, he said. Ken Warden of Building Owners and Managers Association, representing commercial property owners, spoke against the bill and said, "It was a contentious process, but from a national standpoint we have been pushing for a uniform standard." Laura Offerdahl, League of Minnesota Cities, said the league also supports a uniform coordi-

nated code. Higgins offered an amendment to set a date for recommendations to be made on which code must be adopted no later than four months after convening. Several members said reverting to the old code and perhaps having to adopt the new code within four months would be confusing. Higgins countered that it is important to make sure that a decision is made. The amendment was adopted. Higgins said offered an amendment to leave the international code in place during the four month study. The measure was approved and advanced to the Finance Committee.

S.F. 1204, carried by Sen. Sheila Kiscaden (IP-Rochester), is an omnibus health licensing bill. Kiscaden said the bill consists of about eight separate bills relating to health occupation licensing. She said a portion of the bill providing for expedited rulemaking brought the bill to the committee. Another portion of the bill transfers the function of investigating mental health practitioners practicing without a license to the mental-health-related licensing boards. The measure was approved and advanced to the full Senate.

In other action, members also approved a bill, S.F. 1794, providing for a vehicle insurance verification program. The bill, sponsored by Sen. Steve Murphy (DFL-Red Wing), also requires the commissioner of public safety to discontinue the current insurance verification random sampling program. He said under the bill, a third party will match insurance data with data from the driver and vehicle services division. The bill was approved and sent to the floor. S.F. 981, authored by Sen. Yvonne Prettnier Solon (DFL-Duluth), requires a supplemental chapter in the state aviation system plan and creates an advisory council on aviation planning. Under the bill, the supplemental chapter must include an analysis of the projected commercial aviation needs of the state over the next 20 years, a description of the present capacity, function and levels of activity at each commercial service airport and must take into consideration both passenger and cargo service. The measure was approved and re-referred to the Rules and Administration Committee.

S.F. 1552, authored by Sen. Scott Dibble (DFL-Mpls.), authorizes city councils in cities of the first class to establish civil rights or human rights departments and provides for enforcement

powers for housing discrimination cases. The measure was approved and sent to the full Senate.

Variety of bills gain

The State and Local Government Operations Committee met Wed., Apr. 6, to consider bills with topics ranging from noxious weeds to allowing public employees called to active military duty to continue to accrue vacation and sick time.

S.F. 1624, sponsored by Sen. David Hann (R-Eden Prairie), specifies that an employee returning to public employment after being on active duty is entitled to the vacation and sick leave for the time period covering the active duty service. The bill was approved and sent to the full Senate.

S.F. 617, authored by Sen. Cal Larson (R-Fergus Falls), specifies that a county is liable for all costs associated with the removal of a child from the child's parents when the removal is found by a District Court to be inappropriate. The costs may also include attorney fees and other legal costs of the parents and the costs of care for the child while in county control. The measure was approved and re-referred to the Judiciary Committee.

The omnibus game and fish bill was also advanced by the committee. S.F. 789, sponsored by Sen. Tom Saxhaug (DFL-Granite Falls), makes numerous changes to the game and fish laws. The bill was before the panel because of provisions relating to the expedited rule process. The bill was re-referred to the Finance Committee. S.F. 764, carried by Sen. Steve Kelley (DFL-Hopkins), authorizes a task force to study the delivery and funding of special education. The bill was approved and sent to the Senate floor. S.F. 615, authored by Sen. Betsy Wergin (R-Princeton), provides for alternative filing of surveys if there is no county surveyor. The bill was also approved and sent to the Senate floor.

The committee, chaired by Sen. Linda Higgins (DFL-Mpls.), also recommended three bills for placement on the Consent Calendar. S.F. 1016, authored by Sen. Pat Pariseau (R-Farmington), authorizes a county board to delegate appeals relating to the control of noxious weeds to the county board of adjustment. S.F. 663, carried by Sen. Gary Kubly (DFL-Granite Falls), adds an exception to the ban on public officers having an

interest in a contract in the case of a contract with a volunteer ambulance service for the payment of compensation to its members or for the payment of retirement benefits to the members. H.F. 1820, carried by Sen. Sean Nienow (R-Cambridge), designates the cemetery located on the grounds of the Cambridge State Hospital as the Garden of Remembrance.

Tax

Local sales tax bills heard

Three proposals for local sales taxes were considered by members of the Tax Committee at their Tues., Apr. 5, meeting. Each bill permits a locality to impose, by referendum, a half-cent sales tax and a \$20 excise tax on the sale of motor vehicles.

S.F. 481, carried by Sen. Jim Vickerman (DFL-Tracy), permits the city of Worthington to impose the taxes to pay for the costs of a multipurpose city facility to include meeting rooms, a swimming pool and a senior citizen center and to make renovations to the Memorial Auditorium. S.F. 1614, sponsored by Sen. Paul Koering (R-Fort Ripley), permits the city of Baxter to impose the taxes for the acquisition and betterment of water and wastewater facilities and a fire substation. S.F. 1832, authored by Sen. Dan Sparks (DFL-Austin), permits Mower County to impose only the half-cent sales tax. Under the bill, the revenues are dedicated to the construction of a criminal justice center. All three local sales tax bills were placed on the "B" list for the third omnibus tax bill (Tax III).

Committee members considered three additional bills. Vickerman sponsored S.F. 1907, which provides that property located in a tax increment financing district in Nobles County is not eligible for a property tax exemption under the JOBZ program. The bill was placed on the B list. S.F. 513, sponsored by Sen. John Hottinger (DFL-St. Peter), provides that the education expense credit and deduction apply to expenditures for prekindergarten expenses and museum memberships. The measure was placed on the C list. Committee Chair Lawrence Pogemiller (DFL-Mpls.) carried S.F. 1234, creating a study panel on the governance and management structure of the city of Minneapolis. The bill appropriates \$50,000 to the city to pay for the

costs of the study panel. The appropriation is deducted from the city's local government aid payment for FY 06. The measure was advanced to the full Senate.

Taxpayer survey bill heard

Members of the Tax Committee, chaired by Sen. Lawrence Pogemiller (DFL-Mpls.) met Wed., Apr. 6, to consider a bill providing for a taxpayer satisfaction survey. S.F. 1455, sponsored by Sen. Warren Limmer (R-Maple Grove), alters the truth-in-taxation mailing sent to all taxpayers. The truth-in-taxation statement would include the same tax information, but at the bottom would be a taxpayer satisfaction survey, Limmer said. Under the bill, the survey will ask about the taxpayer's satisfaction with the proposed property tax levy. Limmer said if the number of "no" responses exceeds 20 percent, and the property tax levy subject to approval exceeds the current levy, a referendum must be held. If the referendum is successful, the new levy would go into effect, but if it is not, the current year's levy would be imposed, Limmer said. He said the taxpayer satisfaction survey would increase communication between taxpayers and the local units of government. A survey could be avoided if the levy remains at the same level as the previous year, Limmer said. The bill also eliminates the requirement for truth-in-taxation hearings.

Commissioner Dan Salomone, Dept. of Revenue, said the bill is a compliment to local government because it increases communication with the taxpayers. Austin Mayor Bonnie Reitz, speaking on behalf of the League of Cities, spoke in opposition to the bill. Reitze said city opposition runs deep. She said the timing is difficult, the process does not include all taxpayers and does not take into account expenses cities have no control over. Russ Nygren, auditor, Morrison County, said the cost of the election also causes concerns, particularly in areas with a great deal of recreational property.

Members laid the bill over for further discussion.

A bill making changes to the local government aid (LGA) formula also sparked discussion at the hearing. The bill, S.F. 1914, authored by Sen. Thomas Bakk (DFL-Cook), modifies LGA and increases the program's appropriation. In addition, the bill eliminates the dedica-

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tion of a portion of the motor vehicle sales tax proceeds to transit and replaces the revenue by an optional sales tax or an increase in the property tax levy. After a number of representatives from city organizations, Bakk offered an amendment specifying that the transit revenue could only be replaced by the optional sales tax increase, rather than an increase in the property tax levy. The bill also provides an increase for education funding by increasing the school basic revenue formula allowance by \$84. Bakk said, "Everyone is talking about increasing education funding and this proposal at least provides a way to pay for it. It's time we talk about generating revenue for some of the proposals."

Members also heard several bills relating to increasing the aid base for cities. S.F. 936, authored by Sen. Steve Dille (R-Dassel), increases the aid base for calculating LGA for the city of Hutchinson by \$500,000. Steve Cook, mayor of Hutchinson, spoke in support of the bill. He said Hutchinson is becoming a regional center and there is an increasing demand for services. "We are trying to be proactive in providing infrastructure," he said. S.F. 1097, sponsored by Sen. Sean Nienow (R-Cambridge), increases the city aid base by \$25,000 for the city of Taylors Falls. Nienow said Taylors Falls is unique in that a state park falls entirely within the city's boundaries. The mayor of Taylors Falls said the city provides emergency services to the rock climbing area in the park. He said the city used to receive grants for providing the services, but the funding has been cut and the increase in the aid base would make up for the cut. S.F. 1011, carried by Sen. Michelle Fischbach (R-Paynesville), increases the city aid base for cities with a population of 10,000 or more and located outside the seven-county Metro Area by using the current year city population instead of the 2000 census population. The bill would increase aid for four additional cities.

The measures were recommended for the C list to be considered with other LGA bills.

Sports transfer tax discussed

A proposal to impose a transfer tax on the sale of major league sports teams was the main topic of discussion at the Thurs., Apr. 7, meeting of the Tax Committee.

S.F. 2001, sponsored by Sen. Dick Day (R-Owatonna), imposes a seven percent tax on the gain realized on the transfer of a team that plays its home games in the Metrodome. The proposal also includes a credit against the tax for any individual income tax or corporate franchise tax paid by the taxpayer selling the team. The bill is not designed to penalize professional sports teams, Day said, but to close a loophole in tax law and make sure that teams give back what they have received from the public. Minnesotans welcomed Vikings owner Red McCombs and provided a lot of infrastructure to support the team, he said. "I feel that we are the stockholders in McCombs' success," Day said. He said the intent is not to double tax team sales, but to ensure that fans and taxpayers receive a token of the owners' appreciation.

Committee members discussed the possibility that a proposed sale of the Vikings may not be subject to the proposed tax, primarily because of difficulties in determining the exact date of a sale. A purchase agreement between McCombs and the potential buyer was executed in February, but any team sale requires approval from the National Football League. The league's approval is still pending.

Minnesota should seek to remain attractive to business leaders as they seek to expand, grow and locate their businesses, said attorney Bill Busch of Faegre and Benson, representing the Vikings. Corporate leaders have choices about where to live, where to expand their businesses and where to locate their operations, he said. One of the most important advantages Minnesota has is a stable and predictable tax system, Busch said. "S.F. 2001 seeks to impose a curious and unusual tax," he said, especially since Minnesota already has a sophisticated tax system. The bill is targeted at a single industry and a single transaction, Busch said, creating concerns for investors that their businesses could emerge as targets for similar legislation in coming years. The sale of the Vikings is a sale of assets and assets sales occur every business day in Minnesota, he said. Current tax law is adequate to ensure that the transaction will be taxed, Busch said, with estimates ranging from \$7 to \$12 million. Minnesota tax law does not care if the owner is from Texas or Minnesota or where the team is incorporated, it still imposes a tax

based on the company's Minnesota operations, he said.

Committee members placed the proposal on the C list for Tax III, the next omnibus tax bill.

The panel considered several additional proposals. S.F. 1675, carried by Committee Chair Lawrence Pogemiller (DFL-Mpls.), recodifies provisions governing the Dept. of Revenue. Jack Mansun said the department was seeking to simplify the organization of relevant statutes. The measure was advanced to the full Senate. S.F. 1312, sponsored by Sen. Julie Rosen (R-Fairmont), creates a revenue need formula for cities with a current population over 2,500 and a population of less than 2,500 in one year of the most recent five. S.F. 397, authored by Sen. Steve Kelley (DFL-Hopkins), conforms state tax law to federal tax law relating to educator expense deductions and allows a subtraction from taxable income for educator expenses not deducted in determining taxable income. Both S.F. 1312 and S.F. 397 were put on the C list for Tax III.

Members also heard a summary of the tax incidence study conducted by the Dept. of Revenue. The study determined that tax collection fell during 2001-2002, the shares of business and household tax remained unchanged and the effective tax rate rose to 11.3 percent of total income. The complete study is available online: http://www.taxes.state.mn.us/taxes/legal_policy/research_reports/research_reports.shtml

Transportation

Omnibus transportation bill gains

The omnibus transportation bill gained when the Transportation Committee, chaired by Sen. Steve Murphy (DFL-Red Wing), met, Tues., Apr. 5. Eleven other measures were also approved.

S.F. 1089, authored by Murphy, was the vehicle for the omnibus bill. Murphy offered an amendment amending 25 other bills onto S.F. 1089, all of which except for two have been previously approved. Among the controversial additions, said Murphy, are S.F. 578, S.F. 1070, S.F. 1193 and S.F. 1642. S.F. 578, carried by Sen. Richard Cohen (DFL-St. Paul), modifies the definition of residential zones and allows local authorities to establish speed limits, while S.F. 1070, sponsored by Murphy, makes seat belt violations a

primary offense. Murphy also carried S.F. 1193, which specifies safety zones and land restriction at the Minneapolis-St. Paul airport. S.F. 1642, carried by Sen. Thomas Bakk (DFL-Cook), limits the railroad speed limit for trains passing through the town of Orr.

Murphy offered another amendment pulling another controversial measure, S.F. 1990, authored by Sen. Dallas Sams (DFL-Staples), from the omnibus bill. The measure dealt with the definition and operation of recreational vehicles, said Murphy.

Several Senators offered amendments to the bill. Sen. Scott Dibble (DFL-Mpls.) offered an amendment incorporating the content of a bill carried by Sen. Jane Ranum (DFL-Mpls.), which requires appointees to councils to fulfill the same residency requirements in their district that elected officials must meet. The amendment prevailed. Sen. Mady Reiter (R-Shoreview) offered an amendment prohibiting the commissioner of public safety from issuing driver's license examinations in languages other than English. Murphy said the issue may have merit, but it is best not to include the measure in the omnibus bill. He added that the measure might hurt people who need a license to drive to work. Reiter withdrew the amendment. Sen. Sharon Marko (DFL-Cottage Grove) offered an amendment adding a member representing railroad union labor to the Commuter Rail Coordinating Committee. The amendment prevailed. Sen. Satveer Chaudhary (DFL-Fridley) offered an amendment prohibiting the Metropolitan Airports Council (MAC) from authorizing expansion on the Northwest Airlines Expansion Plan 20/20 vision. Chaudhary said the amendment was important to jobs, safety and the Minnesota economy. The amendment failed on a tie vote. Sen. Julianne Ortman (R-Chanhassen) offered two amendments. The first, she said, was a technical amendment to clarify issues relating to trucks and farm trucks. The amendment was adopted. The second allows the city of Cologne to build a trail. Murphy said including the measure might force the omnibus bill to go to the Environment and Natural Resources Committee. Ortman withdrew the amendment.

Sen. Charles "Chuck" Wiger (DFL-North St. Paul) offered three amendments. The first establishes a speed limit

in school zones and allows local authorities to reduce the limit if they choose, said Wiger. The amendment was adopted. Wiger's second amendment restricts the use of and imposes a penalty on the unauthorized traffic signal override devices. The amendment prevailed. Wiger's final amendment restricts use of the left-hand lane. Murphy said it would be best left out of the bill. The amendment was not adopted. Sen. Mark Ourada (R-Buffalo) also offered three amendments. The first allows drivers to disregard ramp meters if no other vehicles are affected. The amendment was adopted. Ourada's second amendment clarifies requirements relating to mud flap length on trucks. The amendment was adopted. Ourada said his final amendment was based on S.F. 1724, carried by Sen. David Gaither (R-Plymouth). The bill provides for handicapped van parking spaces to be marked with purple signs that coincide with purple disability stickers to be placed on the vans. The amendment was adopted.

Senators approved the omnibus bill and forwarded it to the full Senate.

Murphy also authored S.F. 1604, a resolution memorializing the President and Congress to support Amtrak funding. Tom Dwyer, legislative director, National Association of Retired and Veteran Railway Employees, said the administration has proposed no federal funding for Amtrak for fiscal year 2006. If Amtrak does not receive the funding, it would go out of business, he said. Dwyer said the resolution requires Minnesota to assume half the costs, about \$4 million, of operating the service in the state. Members approved the bill and sent it to the floor.

Chaudhary carried a bill, S.F. 1760, changing the definitions of several terms relating to vehicle registration and requiring the commissioner of public safety to make available in an electronic format a temporary registration permit for vehicles that will be in the state for less than a month. Patricia McCormack, Department of Transportation (MnDOT), said the bill allows for greater efficiency by using the temporary permits. She said an estimated 11,000 temporary permits are processed annually. The committee approved the bill and sent it to the floor.

Sen. Chris Gerlach (R-Apple Valley) sponsored S.F. 1925. The bill authorizes the Metropolitan Council to enter into an

agreement with a city or town to join the transit taxing district. Gerlach offered an amendment to allow for a transitional time period for cities joining the transit taxing district. Nacho Diaz, transportation services director, Metropolitan Council, said the district was created over thirty years ago. As time has passed, he said, the Metro Area has changed, meaning that many cities with a population totaling over 100,000 use urban Metro Transit services, but do not contribute to the services through the transit taxing district. Diaz said the bill provides critical flexibility to negotiate with the communities to find ways to provide new and better services over the next few years. He also said the money would be divided between operation and capital costs. Marko said it is difficult to allow levy flexibility to provide services to communities farther out than more urban communities that currently face cuts to their transit services. Senators approved the bill, as amended, and re-referred it to the Tax Committee.

S.F. 1296, authored by Sen. Tom Saxhaug (DFL-Grand Rapids), allows local road authorities to allow two-way operation of snowmobiles on a street or highway in its jurisdiction. Saxhaug said the bill provides for local discretion on the issue and that affected parties agree to the bill. The committee approved the bill and sent it to the floor.

Members approved S.F. 1542 and re-referred it to the Finance Committee. The bill, also carried by Saxhaug, provides for an increase in per axle weight limits. Saxhaug said the bill is intended to help Blandin Paper Company, which had to close its mill last year. A representative from the company said Blandin had the wood, power, and labor force necessary to tackle a new projects, but its transportation costs were a significant burden to the company's getting back on its feet. "We are suffering under capped wheel costs. The bill is critical to the success of Blandin's project," he said. Senior Vice President of UPM Blandin, Joe Maher, said it is difficult to compete in a global market when transportation costs are so high. "Passing this legislation will show that Minnesota is open for business," said Maher.

Representatives from the Minnesota Association of Townships and the Metropolitan InterCounty Association both said a more comprehensive policy on axle weight issues is needed. A representa-

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tive from the Minnesota Alliance for Safe Highways spoke in opposition to the bill, saying the alliance opposes the measure on safety grounds. Brian Sweeney, BNSF Railway in St. Paul, also spoke in opposition to the bill. He said UPM Blandin cited the railway as one of the reasons transportation costs are high despite the fact that BNSF has helped Blandin by not raising its rates last year and giving it the lowest rate increase of any customer this year. Sweeney said the bill would make businesses think twice before investing in Minnesota.

Senators approved the bill and sent it to the Finance Committee.

Sen. Linda Scheid (DFL-Brooklyn Park) carried S.F. 1379, which excludes the cost of repairing or replacing an airbag when assessing damage to an automobile. Because the cost of repairing and replacing airbags is very high, said Scheid, expenses associated with airbags often

affects insurance companies as they try to determine if damage to a vehicle exceeds 70 percent of the car's retail value. Seventy percent of a car's total value is Minnesota's threshold for disclosure when selling a vehicle, she said. Jim Siegfried, Crystal Lake Automotive, said the bill benefits consumers and the repair industry and does not represent a dramatic change. Scheid said the bill also includes language to make sure the bags are replaced and repaired appropriately. Senators approved the bill and forwarded it to the full Senate.

Sen. Dick Day (R-Owatonna) carried S.F. 1904, which requires the commissioner of public safety to issue "Knights of Columbus" license plates. Willard Strand, Knights of Columbus Minnesota, said the group is dedicated to community service and philanthropy. Members approved the bill and re-referred it to the Finance Committee.

S.F. 1354 was authored by Marko. The bill repeals obsolete legislation, said Marko. McCormack said the bill repeals legislation relating to the regulation of motor bicycle rental businesses and is not controversial. The committee approved the bill and forwarded it to the full Senate.

Sen. Mike McGinn (R-Eagan) sponsored S.F. 1386 and S.F. 1388. S.F. 1386 clarifies that a vehicle passing another vehicle on the right may not drive on the shoulder, whether it is paved or not, said McGinn. Murphy asked if it was not already a violation to pass on a shoulder. Brian Erickson, Minnesota State Patrol, said it is, and the bill simply clarifies that it is a violation. Senators approved the bill and recommended it for placement on the Consent Calendar. McGinn said his second bill, S.F. 1388, amends the language of a bill carried by Sen. Sheila Kiscaden (IP-Rochester)



Alice Tibbets of St. Paul, left, extols the virtues of walking and biking as alternative forms of transportation to members of Transportation Committee, Thurs., Apr. 7, as they consider a transit bill authored by Sen. Sharon Marko (DFL-Cottage Grove), right.

Photo by David J. Oakes

relating to procedure for passing a parked emergency vehicle. McGinn said the bill represents preferred language of law enforcement officials and that Kiscaden supports the bill. The committee approved S.F. 1388 and forwarded it to the full Senate.

S.F. 2121, carried by Sen. Michael Jungbauer (R-East Bethel), also advanced to the floor. The bill modifies provisions relating to commercial driver's licenses (CDLs). A representative of the Minnesota Teamsters said it was unfair for CDL holders to have what they do in their private vehicle affect their ability to earn a living. He said the Teamster do not support the bill, but do not oppose it either. Jungbauer offered an amendment that McCormack said addresses some of the Teamsters' concerns. The amendment establishes a reasonable look-back period for violations, she said. The amendment was adopted.

Sen. Jim Vickerman (DFL-Tracy) noted that the bill contains the repeal of the Dimler amendment, which prohibits speeding tickets less than 10 miles over the posted limit from being put on an individual's record. He said his constituents would not want the amendment repealed. Jungbauer said it must be repealed or Minnesota will be unable to issue CDLs and could risk losing millions in federal transportation funding. Ortman said the repeal is a major policy shift for a bill that looks like it contains only modifications to CDLs. She offered an amendment to delete sections authorizing the repeal. Jungbauer said the amendment would put the state at risk of not being in compliance with federal guidelines, and McCormack noted that federal audits have highlighted Minnesota's non-compliance on the issue in the past. The amendment was not adopted.

Transit bill advanced

A bill providing a stable funding source for transit in Minnesota provided the centerpiece of the Thurs., Apr. 7, meeting of the Transportation Committee. The bill, S.F. 1703, sponsored by Sen. Sharon Marko (DFL-Cottage Grove), imposes a one half of one percent sales tax in the Metropolitan Transportation Area and specifies increasing amounts of the motor vehicle sales tax (MVST) going into both the metro and Greater Minnesota transit funds until 2010. Marko said an adequate transit system is vital for the

state's success in the future. A variety of groups spoke in support of the measure highlighting the need for additional commuter rail, express busways and light rail in the Metro Area and transit systems in Greater Minnesota. Donna Peterson, Transit for Livable Communities, said alternatives to driving are necessary for a variety of reasons. Joel Ulland, MS Society, said adequate transit allows persons with disabilities to remain independent and productive.

Peter Bell, chair, Metropolitan Council, said he has long been committed to a bimodal transportation system and he applauded the Legislature for its support of transit. However, he said the administration opposes the bill, although there are many good provisions. He said the budget shortfall needs to be met within the parameters the governor has laid down. "We must find solutions to transportation, education, housing and health care within the current budget," Bell said.

Committee Chair Steve Murphy (DFL-Red Wing) said, "Some of us are not as enamored with the governor's budget and believe solutions outside the budget constraints are needed." Sen. Keith Langseth (DFL-Glyndon) said he supported the proposal. "The transportation needs of the state cannot be met under the current budget," he said.

Sen. Scott Dibble (DFL-Mpls.) said, "Implementing service cuts and fare increases cannot meet the needs of the Metro Area. People need transit to get to jobs to move up and out of homelessness." Bell responded, "I cannot envision that we will come up with transit solutions without fare increases."

Sen. Michael Jungbauer (R-East Bethel) said, "I think the proposal was a good idea, but I'm not in favor of the Legislature raising taxes. I would though support a referendum on the sales tax."

Sen. Claire Robling (R-Jordan) offered an amendment to provide for a referendum on the sales tax. She said people need to have a say in setting a higher tax. Marko said she opposed the amendment because it is the responsibility of the Legislature to decide levels of taxation. The amendment failed on a 7-9 roll call vote.

Sen. Julianne Ortman (R-Chanhassen) offered an amendment that limits the taxing area to the area currently served by transit in the Metro Area. She

said the amendment ensures the taxing area is the same as the area served. Marko said people outside the service area use the transit system. "What we are trying to do is create a region-wide system," Marko said. The amendment failed.

Members advanced the bill to the Finance Committee.

In other action, the committee also approved three additional bills. Two bills authored by Jungbauer were advanced to the Senate floor. S.F. 2121 modifies motor vehicle, traffic regulation and driver's license provisions relating to commercial motor vehicles. S.F. 1989 authorizes the commissioner of public safety to remove from department records old liens on passenger automobiles. A bill, sponsored by Ortman, S.F. 1432, was re-referred to the State and Local Government Operations Committee. The bill directs the commissioner of public safety to appoint the Carver County auditor as a deputy motor vehicle registrar.

Schedule available online

Next week's schedule is available online at: <http://www.senate.mn/schedule/2005/0411.htm>

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*Five-year-old Jacob Youakim, Hopkins, entertains himself as his mother sits in on a K-12 Education Budget Division hearing, Tues., Apr. 12.
Photo by David J. Oakes*



April 15, 2005

Senate Highlights

Hospital construction bill gains

The Health and Family Security Committee, chaired by Sen. Becky Lourey (DFL-Kerrick), held an evening meeting to hear proposals for a new hospital in Maple Grove. The panel also approved a bill authorizing an exception to the construction moratorium on hospitals.

Scott Leitz, director of the office of health policy, Department of Health (MDH), provided an overview of the moratorium and factors affecting the proposals. Leitz said that there are 18 exceptions in law to the current moratorium. In 2002, he continued, a new process for requesting exceptions to the moratorium was established. Under the new request process, said Leitz, proposals are reviewed by MDH, but the Legislature still makes final decisions regarding exceptions. He said there are five factors to consider in granting exceptions: the need to provide access to care and improved services, the financial impact of a new hospital on other providers in the region, the effect on staffing in surrounding facilities, the extent to which the new hospital will provide services to low-income or non-paying patients and the views of affected parties. Leitz said MDH, in evaluating the three proposals to build a new hospital in Maple Grove, has taken all of these factors into account. With regard to the first factor, he said a new hospital would provide more timely care to the Maple Grove area, but that establishing other services, such as good emergency services, is equally important. On the second factor, said Leitz, MDH expects that provider facilities surrounding a new hospital to experience a loss in volume, but will still continue to grow, just at a slower rate. Leitz said the department also looked at how the payer-mix at surrounding hospitals would

change. He said the impact would be less than 1 percentage point in either direction. Leitz also said that MDH does not expect major changes to staffing in surrounding hospitals and that all three plans proposed to maintain their current charity care policies. Finally, he said MDH listened to and included the views of affected parties in its report. Leitz added that the committee may want to consider factors such as hospital competition and consolidation and potential health care system costs in its evaluation of the proposals.

"We found it is in the public interest to build a hospital in the Maple Grove area," said Leitz. He said the area's rapid growth and aging population will increase demand for health care in the area and thus support a new facility. Maple Grove Mayor Mark Steffenson said, "We don't feel like we're serviced by any hospital. We have a long way to go to get hospital care." Sen. Michelle Fischbach (R-Paynesville) asked Steffenson which proposal poses the highest cost to the city. He responded that the assessment does not change or vary amongst the facilities. Both Steffenson and Sen. Warren Limmer (R-Maple Grove) said Maple Grove and the surrounding area is growing exponentially and will increase in demand for hospital services in coming years. Geography and transportation infrastructure will also affect the proposals, they said.

Next, the committee heard brief presentations on all three proposals. The first was given by David Page, president and CEO, Fairview Health Services. Page said Fairview brings several unique features to a possible hospital. First, he said, Fairview has a unique relationship with the University of Minnesota Academic Health Center. The relationship will particularly facilitate cooperation

between the University and Fairview on research and clinical training, said Page. Page also said Fairview is unique in its experience with creating health systems in communities. He noted that Fairview has built community systems in several areas, such as Edina, Princeton and Hibbing. Page added that Fairview understands community needs and delivers its services in accordance with those needs. Dr. Frank Cerra, senior vice president, University of Minnesota Academic Health Center, also spoke on the importance of the relationship between the University and Fairview. "Our physicians cannot teach if they do not practice," he said. Cerra added that the revenue from the University's practice plan is critical to the financial future of the medical school. "If the practice plan is not successful, the medical school will shut down," Cerra said.

Sen. Steve Kelley (DFL-Hopkins) asked if there is any entity in the state capable of making the hospital decision. Cerra said he had faith in the system to make a good public policy decision and said the MDH report is thorough.

The second proposal was presented by Dave Cress, executive vice president and COO, North Memorial Health Care. He said North Memorial is a not-for-profit organization, and its charity care increased by more than 60 percent between 2003 and 2004. Cress said the facility is known for its trauma care and emergency services and sees over 70,000 patients a year in those divisions. Cress said North Memorial's hospital plan begins with the establishment of ambulatory and basic patient services and the transfer of 80 beds from existing facilities to the new hospital. Dr. Robert Town, an economics professor at the University of Minnesota, said he performed an econometric study on the competition the three respective proposals would introduce into the health care market. He said greater competition will reduce health care costs and improve quality. According to the study results, said Town, North Memorial's proposal would have the most positive impact on increasing competition in the market. "This is a unique opportunity to affect competition in Minnesota's health care market," he said.

Sen. Linda Berglin (DFL-Mpls.) asked if North Memorial planned to include a level 1 trauma center in its new facility. Pat Cooksey, senior vice president for business development and strategic

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planning, said the facility will not have a level 1 trauma center. She said North Memorial does plan to staff a new facility with the same board certified physicians working at its other facilities though, to bring their experience to the new hospital.

David Wessner, president and CEO, Park Nicollet Health Services, provided the final presentation of the evening. He said Park Nicollet is partnering with Children's Hospital and the Allina Health Systems to put forth a Tri-Care hospital plan. "The partnership was formed to meet the needs of the whole northwest corridor the new hospital would serve," said Wessner. "We designed our proposal to meet community needs," he said. The Tri-Care plan provides a campus that is large enough to develop the hospital, in response to community needs, Wessner said. "A plan must have flexibility. The last thing you want to do is build a hospital and find that you are out of space," he said. Tri-Care has secured a 96-acre site on which to build a possible hospital, he said, and the area is easily accessed by existing roads. Wessner said the partnership is also able to assemble a diverse, experienced medical staff for the new facility quickly.

Sen. Linda Higgins (DFL-Mpls.) asked how many children's psychiatric beds the Children's Hospital has. Dr. Clark Smith, Children's Hospital, said Children's Hospital has some beds but that the state needs more beds in the area. He said Children's Hospital is particularly excited to be part of the partnership in order to contribute to progress on children's mental health care issues in the state. Kiscaden asked what role the Tri-Care facility would play in clinical training opportunities. Rickie Ressler, Allina, said the partnership has a variety of training opportunities, ranging from nursing programs to residency programs. Sen. Betsy Wergin (R-Princeton) asked what the respective partnership members used as compensated care guidelines. Ressler said Allina provides free care up to 275 percent of the federal poverty guideline and discounted care for up to 400 percent of the guidelines. Wessner said Park Nicollet had very similar guidelines. Sen. Mee Moua (DFL-St. Paul) asked how the partnership relationship would operate in the new facility. Wessner said a single executive team would focus on the new hospital.

Limmer carried S.F. 1840, which authorizes an exception to the moratorium for the construction of a new hospital in Maple Grove. The bill specifies that a new hospital will relocate or redistribute an unspecified number of beds from an existing hospital.

An amendment was offered that requires the commissioner to demonstrate satisfaction that the new hospital will have a significant commitment to providing uncompensated care, a full continuum of behavioral health services, an electronic medical records system and commitment to invest in information technology improvements and workforce development opportunities for health care-related occupations. The amendment also requires the new hospital to coordinate with other health care providers to reduce duplicative services. Kelley said he was going to vote against the amendment because he does not think the commissioner should make the hospital decision. Higgins offered an amendment to the amendment requiring the commissioner to look at how a new hospital will affect market concentration in the area. Kelley said the more criteria required in the bill, the more likely there will be litigation on the issue. Higgins' amendment was not adopted. Sen. Betsy Wergin (R-Princeton) also offered amendment to amendment. She said the amendment specifies that workforce development includes clinical training programs, particularly in the area of obstetrics and gynecology, pediatrics and psychiatry. The amendment to the amendment was adopted. The committee adopted the amendment, as amended.

Sen. Brian LeClair (R-Woodbury) offered an amendment repealing the moratorium altogether. He said the decision on the hospital will probably not be made in committees, but, rather, in back rooms at a conference committee. "This decision should not be made by politicians," he said. "I would prefer that these companies, who are making good faith efforts to suggest that they're the best option for Maple Grove, move forward with their proposals. The decision will sort itself out in the natural course of events," LeClair said. The amendment was not adopted.

Kelley offered an amendment allowing the three proposals that have gone through the review process to build in Maple Grove if found eligible. He said

the political process is not well-suited to this type of decision-making, but added that he is not ready to lift the moratorium altogether. It is fair to let the market make this decision, said Kelley. The amendment was adopted.

The committee approved the bill, as amended, and re-referred it to the Finance Committee.

News access bill passes

The Senate met briefly, Mon., Apr. 11, to process bills and grant final passage to one bill.

S.F. 1064, carried by Sen. James Metzen (DFL-South St. Paul), was unanimously approved. Metzen said the bill continues a current program that allows Minnesota citizens who are deaf or blind to have access to the news. He said it is urgent to pass the bill today because federal dollars connected to the service expire Fri., Apr. 15, 2005. "We have to keep this program going," said Metzen.

Sen. Dave Kleis (R-St. Cloud) moved to place S.F. 90, providing for initiative and referendum, on the General Orders Calendar. He said he was not able to speak on a similar motion relating to another bill made last week. Kleis said the Senate should pass the constitutional amendments in advance, so people have a year and a half to discuss the issues. "That way, people will have a long time to hear what the ballot issue is," he said. After speaking on the issue, Kleis withdrew his motion.

Brief floor session held

Senators held a brief floor session, Thurs., Apr. 14, to process committee reports and other paper work at the desk.

Sen. Mady Reiter (R-Shoreview) moved to suspend the rules to allow the Senate to accept H.F. 241 from the House and lay it on the table. The bill prohibits public contractors and employers from forbidding uniformed employees from wearing an American flag patch or pin. The motion to suspend the rules failed on a 28-34 roll call vote.

Schedule available online

Next week's committee schedule is available online at: <http://www.senate.mn/schedule/2005/0418.htm>

Committee update

Agriculture, Veterans and Gaming

Equine dentistry bill approved

A bill allowing equine dentists to practice under indirect supervision gained when the Agriculture, Veterans and Gaming Committee, chaired by Sen. Jim Vickerman (DFL-Tracy), held a brief meeting, Mon., Apr. 11. The committee also considered four gubernatorial appointments and approved a bill authorizing a study on drainage.

Sen. Becky Lourey (DFL-Kerrick) moved to take S.F. 554, a bill relating to equine dentistry, off the table. The measure, authored by Sen. Gary Kubly (DFL-Granite Falls), excludes the practice of floating horse teeth from the definition of veterinary medicine. Vickerman said the bill was laid on the table because the original bill did not satisfy the Board of Animal Health. He said he would not take up the bill unless there were proposed changes. Senators voted to take up the bill. Lourey offered an amendment that she said alleviates some of the Board of Animal Health's concerns. The amendment requires that equine dentists must be licensed to practice and includes a grandfather clause allowing equine dentists who have practice for three of the last five years to practice. Lourey said the amendment also provides an option for unlicensed equine dentists to practice within a collaborative, similar to the way in which dental hygienists practice with dentists. She said the amendment requires the equine dentist to have a written agreement with up to four vets for whom the dentist may practice equine dentistry. No action was taken on the amendment.

Sen. Steve Dille (R-Dassel) offered an amendment providing for the dentists to operate under indirect supervision instead of the direct supervision required under current law. Dille said his amendment has no cost, but that Lourey's amendment does. Lourey said she supports both amendments, but pointed out that hers provided for licensure and grandfathering in current practitioners. Dille's amendment was adopted.

Members approved the bill, as amended, and forwarded it to the full Senate.

Sen. John Hottinger (DFL-St. Peter) carried S.F. 876. The bill requires the Board of Water and Soil Resources to

conduct an implementation assessment of public drainage system buffers and their use, maintenance and benefits. The committee approved the bill and referred it to the Finance Committee.

The panel also approved the appointments of Steve Brake, Paul Fitzsimmons and John Whitten to the Board of Animal Health. Brake, a fourth-generation livestock producer from Wilmont, said he wants to serve on the board because animal health affects the livestock economy, especially in the beef business. Brake also said he just completed a term as president of the Minnesota State Cattleman's Association. Fitzsimmons and Whitten were unable to attend the meeting.

Members approved the appointment of Clark Dyrud as Commissioner of the Department of Veterans Affairs, too. Dyrud, a Vietnam veteran, said he has a history of working with veterans and has worked for the department since the 1980s. "I have a real passion for helping veterans and am deeply honored and grateful to receive this appointment," said Dyrud.

Commerce

Service contract regulation ok'd

A proposal designed to provide financial security to consumers purchasing service contracts was approved by members of the Commerce Committee at their last meeting before the second deadline, Mon., Apr. 11.

S.F. 1782, carried by Sen. Dan Sparks (DFL-Austin), requires service contract providers to meet financial solvency requirements in one of the three ways: purchasing reimbursement insurance to cover their contracts, maintaining a reserve account monitored by the Dept. of Commerce or maintaining a net worth of at least \$100 million. The bill also establishes disclosure requirements for service contracts and defines unfair claims settlement practices.

Warranties, maintenance agreements, non-consumer service contracts, service contracts on property purchased for less than \$250 and motor vehicle service contracts are exempted from regulation under the bill. Sen. James Metzen (DFL-South St. Paul) offered an amendment exempting security equipment service contracts. Cort Holten, representing the

Minnesota Burglar and Fire Alarm Association, said home security equipment contracts are already regulated and consumers have ample protection under existing law. The amendment was adopted.

Peter Thrane, an attorney with Leonard, Street and Deinard, walked committee members through the legislation. We have not had a problem so far in Minnesota, Thrane said, but there are unsecured or uninsured providers in other states that have gone out of business. Consumers in those states were left with no protection of their contractual rights. The bill was approved and advanced to the Finance Committee.

Committee members, chaired by Sen. Linda Scheid (DFL-Brooklyn Park), also considered three additional bills. H.F. 1650, carried by Sen. Thomas Bakk (DFL-Cook), makes technical corrections to statutes transferring cosmetology regulation from the Dept. of Commerce to the Board of Barber and Cosmetologist Examiners. The bill was recommended for placement on the Consent Calendar. Bakk also sponsored S.F. 2010, which makes technical changes, recommended by the department, to weights and measures provisions in statute and rules. The measure was re-referred to the Finance Committee.

Scheid authored S.F. 314, which provides that FAIR plan insurance policies need not comply with the requirement that the full policy limit be paid in case of a total loss and that a partial loss be fully paid. If the property was overinsured, the FAIR plan must refund to the policyholder the portion of the premium attributable to the overinsurance, under the bill. The FAIR plan provides property and liability insurance to businesses and individuals unable to get insurance in the private market. S.F. 314 was sent to the full Senate.

Crime Prevention and Public Safety

Several bills approved

A variety of bills gained when the Crime Prevention and Public Safety Committee, chaired by Sen. Leo Foley (DFL-Coon Rapids), met Tues., Apr. 12.

Sen. John Marty (DFL-Roseville) carried S.F. 149, which allows wildlife control officers to use silencers on their



Eleven-year-old Maryan Salad, a student at Tarekibnziyad Academy Elementary in Inver Grove Heights, participates in "Muslim Day on the Hill" in the Capitol Rotunda, Wed., Apr. 13.

Photo by Shelley Hawes

firearms. The bill requires the commissioner of natural resources to establish a written policy on the silencers and limits to 10 the number of silences the Department of Natural Resources (DNR) may issue. Marty said the silencers are necessary to help DNR and the Leech Lake Tribe reduce the number of cormorants, a fish-eating bird, living on Little Pelican Island on Leech Lake. The birds fly away after hearing one shot, said Marty, making

it difficult to reduce their population. Sen. Wesley Skoglund (DFL-Mpls.) offered an amendment to sunset the bill on Aug. 1, 2007. The amendment was adopted. Members approved the bill and forwarded it to the floor.

S.F. 1451, carried by Foley, also advanced to the floor. The bill adds the Department of Corrections' (DOC) Fugitive Apprehension Unit (FAU) to the list of agencies authorized to seize

certain proceeds in criminal cases. Cari Gerlicher, Office of Special Investigations, DOC, said the bill will allow FAU to participate in asset forfeiture opportunities. She said the forfeiture does not include motor vehicles or real estate. The committee approved the bill and forwarded it to the full Senate.

Sen. Jane Ranum (DFL-Mpls.) sponsored two bills. The first, S.F. 1525, clarifies statute regarding who is responsible for informing victims of sex offenders of their offender's HIV/AIDS test results. Nan Schroeder, director of health services, DOC, said the bill establishes a system in which the victim's health care provider is informed of the test results, and then the victim's provider relays the results to the victim. "It is a much better practice to provide information this way," said Schroeder. Senators approved the measure and sent it to the floor. Ranum also carried S.F. 1898, which raises from \$5,000 to \$15,000 the monetary threshold at which county boards must submit requests for approval of purchase, lease, building or renovations projects to the commissioner of corrections. Ken Merz, director of administrative services, DOC, said the statute establishing the \$5,000 limit is outdated, and that there are few repairs that can be done for less than that amount. Senators approved the bill and recommended it for placement on the Consent Calendar.

Skoglund also carried two bills. S.F. 2066 establishes criminal penalties for individuals who own dogs or birds trained for fighting. The bill also outlines a procedure for destroying the animals. S.F. 1663, Skoglund's second bill, is the Department of Public Safety's (DPS) omnibus bill. Julie LaTourneau, manager, Bureau of Criminal Apprehension (BCA), Mary Ellis, DPS, and Jerry Rosendahl, state fire marshal, outlined various minor and technical changes in the bill. Brian Erickson, State Patrol, spoke on a section of the bill adding the words "state patrol" to the list of words that cannot be used by private detective and security firms. Marie Bibus, Crime Victims Reparations Board, spoke on changes to the statutory definition of a victim. Under the new changes, said Bibus, victims are also defined as family members, guardians and incompetent, incapacitated or deceased people. Both S.F. 2066 and S.F. 1663 were approved and forwarded to the full Senate.

Committee update

Sen. Gen Olson (R-Minnetrista) sponsored S.F. 1778. The bill expands the crime of child neglect or endangerment to include leaving a child under eight years of age unattended in a motor vehicle if the conditions pose a risk to the child's health or safety, the engine is running or keys are anywhere in the car. Olson said leaving a child in a car, even for a brief time, can put a child in harm's way. Skoglund said he agreed with the intent of the bill, but said there are certain situations, such as assisting special needs kids in getting in and out of a van, in which a child may have to be left momentarily unattended in a running car. Ranum said the word "risk" is vague and has a low standard. She offered an amendment to apply the bill to putting children at an unreasonable risk. The amendment was adopted. The committee approved the bill, as amended, and sent it to the floor.

Two bills authored by Sen. Becky Lourey (DFL-Kerrick) also advanced to the floor. S.F. 1482 modifies provisions for the isolation and quarantine of individuals exposed to or infected with communicable diseases. Sen. Dave Kleis (R-St. Cloud) offered an amendment to sunset the definition of various terms in the bill. The amendment was adopted. S.F. 1483, Lourey's second bill, modifies the Minnesota Emergency Health Powers Act. Kleis offered a similar amendment to sunset parts of the bill in 2009. The amendment was adopted.

Sen. Ellen Anderson (DFL-St. Paul) sponsored S.F. 1139, which enhances the penalties for crimes against children if they are committed by gang members. She offered an amendment specifying that felony crimes committed for the benefit of a gang against a child will face a penalty of 10 years, 5 years more than the current penalty. The penalty will give comfort to victims' families, said Anderson. Anderson also said the amendment also contains an appropriation for a violence prevention program. The amendment was adopted, and the committee approved the bill, as amended, and sent it to the Finance Committee.

Education

Omnibus bill comes together

Dozens of proposals relating to education, ranging from higher education opportunities in high schools to anti-

bullying policies, were considered by members of the Education Committee as they assembled an omnibus education policy bill, Mon., Apr. 11.

Members began by hearing S.F. 2135, carried by Committee Chair Steve Kelley (DFL-Hopkins). The bill provides aid for districts offering certified college-level science and mathematics courses in high schools. Kelley said the bill's provisions were already included in his draft proposal for the omnibus bill, so S.F. 2135 was set aside.

The panel then turned their attention to the proposed omnibus bill. The draft includes provisions from almost two dozen bills heard over the course of the session. Among the items the department's and governor's policy recommendations, health and physical education requirements, the department's technical recommendations, support for gifted and talented programs, site-based achievement contracts, authorization for students to carry nonprescription pain relievers, alterations to tenure provisions in first-class cities, schools-mentoring-schools training sites, colleges in the schools programs, permission for the Perpich Center for Arts Education to sponsor a charter school, supplemental service provider outcome standards, physical intervention modifications, world languages requirements, a Native American languages eminence credentialing task force, multidistrict involvement in creating individual education plans for special education students, acoustical performance criteria for new buildings, an online learning formula advisory council, a schools interoperability framework and testing based on growth.

Members deleted a provision permitting science teachers to be licensed in additional science subject areas if they passed the Praxis II test in the subject area. Several interested parties, including representatives of higher education and Education Minnesota, said it takes more than a single test to establish qualifications in an area. The committee also adopted more than two dozen amendments. One, offered by Sen. Rod Skoe (DFL-Clearbrook), limits out-of-state travel reimbursement for Advanced Placement and International Baccalaureate teachers to public school educators. Skoe also offered amendments permitting districts to offer rewards for information leading to the arrest of persons who have

committed crimes against districts and requiring districts to have policies addressing bullying and intimidation.

An amendment, offered by Sen. David Tomassoni (DFL-Chisholm), provides more flexibility in provisions requiring districts to offer gifted and talented programs. Tomassoni also offered an amendment providing more flexibility in health and physical education requirements by reducing the credit requirements and eliminating required weekly minutes of physical education. Tomassoni also offered amendments permitting the administrative regions of the State High School League to be audited by private firms with review by the state auditor and providing for a study of the costs of high-stakes testing.

Sen. Geoff Michel (R-Edina) offered an amendment that he said represents "peace in the valley" on two issues of special concern to teachers' unions and school boards. The amendment clarified that a teacher must be in the classroom for at least 60 days to get credit for a probationary year and that early childhood and family education teachers are part of the district's teacher bargaining unit. An additional amendment offered by Michel permits waiver of education standards requirements for students who have engaged in rigorous courses of study, such as Advanced Placement, International Baccalaureate or postsecondary enrollment.

Sen. Tom Saxhaug (DFL-Grand Rapids) offered an amendment making technical clarifications suggested by the School Boards Association and a pair of amendments relating to the provision of licensed student support services in schools. Sen. Gen Olson (R-Minnetrista) offered two amendments—one requiring school districts to take into consideration parental wishes relating to the classroom placement of twins and one clarifying a notice requirement relating to swimming pools used for competition and practice. Sen. David Hann (R-Eden Prairie) offered an amendment clarifying an experience requirement for adaptive-test vendors bidding for proposed contracts. Sen. Michele Bachmann (R-Stillwater) offered an amendment putting into statute an existing requirement for parental access to statewide test questions and answers.

Kelley offered amendments requiring age-appropriate comprehensive sex education, repealing a structural balance

report, granting the department rulemaking authority related to interdisciplinary teaching, clarifying when instruction is delivered in an online learning setting, requiring bargaining units to approve education administrative district agreements, establishing a special education task force, requiring the state to opt out of the No Child Left Behind system if the federal government does not modify the system and adopting compromises on policies relating to interventions with students with disabilities and to an interoperability framework.

Omnibus bill approved

Members of the Education Committee completed their work on the omnibus education policy bill, S.F. 1148, at their Tues., Apr. 12, meeting. The panel advanced the bill to the Finance Committee.

Committee Chair Steve Kelley (DFL-Hopkins), chief author of the bill, offered several of the amendments adopted by the committee before it took final action. The amendments provide for a report from the Higher Education Advisory Council on the essential skills a high school graduate needs to enter postsecondary education, clarify language relating to educational administrative districts, require county attorneys to prove that it is in the best interests of either the child or society—but not necessarily both—that a child's driving privileges be revoked, permit unions and school boards to negotiate probationary periods for assistant principals, clarify protections extended to educators called up to military service while in their probationary periods, make technical changes involved in the conversion from the Basics Skills Test to the Minnesota Comprehensive Assessment as the graduation requirement and require the Board of Teaching to report on interdisciplinary licensure and innovative programs.

An amendment, offered by Sen. David Tomassoni (DFL-Chisholm), removing provisions relating to technical and career education was adopted. The committee also adopted an amendment, offered by Sen. Michele Bachmann (R-Stillwater), requiring school districts to permit grade-level instruction that includes the use of America's founding documents. An amendment, offered by Sen. Gen Olson (R-Minnetrista), clarifying the testing requirements in math and science, and an amendment, offered by

Sen. Rod Skoe (DFL-Clearbrook), providing that home schools are not required to file dangerous weapons reports with the department were both adopted.

In other action, the panel heard S.F. 1788, carried by Sen. Sandra Pappas (DFL-St. Paul). The bill reforms the process used to select regents for the University of Minnesota. Former Rep. Peggy Leppik said the regent selection process takes too much time, is too political and does not focus enough on the qualifications of candidates. Former Regent Maureen Reed said the board needs both qualified individuals and a good blend of individuals. The first part, qualified individuals, has not been a problem, she said. Reed said any balance on the board has been achieved by chance. Skoe offered an amendment requiring the Regent Candidate Advisory Council to conduct a needs assessment of the board and to consider diversity in geography, gender, race, occupation and experience in recommending candidates. The amendment also provides for a joint committee of ten Senators and ten members of the other body to recommend nominees to the Legislature. The amendment was adopted and the bill was advanced to the Finance Committee.

Environment and Natural Resources

Environment amendment heard

A bill to dedicate one quarter of one percent of Minnesota's sales tax to natural resources was approved at the Environment and Natural Resources Committee meeting Mon., Apr. 11. S.F. 1721, sponsored by Sen. Tom Saxhaug (DFL-Grand Rapids), provides for a constitutional amendment to okay the dedication and creates a heritage enhancement fund and a clean water fund. The bill also establishes a Heritage Enhancement Council and a Clean Waters Council. Former Sen. Bob Lessard spoke in support of the bill. He said in past sessions a large number of stakeholders came together to support a similar bill. Brian Rice, representing the Minneapolis Parks System, spoke in support of the bill. He said, though, that past versions of the measure included parks as a recipient of the funds and urged members to again include parks. The bill was laid on the table for more thorough consideration next year.

Members, chaired by Sen. John Marty (DFL-Roseville), also considered a second bill that sparked considerable discussion. S.F. 1629, sponsored by Sen. Steve Dille (R-Dassel), changes certain livestock zoning regulations and changes the value-added agricultural products stock loan program provisions. Dille said the bill is the Governor's Livestock Taskforce zoning proposal. The bill redirects the repayments for the value-added ag product stock loan program to a newly created Rural Finance Authority revolving loan account. In addition, the bill changes existing procedures for adopting or amending county feedlot ordinances by requiring that the Pollution Control Agency and the commissioner of agriculture be notified on the proposed ordinance adoption or amendment. The bill also establishes procedures a city or town must follow when proposing a new or amended zoning control over feedlots. Dille said livestock is good for the environment and for the economy. A number of supporters said the bill allows family farms to continue in the state. The Minnesota Milk Producers Association said the bill provides consistent, reasonable standards for the permitting process. Dale Hennen, Minnesota Environmental Partnership spoke in opposition to the measure. He said the bill undermines the authority of local governments.

Sen. John Hottinger (DFL-St. Peter) offered an amendment requiring persons wishing to apply for a permit for a large feedlot to give notice within 10 days to residents within less than a mile and to the township. Dille opposed the amendment. He said the bill is designed to aid the family farmer grow the business. However, Hottinger said the amendment is simply good policy. The amendment was adopted.

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

In other action, the committee approved a bill authorizing a once-through system water use permit for an aquifer storage and recovery system that returns all once-through system to the source aquifer. S.F. 1738, authored by Sen. Dick Day (R-Owatonna), said the bill is needed for a tomato growing company that uses about 1 million gallons of water for the operation. The water would be returned to the same aquifer after use. The measure was approved and advanced to the Senate floor.

Committee update

S.F. 940, authored by Sen. David Tomassoni (DFL-Chisholm), expands the list of fuel sources that meet the requirements of farm-grown closed-loop biomass to include trees, brush and other biomass. Tomassoni said the bill also creates a new forest-based industry by harvesting biomass from road, rail and utility rights-of-way. Gary Cerkenik, speaking on behalf of the bill, said the material would be material that could not be used for higher value added products such as lumber. The bill was approved and referred to the Finance Committee.

S.F. 2285, sponsored by Sen. Julianne Ortman (R-Chanhassen), provides an exemption to wetland replacement requirements for construction of a bike trail near the city of Cologne. Sen. Dennis Frederickson (R-New Ulm) offered an amendment to allow the area to be eligible for funding in the bonding bill to provide for wetland replacement. The amendment was adopted and the bill advanced to the full Senate.

Sen. James Metzen (DFL-South St. Paul) authored a bill that transfers power plant siting and routing, wind energy

conversion system and pipeline authority from the Environmental Quality Board to the Public Utilities Commission. Metzen said the bill, S.F. 1902, is designed to aid the attainment of Minnesota's long term energy goals.

Environment, Agriculture and Economic Development Budget Division

Historical sites funding heard

A proposal to continue operating several historical sites, mostly in Greater Minnesota, was considered by members of the Environment, Agriculture and Economic Development Budget Division at their Tues., Apr. 12, meeting. The panel, chaired by Sen. Dallas Sams (DFL-Staples), laid the bill over for possible inclusion in the division's omnibus budget bill.

S.F. 677, sponsored by Sen. Gary Kubly (DFL-Granite Falls), provides funding to continue operating seven historic sites in 2005 and 2006. The sites designated in the bill are Kelley Farm, Hill House, Lower Sioux Agency, Fort Ridgely, Historic Forestville, the Forest History Center and the Comstock House. Several historians and site volunteers discussed the importance of preserving Minnesota history. "History is best told at the site where it has taken place," said Curtis Dahlin.

The panel also considered six additional bills. S.F. 1120, sponsored by Sams, provides for a \$250,000 grant to the Blandin Foundation for its "get broadband" program, which seeks to



Sen. Sean Nienow (R-Cambridge) inspects a Bushel Boy tomato during an Environment and Natural Resources Committee meeting, Mon., Apr. 11, as the committee considered a bill granting a water use permit to Bushel Boy Farms of Owatonna, thus enabling a conversion to a geothermal climate control system.

Photo by David J. Oakes

increase the use of broadband technology in Greater Minnesota. S.F. 875, carried by Sen. Yvonne Prettner Solon (DFL-Duluth), appropriates \$400,000 for research to improve the quality and quantity of timber fiber. S.F. 683, authored by Sen. Ellen Anderson (DFL-St. Paul), appropriates \$4 million for the family homeless prevention and assistance program.

Sen. Scott Dibble (DFL-Mpls.) carried three bills. S.F. 684 provides \$15 million for transitional housing programs and emergency services grants. S.F. 1166 provides \$6.8 million for the Bridges rental housing assistance program. S.F. 1813 appropriates \$800,000 to administer the Homeless Management Information System.

‘U’-Mayo funding heard

A bill to provide \$33 million in FY 06-07 to fund a joint partnership between the University of Minnesota and Mayo Foundation for biotechnology and medical genomics research was heard by members of the Environment, Agriculture and Economic Development Budget Division, Thurs., Apr. 14. The panel, chaired by Sen. Dallas Sams (DFL-Staples), heard several other bills, laying them over for possible inclusion in the division’s omnibus budget bill.

S.F. 1309, carried by Sen. Steve Kelley (DFL-Hopkins), funds the collaboration’s operating costs, including salaries and indirect operating costs. S.F. 1627, sponsored by Sen. Dennis Frederickson (R-New Ulm), authorizes annual grants to the Minnesota Inventors Congress. Sen. Scott Dibble (DFL-Mpls.) authored S.F. 866, which provides grants to programs that provide employment support services to persons with mental illness. S.F. 2095, carried by Sen. Steve Dille (R-Dassel), authorizes grants to the Minnesota Opportunities Industrialization Centers State Council to provide training to American Indians to become small businesspersons.

Sen. Gen Olson (R-Minnetrista) carried S.F. 1434, providing for aquatic invasive species management funding. S.F. 402, sponsored by Sen. Thomas Bakk (DFL-Cook), clarifies that the apprentice registration fee may only be charged once each year. Bakk also carried S.F. 1564, which modifies provisions relating to job opportunity building and biotechnology and health sciences industry zones, and

S.F. 748, which limits fees for household septic system tank installations. S.F. 2164, authored by Sen. Julie Rosen (R-Fairmont), appropriates \$200,000 to help small businesses access federal funds through the federal Small Business Innovation Research Program and the federal Small Business Technology Transfer Program.

S.F. 1730, sponsored by Sen. Gary Kubly (DFL-Granite Falls), directs the commissioner of agriculture to conduct a study of the feasibility and desirability of constructing a rail container load-out facility in or near Clara City. S.F. 1123, carried by Sen. John Hottinger (DFL-St. Peter), establishes fees for section 401 certification under the federal Clean Water Act. S.F. 1098, authored by Dibble, modifies commercial fishing restrictions in infested waters, creates a water recreation account, modifies disposition of certain revenue and unrefunded tax receipts and eliminates commissioner approval of county expenditures of county timber receipts.

Sen. Linda Higgins (DFL-Mpls.) carried S.F. 1071, which requires the Metropolitan Council to carry out Metropolitan Area water supply planning activities, abolishes the housing bond credit enhancement program and provides for the use of available funds from the abolished housing bond credit enhancement program for the council’s Metropolitan Area water supply planning activities. S.F. 1732, sponsored by Sen. David Gaither (R-Plymouth), exempts residential mortgage originators and servicers and athlete agents from business licensing requirements and reimburses the Department of Commerce from the contractors recovery fund for legal and administrative expenses incurred in administering the fund. Sen. Ellen Anderson (DFL-St. Paul) authored two bills. S.F. 1985 appropriates funds to support three youth programs: Learn to Earn, the Minnesota Youth Program and Youthbuild. S.F. 904 provides \$500,000 annually for grants to job training programs.

Health and Family Security

Small business health plans ok’d

Small businesses will be able to provide flexible benefits health insurance plans to their employees under a bill that was approved when the Health and Family Security Committee met Tues.,

Apr. 12. The panel, chaired by Sen. Becky Lourey (DFL-Kerrick), considered four other bills as well.

Sen. Linda Scheid (DFL-Brooklyn Park) authored S.F. 1274, which permits the use of flexible benefits plans for small employer group health coverage. Scheid said the bill updates a similar law passed in 1999. She said 70 percent of small employers do not offer health insurance and the number is growing. “The idea is to get more people with some health insurance,” said Scheid. She offered an amendment to exclude maternity coverage from being required under the plans. Sen. Linda Berglin (DFL-Mpls.) said the exclusion of maternity coverage will leave many people eligible for maternity coverage under Medical Assistance (MA). She said it is not appropriate for the state to cover individuals who have other insurance. “We will end up driving people who need maternity coverage into state programs,” said Berglin. Sen. Betsy Wergin (R-Princeton) said some businesses may not have workers that need maternity coverage. She asked why businesses should provide more insurance than is necessary. “I don’t think you want to mandate that every business offer a certain kind of coverage whether the business can afford it or not,” Scheid added. The amendment was adopted. Sen. Steve Kelley (DFL-Hopkins) offered an amendment to delete provisions exempting the health benefits plans from loss-ratio requirements. The amendment was adopted.

Carolyn Jones, Minnesota Chamber of Congress, said the bill will help small businesses that are struggling to meet employee needs. She said the bill addresses an important group of businesses, especially those with 2 to 50 employees. Sue Abderholden, National Alliance for the Mentally Ill (NAMI), said the bill does not require the flexible plans to cover state mandated services, such as mental health services. “The bill may make it more difficult for people to get access to mental health services,” she said. Berglin said the bill will shift costs onto public programs, especially with regard to specialties, such as oncology. The bill is not a comprehensive solution, said Scheid, but it will provide some coverage for more Minnesotans. Members approved the bill, as amended, and re-referred it to the Finance Committee.

Committee update

Sen. Sheila Kiscaden (IP-Rochester) carried two bills. S.F. 1934 extends the Region 10 Quality Assurance Commission to 2009. The bill allows commission members to receive a per diem and reduces from three to two the minimum sample size required for evaluation. Kiscaden said the commission is an alternative licensing program that licenses 82 organizations that work with people with developmental disabilities. She said the commission has received national recognition for its approach and currently serves five counties in Southeastern Minnesota, though the program is open to other counties as well. She offered an amendment to make an appropriation of \$229,000, which is contained in the bill, part of base level funding for the program. The amendment was adopted. Kiscaden offered another amendment incorporating the contents of her second bill, S.F. 1935, into S.F. 1934. The amendment requires the commissioner of human services to study the possible expansion of the quality assurance approach throughout the state and report its findings and recommendations to the Legislature. The amendment was adopted. Senators approved the bill, as amended, and sent it to the Finance Committee.

S.F. 1029, carried by Sen. Ellen Anderson (DFL-St. Paul), allows parents of stillborn babies to obtain birth certificates for their children. Susan Lacek said it is important to her to receive a legal document that proves the birth and existence of her daughter. "She did not take a breath on this earth, but our daughter continues to be a very real and important person to us," said Lacek. Candy McVicar, who also gave birth to a stillborn daughter, noted that she had to fill out a death certificate for her daughter in order to purchase a coffin for the child. "It adds insult to injury when your child is not considered born, but just dead," she said. Lourey said it is upsetting to need to get a death certificate before receiving a birth certificate. The committee approved the bill and sent it to the floor.

Sen. Scott Dibble (DFL-Mpls.) sponsored S.F. 1279. The bill prohibits the Department of Human Services (DHS) from requiring prior authorization for drugs used to treat hemophilia patients on Medical Assistance (MA) when there is no generic equivalent available on the preferred drug list. The drugs are currently exempt from prior authorization, said

Dibble, but the exemption is set to sunset in July. S.F. 1279 eliminates the sunset. Dibble said eliminating the sunset is important because hemophilia requires fast treatment. "People with hemophilia need immediate access to blood clotting medication," he said. Senators approved the bill and re-referred it to the Finance Committee.

Health and Human Services Budget Division

School insurance pool approved

A bill relating to health insurance for school district employees was approved when the Health and Human Services Budget Division, chaired by Sen. Linda Berglin (DFL-Mpls.), met Tues., Apr. 12.

Sen. Don Betzold (DFL-Fridley) carried S.F. 1459. The bill creates a statewide health insurance pool for school district employees and retirees. Betzold said the plan is not one-size fits all, but that the bill provides for a variety of health care plans from which individual districts may select the plan that best suits its needs. The various district plans are then combined in a collective bargaining process, said Betzold. The proposal is based on a 2002 actuarial study, he said, that showed the pool is feasible and will save, even if executed at a basic level, \$223 million over the next six years. Sen. Yvonne Prettner Solon (DFL-Duluth) offered an amendment requiring all employees to participate in the pool. Solon said by not allowing employees to opt out, the pool will retain its diversity. The amendment was adopted. Sen. Becky Lourey (DFL-Kerrick) offered an amendment banning districts providing cash in lieu of insurance. The amendment was adopted.

Jan Alswager, Education Minnesota, spoke in support of the bill. "In every school district," she said, "you are only one or two catastrophes away from very high premiums." Bill Strusinski, Minnesota Regional Service Agencies (MRSA), spoke in opposition to the bill. "Everybody always says a bigger pool is better, but the service cooperative pools (operated by MRSA) have proven seven to eight percent less expensive than large state pools," he said. He added that administrative costs also increase as the pool grows. "Local collective bargaining works. One-size does not fit all,"

Strusinski said. "The bill could be one of the largest unfunded mandates the Legislature has dealt with. It's going to cost more, not less," he said. Grace Schwab, Minnesota School Boards Association, also spoke in opposition to the bill. "Under this plan, half the school districts lose," she said. The bill penalizes districts that have done the right thing, said Schwab. "If the bill passes, you separate a group of Minnesota employees to provide their own coverage with no supervision and no parameters. It is not the best thing for our employees, our districts or our children," she said.

Senators approved the bill, as amended, and sent it to the full Finance Committee.

S.F. 828 was authored by Lourey. The bill requires participants in MinnesotaCare (MnCare), Medical Assistance (MA) or General Assistance Medical Care (GAMC) to report their employer or employers when applying for the program. Lourey said the bill will help to identify employers who are sending their employees to public health programs. She offered an amendment removing language requiring the commissioner to make sure there is no significant privacy risk to program participants. Lourey said she wants to remove the language so that there are fewer reasons why the commissioner might not collect the information, since the fiscal note indicated collection will be costly. The amendment also delays enactment until 2007 to defray the cost of the bill, said Lourey. Solon said the commissioner must comply with HIPAA guidelines, so the privacy language is redundant. The amendment was adopted.

Janelle Rau-Clauson, Service Employees International Union (SEIU), said the bill is important because businesses often direct their employees to public health programs for insurance. Carolyn Jones, Minnesota Chamber of Commerce, spoke in opposition to the bill. She said Minnesota employers offer the highest rate of insurance in the country. "The bill may end up demonizing something that is completely legal," said Jones.

Sen. Brian LeClair (R-Woodbury) offered an amendment. He said the amendment requires all employers, including public sector employers, to meet the reporting requirements in the bill. Berglin said she supports the amendment,

and added that many public employers use public health programs to provide insurance. The amendment was adopted.

The division laid the bill, as amended, over for possible inclusion in the omnibus bill.

S.F. 1567, authored by Sen. Gary Kubly (DFL-Granite Falls), establishes a rural pharmacy grant and loan forgiveness program. "A pharmacy is an integral part of the overall health care system," said Kubly. Under the bill, the program, which provides grants to rural pharmacies and forgives loans to pharmacists who practice in underserved rural areas, will be financed by excess revenue from pharmacist licensure fees. The division approved the bill and sent it to the full Finance Committee.

Sen. Michelle Fischbach (R-Paynesville) sponsored S.F. 836, the Department of Health's (MDH) health record and health information technology policy bill. Mark Schoenbaum, MDH, outlined the provisions of the bill. Under the bill, the commissioner of health is required to establish a health information

technology and infrastructure advisory committee to advise on issues of access and implementation. The bill also requires the commissioner to prepare and issue an annual report regarding the progress on implementation of a statewide health information infrastructure. Members approved the bill and sent it back to the full Finance Committee.

S.F. 1445 requires the commissioner of health to work with health care facilities to provide education on postpartum depression. Sen. Steve Dille (R-Dassel), who carried the bill, said up to 40 percent of mothers experience postpartum depression, and 10 to 20 percent develop serious depression as a result. Dille said there is no cost to the bill. Ruth Ener, National Alliance for the Mentally Ill (NAMI), said postpartum depression can have devastating consequences. She said no health care entity has taken on the responsibility of educating families on the disorder. "Women need to be educated and given a list of appropriate local resources, so they don't fall through the cracks," said Ener. Senators approved the

bill and referred it to the full Finance Committee.

Sen. Julie Rosen (R-Fairmont) sponsored S.F. 1266. The bill modifies the definition of "eligible rural hospitals" to include hospitals in communities of up to 15,000; the current definition goes up only to 10,000. The bill also allows critical access hospitals (CHAs) without attached nursing homes to provide up to 2,000 days of swing bed care a year, just over 500 more days than is currently permitted. Rosen said the bill also requires MDH to study swing bed issues and report to the Legislature in 2007. She said MDH has said it will absorb the cost of the study. A department representative said MDH already collects most of the data needed for the study. Rosen offered an amendment that allows hospitals with charity outreach programs to participate in bed sharing programs with rural hospitals. The amendment was adopted. Members approved the bill, as amended, and referred it to the full Finance Committee.



Candy McVicar, left, tells about her ordeal in dealing with a still-born daughter and receiving a "pretend" birth certificate from the hospital. McVicar and Cameron Jensen, holding a family photo, spoke at a Health and Family Security Committee meeting, Tues., Apr. 12.

Photo by David J. Oakes

Committee update

Berglin carried S.F. 1979. She said the bill allows Minnesota to obtain federal dollars for hospitals serving a disproportionately high number of Medicaid patients. Minnesota must provide matching dollars in order to receive the federal money though, said Berglin. The measure will be financed in two ways, she said. First, she said, there will be an additional \$10 surcharge on moving traffic violations to generate matching dollars. Second, the bill requires hospitals to certify public expenditures financed either through property taxes or the budgeting process. Berglin said the state has already lost \$17 million as a result of not producing the matching funds. Under the bill, new funds will be apportioned through the disproportionate population adjustment (DPA) program. Mary Krinkie, Minnesota Hospital Association, said large urban hospitals with high Medicaid patient populations will receive a 15 percent increase under the program while large rural hospitals will receive a 10 percent increase, and large urban hospitals with lower Medicaid patient populations will receive a 5 percent bump. Solon said she has a similar bill and would like the committee to be able to compare the two. The division laid the bill over.

Hospital proposals heard

The Health and Human Services Budget Division, chaired by Sen. Linda Berglin (DFL-Mpls.), devoted its Wed., Apr. 13, meeting to hearing three proposals for a new hospital in Maple Grove. The panel also heard three bills relating to the Minnesota Families Investment Program (MFIP).

David Cress, COO, North Memorial Hospital, said developing a facility in Maple Grove is significant for North Memorial because the hospital already serves the community. "We are the hometown team. We already provide the majority of care to the Maple Grove community," said Cress. He said North Memorial, a not-for-profit hospital known for its expertise in trauma and emergency care, plans to implement ambulatory services, a surgery center, an emergency services center and a medical office building as the first part of its new hospital plan. The plan also includes the transfer of 80 beds from North Memorial's Robbinsdale campus to a new Maple Grove facility, he said. Cress also said North Memorial is contracting for a site

and is scheduled to close on the site before June 1 of this year. The hospital also has letters of support from the local community, all but one of which exclusively support North Memorial, said Cress.

David Page, president and CEO, Fairview Health Services, presented Fairview's proposal. He said Fairview is unique in its partnership with the University of Minnesota Academic Health Center. The partnership, which is in its eighth year, said Page, provides an operational arrangement with the University's physician practice plan. Page said the partnership will also allow Fairview to provide a new Maple Grove hospital with expertise in pediatrics, obstetrics, medical surgery and behavioral and mental health. "Our objective is to be able to roll out the knowledge and treatment modalities that are part of the mission of the health center to patients in the community at large more expeditiously," he said. Page also said Fairview is experienced at creating community health services. He cited systems in Edina, Burnsville, Red Wing, Princeton and Hibbing and explained how Fairview has developed according to community needs in those areas. "The needs of a community are not static. Fairview has learned how to be responsive to the changing needs of the communities it serves," said Page. A Fairview hospital in Maple Grove would include services in obstetrics, medical surgery, emergency care and pediatrics, he said.

David Wessner, president and CEO of Park Nicollet Health Services, presented the Maple Grove Tri-Care Partnership, which includes Park Nicollet Health Services, Allina Hospitals and Children's Hospital in St. Paul. "The partnership formed to meet the needs of the Maple Grove community," said Wessner. He added that Allina and Park Nicollet have a long-standing presence in the Maple Grove area. The partnership also plans to engage other community entities, such as school districts, to identify and provide access to health care in the community, he said. A new hospital, Wessner said, will include services in pediatrics, obstetrics, non-invasive cardiology, out-patient chemotherapy and behavioral and mental health care, including care for children. Wessner added that by 2012, or at least within the next 10 years, a new hospital would likely

become a large facility. "250 beds are not out of the possibility in the near future, given the needs in the broader community that MDH has documented," he said. The ability to split capital investment required to purchase land, build and operate a new facility, said Wessner, is another strength of the partnership. The partnership will also allow the hospital to keep services focused and avoid duplicative services, he said.

Berglin asked all three presenters how they structured their charity care. Wessner, TriCare, said Allina provides uncompensated care for individuals of up to 275 percent of the federal poverty guidelines (FPG) and that Park Nicollet provides uncompensated care up to 300 percent. Allina also provides discounted care, with a discount of up to 20 percent, to individuals of up to 400 percent of poverty, said Wessner, who added that Park Nicollet has similar rates. He said that he did not have an aggregate number for how much uncompensated care the organizations perform, but will provide it later. The CFO of North Memorial said the facility provides uncompensated care up to 200 percent of FPG and discounted rates, which range from a 15 to a 50 percent discount, up to 400 percent of poverty. He said North Memorial's charity care overall represents \$2.5 million, or .5 percent of net patient revenue, last year. Fairview provides uncompensated care up to 200 percent of poverty and a discount of 50 to 40 percent on care for individuals ranging from 275 to 450 percent of poverty. Fairview is spending \$10.2 million on charity care in 2005, said Page.

The division also heard three bills relating to MFIP. Sen. Steve Dille (R-Dassel) authored S.F. 1520. The bill exempts refugees and asylees who have arrived in the state within the last two months from mandatory participation in the diversionary work program and allows them to enroll directly in MFIP. Dille said the bill will cost \$163,000 in the next year and \$164,000 in subsequent years. Tom Kosel, Catholic Charities, said newly arrived people are not ready to do an immediate job search. "Even if they are eager to work," he said, "most of the time they are not ready to jump into that experience." Giving new refugees and asylees the chance to become acquainted with MFIP first is beneficial, he said. The division laid the bill over for possible inclusion in the omnibus bill.

Berglin carried S.F. 1955, which creates a work preparation program to be funded by the state. Under the bill, the new program, WORK PREP, will serve families that are not making significant progress within MFIP due to various barriers to employment. She said the bill is in response to changes to the national Temporary Assistance for Needy Families (TANF) program. The changes include requiring states to meet higher work participation rates, meaning that participants must work a higher number of hours per week, said Berglin. The bill is based on ideas suggested to states by the National Council on State Legislatures, she said, to help them better meet new federal guidelines. "Not meeting the participation rates could have the consequence of up to a 20 percent reduction in federal TANF funds, which would be disastrous in terms of being able to continue the program," Berglin said. The bill was laid aside.

S.F. 1344 was sponsored by Sen. Becky Lourey (DFL-Kerrick). The bill removes the MFIP family cap, which caps grants to participating families based on the size of the family when it entered the program. Lourey said the cap, enacted in 2003, was intended to reduce birth rates among program participants, but has instead resulted in reducing grants to needy families with newborns. Kate Krisick, Minnesota Catholic Conference, said the cap excludes new children from receiving \$66 a month to cover their basic needs. She called the policy economically cruel and socially unjust. Krisick added that the policy has failed to achieve its purpose, as birth rates have not declined, and said the policy has increased the number of children living in poverty. Many other states, said Krisick, repealed their caps because the caps have proven ineffective. The bill was laid over for possible inclusion in the omnibus bill.

Child care fees bill heard

A bill eliminating child care provider licensing fees was heard when the Health and Human Services Budget Division, chaired by Sen. Linda Berglin (DFL-Mpls.), met Thurs., Apr. 14. The panel, chaired by Sen. Linda Berglin (DFL-Mpls.), also heard three other measures. All bills were laid over for possible inclusion in the division's omnibus bill.

Sen. Linda Scheid (DFL-Brooklyn Park) sponsored S.F. 1110. The bill

suspends licensing fees for child care providers and reduces parent co-pays for child care assistance. Following the cuts and rate freezes made to child care assistance in 2003, said Scheid, there has been a dramatic decline in the number of people on waiting lists to receive the service. "People just don't qualify," she said, "because they aren't low enough." As a result, Scheid said, "We don't know what's happening to 10,000 or more children. We don't know the quality of child care they're getting." Scheid added that, since the cuts, Minnesota has dropped from 4th to 33rd in the nation in terms of access to child care assistance. The drop, she said, is due to a variety of factors, including lower income eligibility levels for the program, increased parental co-pays, frozen reimbursement rates to providers and fee increases for providers.

Berglin said the governor has proposed additional increases in the licensing fee this biennium, but added that, while the division may not be able to lower the fee, it would try not to raise the fee. "Not making things worse will be a good step in the right direction," said Berglin. She suggested removing provisions that eliminate the fees as the bill moves.

Sen. Becky Lourey (DFL-Kerrick) carried S.F. 984, a bill modifying a variety of programs affecting persons with disabilities. Lourey said the cost of the bill is due to provisions relating to Medicare and Medical Assistance (MA) reimbursement for persons with disabilities, a three-month extension in the period of time in which an institutionalized MA recipient may receive income before returning home and the creation of an interagency work group to help persons with disabilities avoid institutional placements. The bill also includes the repeal of the \$500 cap on MA dental services. Berglin noted that the cost of buying back the dental care is \$1.7 million in the first year and about \$3 million the following year. She said in order to pay for larger provisions, like the dental care, some of the smaller ones may not be able to receive funding.

Lourey offered two amendments. The first, she said, represents an agreement between counties and disability advocates and requires counties to provide persons with disabilities choosing to relocate with service coordination options. The amendment also protects counties from liability for damages, injuries or liabilities sustained because of services provided to a

client by a private service coordination vendor under contract with the county. The amendment was adopted. The second amendment deleted most cost provisions in the bill. The amendment was adopted.

S.F. 1028 requires the commissioner of corrections to develop a model discharge planning process for offenders with a serious and persistent mental illness who are being released after serving a sentence longer than three months. Berglin, who authored the bill, offered an amendment specifying possible provisions of a model discharge plan. The amendment was adopted. Under the amended bill, a plan may include referring prisoners to public health programs, referring them to case management workers, issuing them a photo id and securing a timely appointment with a mental health provider. Sue Abderholden, National Alliance for the Mentally Ill (NAMI), said because the bill will help discharged prisoners receive certain services sooner, it will also prevent them from needing higher end services later.

Berglin also carried S.F. 1818. The bill defines the terms "care coordination" and "family psychoeducation services" as they relate to children's therapeutic services. She said the redefinition will help organizations providing children's therapeutic support services to be reimbursed for part of their services. Currently, said Berglin, the organizations are reimbursed only for home therapy time, but not for case management and services provided to parents. Katie Gorman, director, Generations, said organizations have no way of recovering the cost of their services and that they will have to discontinue services if they do not receive some reimbursement. Berglin offered an amendment requiring counties to contract with providers of children's therapeutic services by January 2006 to provide case management. She the amendment will allow the organizations to collect fees for case management that counties would have to provide if the organizations were not providing the service. The amendment was adopted.

Jobs, Energy and Community Development

Energy tax bills advanced

Members of the Jobs, Energy and Community Development held a mara-

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Former Minnesota Viking Ed McDaniel, left, and former Minnesota Twin Kent Hrbek hand out Minnesota quarters to children on the front lawn of the Capitol, Tues., Apr. 12, during an event to commemorate the newly-released coins.

Photo by David J. Oakes

thon meeting Mon., Apr. 11, in order to complete work on bills assigned to the committee before the second committee deadline.

S.F. 2007, sponsored by Sen. Thomas Neuville (R-Northfield), authorizes districts courts to hear appeals of lesser utility fines. The measure was approved and re-referred to the Judiciary Committee.

Committee Chair Ellen Anderson (DFL-St. Paul) carried S.F. 2166. The bill clarifies the market value exclusion for electric power generation. The bill was approved and re-referred to the Tax Committee. The committee also approved S.F. 1921, sponsored by Sen. Gary Kubly (DFL-Granite Falls). The bill establishes geothermal energy incentives and provides a tax credit. A portion of the bill

was laid on the table for inclusion in the omnibus energy bill, while the remainder of the bill was advanced to the Tax Committee. Another bill, S.F. 2091, providing a tax exemption for an electric generation facility was also approved. The measure, sponsored by Sen. Dick Day (R-Owatonna), was re-referred to the Tax Committee. S.F. 2163, sponsored by Sen. Lawrence Pogemiller (DFL-Mpls.), also provides a property and sales tax exemption for an electric generating facility. The measure was approved and advanced to the Tax Committee. S.F. 1673, sponsored by Sen. Scott Dibble (DFL-Mpls.), provides a subtraction from taxable income for costs incurred for purchases of wind-generated electricity. The measure was approved and sent to the Tax Committee.

S.F. 1924, sponsored by Anderson, promotes the use of hydrogen as an energy source. Anderson offered, and members adopted, an amendment removing policy portions of the bill and laying them on the table. The remainder of the bill, providing a tax exemption for use of hydrogen for transportation fuel, electricity generation, heating, cooling and other commercially productive uses was referred to the Tax Committee.

The panel then began consideration of the omnibus energy bill. S.F. 1368, carried by Anderson, contains numerous provisions relating to transmission companies, community based energy development (C-BED), routing and siting transfer, woody biomass mandate project, e-filing, conservation improvement by cooperative association or municipality and power quality zones. The bill was also amended to include a number of bills heard during the day's hearing. Members approved the measure and advanced the bill to the Senate floor.

Housing bills advance

The evening portion of the Mon., Apr. 11, Jobs, Energy and Community Development Committee meeting was devoted to bills covering a wide range of subjects. Members began with S.F. 1438, a bill prohibiting employer retaliation against crime victims for taking time off work to obtain a restraining order or to attend court proceedings. The measure, sponsored by Sen. Jane Ranum (DFL-Mpls.), was approved and advanced to the Senate floor. S.F. 1953, authored by Sen. Richard Cohen (DFL-St. Paul), increases

the deed tax to provide rental housing assistance. The measure was approved and re-referred to the Tax Committee. S.F. 2021, also carried by Cohen, provides an appropriation for grants for biomass-fueled community energy systems predesign costs. The bill was approved and advanced to the Finance Committee.

S.F. 1671, authored by Sen. Mee Moua (DFL-St. Paul), provides an income tax credit for affordable housing contributions. The measure was approved and advanced to the Tax Committee. S.F. 1895, carried by Sen. James Metzen (DFL-South St. Paul), authorizes Metropolitan Area Counties to form economic development authorities. Metzen said the bill applies to four counties: Hennepin, Ramsey, Anoka and Washington. Other counties already have the authority, he said. The measure was approved and sent to the Senate floor. S.F. 1373, authored by Sen. Sandra Pappas (DFL-St. Paul), establishes the incumbent worker program funded by grants from the Job Skills Partnership Board to provide worker training services. The measure was approved and re-referred to the Finance Committee. S.F. 1886, carried by Sen. Julie Rosen (R-Fairmont), establishes the small business growth acceleration program. Rosen said manufacturing has not yet fully recovered and that the program is designed to help qualified companies implement technology and business improvements. The bill was approved and re-referred to the Finance Committee.

Metzen also carried S.F. 2123. The bill is a resolution memorializing the President, Congress, and the United States Postal Service to maintain current levels of service. Metzen said some employees are concerned that service levels would be reduced with a subsequent loss of jobs. The bill was approved and advanced to the Rules and Administration Committee. S.F. 2093, authored by Sen. Dan Sparks (DFL-Austin), modifies the definition of "wage" to include electronic transfer to a stored value or debit card. Committee members expressed concern about fees mentioned in the bill. Supporters said the wage cards could bring people into the banking system and would save money for employers. Pappas offered an amendment prohibiting inactivity or dormancy fees from being charged. The bill was approved and advanced to the floor.

S.F. 1646, authored by Sen. Steve Kelley (DFL-Hopkins), provides assistance to stabilize housing for children to enhance school attendance and performance. The measure was approved and re-referred to the Finance Committee. S.F. 1509, sponsored by Sen. Gary Kubly (DFL-Granite Falls), provides that manufactured homes maintained by an individual associated with seasonal agricultural operations are not included in the definition of manufactured home park. The bill was approved and advanced to the full Senate. S.F. 1716, carried by Sen. Thomas Bakk (DFL-Cook), adopts recommendations of the Workers' Compensation Advisory Council. The bill was approved and advanced to the Senate floor.

Judiciary

I-Save Rx program gains

The Judiciary Committee, chaired by Sen. Don Betzold (DFL-Fridley), met twice Tues., Apr. 12, to clear the agenda prior to the second committee deadline. Betzold explained many bills dealing with other subject areas are re-referred to the Judiciary Committee because of one or two provisions.

The panel began their day with discussion of a bill, S.F. 1892, that establishes participation in the I-Save Rx prescription drug program. Chief Author Dick Day (R-Owatonna) said Minnesotans have been paying too much for prescription drugs and it is time for the state to action. He said the bill allows entry into a program that is already up and running. The program began in Illinois and now four other states have joined, Day said. The bill allows consumers to purchase prescription drugs from a network of inspected and approved pharmacies in Canada, Ireland and the United Kingdom, Day said. He said the program must include provisions to ensure the safety and quality of the prescriptions by requiring the inspection and approval of pharmacies who participate. The bill was before the committee, Betzold said, because of provisions dealing with liability immunity. The provision specifies the state is not liable for any injury or damage caused to a person from products obtained through the program. In addition, the state of Minnesota is not liable for acts or omissions of other participating state. Betzold said the bill does not limit

liability for manufacturers or other parties. The bill was amended to authorize purchases of drugs from other countries with standards similar to the United States. The bill was approved and advanced to the Finance Committee.

S.F. 1969, authored by Sen. David Senjem (R-Rochester), provides that a court has discretion to allow a transaction of beneficial interest to a conservator, as long as the conservator can prove that the transaction is in the best interest of the protected person. The bill was approved and advanced to the floor. S.F. 196, sponsored by Sen. Mady Reiter (R-Shoreview), regulates liability on land used for recreational purposes and modifies the definition of recreational purposes as including rock climbing and exploring caves. Reiter said the bill was vetoed last year, but the governor has indicated the bill would be signed this year. The bill was approved and sent to the full Senate.

S.F. 1563, authored by Sen. Jane Ranum (DFL-Mpls.), increases the homestead exemption from creditors' claims from \$200,000 to \$500,000 for homesteads and from \$500,000 to \$1 million for agricultural homesteads. Ranum said the dollar amounts had not been raised since 1993. The bill was approved and sent to the Senate floor. S.F. 1360, authored by Sen. William Belanger (R-Bloomington), regulates unclaimed property held by cooperatives and the right to receive or recover unclaimed property. The bill also modifies public notice requirements. In addition, the bill updates language from the 1981 Unclaimed Property Act. The bill was approved and advanced to the Senate floor.

S.F. 1201, authored by Sen. Leo Foley (DFL-Coon Rapids), removes the sunset on the collection of biological specimens for DNA testing from persons convicted or adjudicated delinquent of a felony. Originally, the bill required DNA samples from all persons arrested or convicted of committing a felony. The committee, though, adopted an amendment, developed in another committee, to retain current law, but eliminate the sunset. Current law requires a felony conviction before a DNA sample is required. Sen. Warren Limmer (R-Maple Grove) offered an amendment providing that data derived from the DNA sample only be used by law enforcement agencies. The

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bill was approved and re-referred to the Finance Committee.

A bill making numerous changes in insurance provisions was also heard. S.F. 1783, sponsored by Sen. Linda Scheid (DFL-Brooklyn Park), regulates agency terminations, coverages, fees, forms, disclosures, reports, premiums and information security. The bill was before the panel because of two provisions, Scheid said. One section provides definitions for the information security program and the other section requires licensees to implement a written information security program. The bill was approved and sent to the Finance Committee. S.F. 1672, sponsored by Sen. Scott Dibble (DFL-Mpls.), modifies provisions relating to property transactions of the Dept. of Transportation. The bill was approved and re-referred to the Finance Committee.

Data privacy provisions discussed

The second portion of the Tues., Apr. 12, Judiciary Committee hearing heard a range of bills originating in other committees.

S.F. 1722, sponsored by Sen. Becky Lourey (DFL-Kerrick), is a Human Services Department bill making changes to human services licensing provisions and background studies. The bill also makes some changes to data practices provisions and to voluntary termination of parental rights. In addition, there are some changes relating to data concerning predatory offenders. The committee, chaired by Sen. Don Betzold (DFL-Fridley), adopted two clarifying amendments and reviewed the provisions within the committee's jurisdiction. The bill was approved and advanced to the Senate floor.

S.F. 1504, sponsored by Sen. Claire Robling (R-Jordan), modifies motor vehicle and drivers license record privacy regulation. Betzold said the bill had been through the Data Practices Subcommittee where the judiciary related items had been folded into the omnibus data practices bill. Betzold said the measure contains nothing except transportation related items. The committee advanced the bill to the Finance Committee.

Sen. Rod Skoe (DFL-Clearbrook) sponsored a bill, S.F. 2117, that classifies the names and addresses of feedlot owners and the location of feedlots as private or nonpublic data when the data is gathered

by the Bureau of Animal Health. Paul Anderson, Board of Animal Health, said the bill is needed to aid a national program to track animals in the case of disease outbreaks. The committee laid the bill over temporarily in order to amend the contents onto another data practices bill coming before the panel.

The data practices bill, S.F. 1883, sponsored by Sen. Wesley Skoglund (DFL-Mpls.), classifies specific State Board of Investment data as nonpublic, provides for security information and data and regulates motor vehicle and driver records. The latter portion of the bill was a separate bill specifying that a person may not retain information from magnetically, electronically or otherwise scanning a driver's license except for name, date of birth, license number and license expiration date. The material from S.F. 2117 was also amended into the bill. The bill was approved and sent to the full Senate.

Another bill containing data practices provisions was also considered. S.F. 1425, sponsored by Sen. Julianne Ortman (R-Chanhassen), classifies data relating to design-build projects of the Dept. of Transportation as nonpublic until the department publishes the information as part of the request for proposal process. The bill was approved and re-referred to the Committee on Finance.

S.F. 1733, sponsored by Sen. Thomas Neuville (R-Northfield), provides a factor of reasonableness for determining the amount of attorney fees awarded in actions where attorney's fees may be awarded. In addition, the bill prohibits an allowance for attorney fees incurred after an offer of judgment, if the damages awarded are less or the same as the offer of judgment. After significant discussion, Neuville moved to divide the bill. The panel approved the portion of the bill providing for a reasonableness factor in determining the award of attorney fees. Members failed to approve the portion prohibiting an allowance for fees incurred after an offer of judgment. The bill was approved and sent to the full Senate.

Ortman then moved to take from the table a bill, S.F. 415, defining the responsibilities of ski area operators and skiers. The measure, sponsored by Sen. Dallas Sams (DFL-Staples), had been tabled earlier in the week because of concerns that the measure went too far in protecting ski operators from liability. The motion was adopted. Ortman offered an

amendment that creates a balance of interest between the operator and skiers. She said the amendment contains a rebuttable assumption of liability, sets forth the duties of ski area operators and the duties of skiers. The bill failed to advance on a divided voice vote.

K-12 Education Budget Division

Funding bills heard

The K-12 Education Budget Division met Mon., Apr. 11, to consider several bills for possible inclusion in the division's omnibus bill. The panel, chaired by Sen. LeRoy Stumpf (DFL-Plummer), laid all the bills on the table.

S.F. 587, presented by Stumpf on behalf of Sen. Dallas Sams (DFL-Staples), makes the North Central Service Cooperative a contracting agency for the purpose of calculating special education revenue. S.F. 1403, carried by Stumpf, provides an additional ten cents for each full-paid, reduced and free student lunch if the district's school lunch program exceeds federal nutrition standards and promotes healthier food choices. S.F. 963, sponsored by Stumpf, authorizes grants for collaborative urban educator recruitment and training programs. S.F. 1838, authored by Sen. Sharon Marko (DFL-Cottage Grove), defines a locally controlled process for establishing hazardous traffic condition pupil transportation zones and authorizes a levy for hazardous pupil transportation services. S.F. 467, carried by Sen. Dan Sparks (DFL-Austin), appropriates money to the Minnesota Learning Resource Center's comprehensive training program for education professionals charged with helping children acquire basic reading and math skills. S.F. 1237, carried by Sen. Steve Kelley (DFL-Hopkins), appropriates money for libraries and library programs.

Referendum bills heard

Several proposals adjusting referendum allowances and calculations were considered by members of the K-12 Education Budget Division at their Tues., Apr. 12, meeting. The panel, chaired by Sen. LeRoy Stumpf (DFL-Plummer), also heard a bill permitting a fund transfer and laid the measures over for possible inclusion in the omnibus education budget bill.

S.F. 384, sponsored by Sen. John Marty (DFL-Roseville), modifies the referendum aid adjustment for open enrollment students and increases the statewide property tax by \$2 million. S.F. 2103, carried by Sen. Leo Foley (DFL-Coon Rapids), increases referendum equalization aid. S.F. 1588, authored by Sen. Dennis Frederickson (R-New Ulm), increases levy amounts for capital levies for agreements entered into before July 1, 2003. Two bills—S.F. 738, sponsored by Sen. David Hann (R-Eden Prairie), and S.F. 739, carried by Sen. Geoff Michel (R-Edina)—repeal the referendum allowance limit.

Sen. Betsy Wergin (R-Princeton) carried S.F. 831, which authorizes school districts to hold operating referenda for proposed facilities at the same time as the referenda to fund the proposed facilities. S.F. 2110, sponsored by Hann, increases the referendum revenue allowance. Sen. Julie Rosen (R-Fairmont) carried a bill, S.F. 2100, authorizing a fund transfer for ISD 2071, Lake Crystal-Wellcome Memorial.

Health/safety revenue discussed

Members of the K-12 Education Budget Division turned their attention, Wed., Apr. 13, to health and safety revenue and facilities funding as they worked toward creating an omnibus education funding bill. The panel heard seven bills, laying all of them over for possible inclusion in the budget package.

S.F. 283, authored by Sen. Michelle Fischbach (R-Paynesville), broadens the health and safety program to include school safety costs associated with student support services, such as counseling and nursing. Fischbach also sponsored S.F. 2161, which allows districts flexibility to transfer unused debt service revenue for general purposes. Division Chair LeRoy Stumpf (DFL-Plummer) carried S.F. 338, expanding health and safety revenue to cover the costs of replacing Carpenter school buses that have potentially defective welds and are subject to use limitations imposed by the Dept. of Public Safety.

Sen. Sheila Kiscaden (IP-Rochester) sponsored S.F. 889, which provides that agricultural land is not subject to the equalized debt service levy. S.F. 1851, carried by Sen. Tom Saxhaug (DFL-Grand Rapids), provides that school district refunding bonds are eligible for

payments from taconite production tax revenues. Sen. Wesley Skoglund (DFL-Mpls.) authored S.F. 2082, which limits a resident school district's obligation to charter schools for unreimbursed special education costs. S.F. 465, carried by Sen. Debbie Johnson (R-Ham Lake), modifies school districts' ability to charge transportation fees. Under the bill, districts may continue to charge for the transportation of secondary students living within two miles of school, but may only charge elementary students living within one mile of school.

Facilities bonding discussed

Work on the education budget bill continued at an afternoon meeting of the K-12 Education Budget Division, Wed., Apr. 13. Division members, led by Vice Chair Sharon Marko (DFL-Cottage Grove), considered 12 proposals for possible inclusion in the omnibus bill.

Marko sponsored two bills clarifying the types of projects eligible for alternative facilities bond and levy funds. Current law limits the use of funds to projects that would be eligible for health and safety revenue, disabled access levy or deferred capital expenditures and maintenance projects necessary to prevent further erosion of facilities. S.F. 2107 provides that expenditures to repair or replace buildings, grounds or mechanical systems and equipment owned by the school district are included in the deferred capital expenditures category. S.F. 2108 defines the erosion as a condition of physical deterioration and adds a fourth category of eligible projects—preventive expenditures to extend the life of or restore facilities and equipment. S.F. 1411, carried by Sen. Tom Saxhaug (DFL-Grand Rapids), reduces the space requirement for alternative facilities funds from 1.85 million square feet to 925,000 square feet for space at least 15 years old and eliminating the space requirement for space at least 35 years old.

S.F. 2165, sponsored by Sen. Steve Kelley (DFL-Hopkins), provides for telecommunications/Internet access equity aid. Kelley also carried S.F. 763, providing reimbursement for special meals based on students' religious beliefs, and S.F. 962, expanding the use of health and safety revenue to include testing and calibration activities. Sen. Dennis Frederickson (R-New Ulm) authored S.F. 442, which permits ISD No. 88, New

Ulm, to use health and safety revenue to construct mechanical air handling system appurtenances. Sen. Gary Kubly (DFL-Granite Falls) carried two proposals for fund transfers. One allows ISD No. 2853, Lac qui Parle Valley, to transfer \$100,000 from its debt service fund to its general fund. The other proposal allows ISD No. 2888, Clinton-Graceville-Beardsley, to transfer \$244,000 from its disabled accessibility account to its general fund.

Sen. Linda Scheid (DFL-Brooklyn Park) sponsored S.F. 1489, which authorizes annual grants to the Minnesota Humanities Commission to provide content-based professional development for teachers. Members adopted an amendment, offered by Saxhaug, authorizing annual grants to the Minnesota Historical Society to provide professional development. S.F. 1602, carried by Sen. John Hottinger (DFL-St. Peter), permits ISD No. 508, St. Peter, to use health and safety revenue for an energy recovery system. S.F. 1412, authored by Saxhaug, permits school districts to levy to purchase school buses.

Omnibus ed policy bill advances

The members of the K-12 Education Budget Division devoted the entire Thurs., Apr. 14, hearing to a review of the omnibus education policy bill. S.F. 1148, sponsored by Sen. Steve Kelley (DFL-Hopkins), contains many of the measures heard in the Education Committee over the course of the session. The division, chaired by Sen. LeRoy Stumpf (DFL-Plummer), laid the bill over for inclusion in the division's omnibus funding bill. The provisions that made appropriations or raised revenue were laid over for possible inclusion in the division's omnibus funding bill.

The bill allows parents the discretion of whether or not to place twins or other multiples in the same classroom, sets forth educational expectations for students, requires maintenance of physical education and health education for students as required for the current school year, allows for a waiver from academic standards for students participating in advanced placement or international baccalaureate programs, outlines program requirements for gifted and talented students, authorizes American heritage education, provides for a value-added assessment program and authorizes grants for site-based achievement contracts. The

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bill also defines and prohibits intimidation and bullying, allows students to possess and use nonprescription pain relievers, provides for comprehensive family life and sexuality education programs, requires teacher preparation to include research-based best practices in reading, provides that a probationary teacher whose first three years of employment is interrupted for active military service is considered to have a consecutive teaching experience and provides for principled pay practices for teachers.

Other portions of the bill provide for a teacher mentoring program, authorize school boards to establish an employee recognition program, provide for concurrent enrollment program aid, specify that the state may opt out of No Child Left Behind if specific conditions are not met, allow the board of the Perpich Center for Arts Education to conduct meetings by phone or other electronic means, provide grants to partnerships between postsecondary institutions and school districts to expand mathematics and science courses offered in the high school and authorize the commissioner of education to adopt rules to implement the Minnesota Comprehensive Assessments Second Edition in reading, mathematics and writing. The bill also contains a number of provisions relating to special programs, technology, facilities and nutrition.

Public Safety Budget Division

Voyeurism penalties heard

Members of the Public Safety Budget Division met Mon., Apr. 11, to consider proposals for inclusion in the panel's omnibus budget bill.

S.F. 123, sponsored by Sen. Paul Koering (R-Fort Ripley), increases the penalty for video voyeurism and other actions interfering with another's privacy. Surreptitious intrusion into a home or the installation of a viewing or recording device is classified as a gross misdemeanor, under the bill. Current law classifies the offenses as a misdemeanor. The bill also increases, from a gross misdemeanor to a felony punishable by up to two years imprisonment and a \$2,000 fine, the penalties for repeat offenses and for interfering with the privacy of a minor. The measure was forwarded to the full Finance Committee.

S.F. 349, carried by Sen. Leo Foley (DFL-Coon Rapids), expands the crime of first degree murder to include causing the death of a minor while committing child abuse, when the perpetrator has engaged in a past pattern of child abuse upon any child. Current law limits the first-degree murder classification to situations where the accused had engaged in a pattern of abusing the deceased child. The bill was advanced to the Finance Committee.

S.F. 1647, authored by Sen. Ellen Anderson (DFL-St. Paul), imposes a \$2,000 fee on each application for new authority to fund the telephone assistance program, the telecommunications access Minnesota program, the 911 emergency and public safety communications program and the state's telecommunications regulatory activities at current levels. Division Chair Jane Ranum (DFL-Mpls.) sponsored two bills. S.F. 1045 increases the minimum or maximum 911 emergency telecommunications service fees. S.F. 1020 increases the surcharge on fees for recording or registering real estate documents and appropriates money for the legal services program. All three bills—S.F. 1647, S.F. 1045 and S.F. 1020—were laid over for inclusion in the omnibus public safety budget bill.

Sen. Wesley Skoglund (DFL-Mpls.) also carried two bills. S.F. 1858 expands the authority of local correctional agencies to charge fees for services. The bill was laid over for inclusion in the panel's omnibus budget bill. S.F. 2160 provides for the settlement of various claims against the Department of Corrections. Skoglund said the bill will serve as the vehicle bill for the omnibus claims bill. S.F. 2160 was advanced to the Finance Committee.

Chemical dependency, offender supervision presentations heard

The Public Safety Budget Division, chaired by Sen. Jane Ranum (DFL-Mpls.), began its Wed., Apr. 13, meeting with presentations on the topics of chemical dependency and in the supervision of sex and other violent offenders. Ranum said the presentations would provide information on two bills, S.F. 903, authored by Sen. Thomas Neuville (R-Northfield), and S.F. 1875, which she authored, on the same subjects respectively. No action was taken on either bill.

First, the division heard a presentation on chemical dependency in the Minnesota criminal justice system. Ranum said she wanted the division to have the information to assess more effectively what is driving public safety costs in the state. Dan Griffen, State Court Administrator's Office, provided the overview. He said 60 to 70 percent of the state's prison population is chemically dependent, while 90 percent abuse chemical substances. Griffen added that the numbers are self-reported and, thus, may be even higher. Convictions for amphetamine drugs, including methamphetamines, have increased significantly since 1995, he said, but convictions for other drugs, such as marijuana and cocaine, have remained steady. Of all drugs, though, said Griffen, alcohol has the greatest impact on Minnesota communities. A Department of Health (MDH) study estimates that the economic cost of alcohol use to the state is \$4.5 billion, or \$900 per person, every year, he said.

Next, Senators heard a presentation on the supervision of sex offenders and other violent offenders. Andy Erickson, director of community corrections for Dodge, Fillmore and Olmsted Counties, spoke on what is happening with probation in local communities. While the Legislature provided \$18 million in funding to the probation system a few years ago, after a 1995 task force found the system to be under-funded by \$40 million, that funding has been cut significantly in recent years, said Erickson. As a result, local communities are cutting probation programs by shifting offenders to paper or administrative supervision, reducing the intensity of supervision and reducing certain services to offenders. He added that probation is more economically efficient than imprisonment, noting it costs the same to monitor 15 people on probation as it does to put a single person in prison. Tom Adkins, director of community corrections, Washington County, said probation officers are being used in a variety of new ways, such as pretrial supervision and custody mediation, that do not translate to direct supervision of cases.

The division also heard two bills on raising the alcohol tax. Sen. Steve Murphy (DFL-Red Wing) sponsored S.F. 1926. The bill provides for a 5 cent increase on the tax on alcoholic beverages

and appropriates the resulting revenue to chemical dependency treatment grants and programs. Of the revenue, \$35 million will go to corrections projects, said Murphy. "A nickel means a couple of million dollars will go into drug courts and detox centers," he said. "If people are willing to go the extra mile to help offenders," said Murphy, "then we should give them the resources to do it." S.F. 606, authored by Sen. John Marty (DFL-Roseville), raises the alcohol tax by 10 cents. Marty said he has carried similar legislation for several years because it is important to fund the court system and crime prevention efforts. No action was taken on either bill.

State and Local Government Operations

Several bills gain

A variety of bills were approved when the State and Local Government Operations Committee, chaired by Sen. Linda Higgins (DFL-Mpls.), met, Mon., Apr. 11.

S.F. 2032, authored by Sen. Sheila Kiscaden (IP-Rochester), establishes the Office of Enterprise Technology (OET), to replace the Office of Technology in the Department of Administration (DOA). The bill also establishes a chief information officer (CIO) to oversee OET. Kiscaden said the CIO, to be appointed by the governor, will be responsible for information technology policy and development. "In effect," she said, "we're creating a new agency, headed by the chief information officer." Keith Payden, DOA, said the bill will facilitate the development of an IT enterprise plan that maintains agency participation and autonomy while also allowing a central IT authority to coordinate and implement a cohesive IT plan. He said the new agency will use existing IT resources in various agencies and integrate them into a central office. Kiscaden said the state currently spends \$600 million per year on an information technology (IT) system that has many redundant features. The proposal does not call for new money, she said, and can still be enacted after a \$600,000 reduction in funds for state IT services. Ultimately, the new agency will allow better communication with the public, will provide more streamlined services and will reduce technology costs for the state, said Kiscaden. The commit-

tee approved the bill and sent it to the Finance Committee.

Sen. Mady Reiter (R-Shoreview) carried two bills. The first, S.F. 527, expands the list of improvements a municipality may make and finance through the special assessment process. Reiter said the bill will allow a group in her district to bury power lines in the community. Scott Costello said the bill is useful to the entire state. "It provides municipalities with a tool to improve their own neighborhoods with their own money," said Costello. He added that the financing of the project and the project itself may only be approved if 100 percent of affected property owners petition the city and the city approves the project. The committee approved the measure and re-referred it to the Tax Committee. Reiter also carried S.F. 2076. She said the bill provides for a Department of Administration (DOA) building, currently slated for demolishment, to be turned into a child care facility for state employees. Reiter said Rev. Robert Battle came to her with the idea. He said the building, located at 168 Aurora Ave., would be more useful as a child care center than as an empty lot or a parking lot. She added that DOA supports the idea. Sen. Jim Vickerman (DFL-Tracy) offered an amendment retaining State Executive Council approval of the possible conversion. The amendment was adopted. Senators approved the bill, as amended, and sent it to the floor.

S.F. 2112, sponsored by Sen. Steve Murphy (DFL-Red Wing), allows county boards to meet at locations other than the county seat. Murphy said the measure will facilitate outreach efforts by county boards. Members approved the measure and recommended it for placement on the Consent Calendar.

Sen. Satveer Chaudhary (DFL-Fridley) carried S.F. 1908. The bill establishes shooting range operation standards. "We need to pass the bill to protect some of our open spaces in Minnesota, to protect our tradition and to protect the rights and privileges of sportsmen," said Chaudhary. He added that the bill helps to preserve areas in which the ethical practice of safe hunting and fishing can occur. Les Bench, Minnesota Game Breeders Shooting Preserve Association, said the bill represents a balance between the interest of local governments and businesses. He said it

included specific operating standards, such as noise standards. Senators approved the bill and sent it to the Judiciary Committee.

Sen. Sandra Pappas (DFL-St. Paul) authored S.F. 1755, which requires the commissioner of administration to memorialize Coya Knutson, the first woman elected to Congress from Minnesota, on the Capitol grounds and in the city of Oklee. Pappas said Knutson accomplished much in Congress, especially in the fields of agriculture and education funding policy. The bill specifies a \$500,000 appropriation from the general fund to construct the memorial. Vickerman said Knutson represents the importance of women in farm and agriculture policy. The committee approved the bill and re-referred it to the Finance Committee. Pappas also sponsored S.F. 1689. "The bill will criminalize the unlawful trafficking of persons," said Pappas. The bill creates the position of a statewide human trafficking coordinator and creates a statewide interagency coordinating committee, which will monitor human trafficking in Minnesota, report its findings to the Legislature and publish its findings in an annual report. Pappas offered an amendment that requires a study of trafficking patterns in Minnesota. The amendment was adopted. Pappas said 18,000 to 20,000 individuals are trafficked into the United States annually and that the National Institute of Justice named the Twin Cities is one of the most vulnerable areas for human trafficking. Suzanne Peterson, who has worked on trafficking issues in Minnesota since 1996, spoke on several incidents that reveal the increasing seriousness and volume of trafficking in the state. Members approved the bill, as amended, and sent it to the Finance Committee.

S.F. 1940 was carried by Sen. Ann Rest (DFL-New Hope). She said the bill deals with governance of the Metropolitan Airports Commission (MAC) and originated from the findings of a study conducted by the Office of the Legislative Auditor last year. Rest said the study contained recommendations such as residency requirements for appointees, staggered terms (starting with the next round of appointments) to provide institutional memory on the commission and Senate approval of the MAC chair. The bill also provides a new nominating procedure for MAC. Rest said the

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procedure incorporates a sounding board group, with which nominees must speak, to involve representatives from the community and the aeronautics field. The committee approved the bill and sent it to the floor.

Sen. Cal Larson (R-Fergus Falls) sponsored S.F. 1845, which authorizes changes in the state retirement program. The bill establishes two flexible employment options for specified state employees, a postretirement option in which the employees may work part time in state unclassified service and a voluntary hours reduction plan that allows full contributions to the Minnesota State Retirement

System for employees who work up to half-time. Paul Larson, Department of Employee Relations, said the bill is similar to one carried by Sen. Lawrence Pogemiller (DFL-Mpls.). Paul Larson said the difference between S.F. 1845 and Pogemiller's bill is that S.F. 1845 does not offer a lump sum at retirement and requires employees to retire before receiving benefits. He said the department supports S.F. 1845. Senators approved the bill and sent it to the Finance Committee.

Sen. Steve Kelley authored S.F. 1861. He said the bill relates to Minnesota's efforts to develop a biotechnology system in the state. The bill exempts the installa-

tion of piping systems by biotechnology manufacturing companies from plan review by any city in Hennepin or Ramsey Counties if the system meets the requirements of the American Society of Mechanical Engineers. It also requires the commissioner of labor and industry to convene a working group to study procedures for supervision of installation of biotechnology piping systems. Kelley said the working group will also help the state to improve its licensing process for biotech companies by identifying problems such as conflicts between state and city licensing requirements and redundant inspections. The committee approved the bill and forwarded it to the full Senate.

Sen. David Senjem (R-Rochester) carried three bills. S.F. 1113 extends by five years the date after which the establishment of a special service district would require the enactment of a special law authorizing the establishment of the district. Senators approved the bill and recommended it for placement on the Consent Calendar. Senjem's second bill, S.F. 1885, allows a county board to meet electronically, as long as at least one member is present in the meeting place, in the case of an emergency. "It's another tool in the tool box," said Senjem. Higgins noted the procedure is already allowed for state boards and commissions. The committee approved the bill and sent it to the floor. Senjem's final bill was S.F. 1684. He said the bill deals with situations in which municipalities work with townships to develop roads into townships with the understanding that annexation may occur at some point. The bill, said Senjem, allows cities to recover the cost of implementing the street through an assessment process if and when the annexation occurs. The committee approved the bill and sent it to the floor.

S.F. 1819 was sponsored by Sen. Mee Moua (DFL-St. Paul). The bill establishes competency criteria for construction code inspectors. Moua offered two amendments, which she said reflect language changes agreed upon by all stakeholders. The first amendment specifies that certain license holders are competent to perform inspections and are exempt from having to meet the requirements outlined in the bill. The second amendment requires that continuing education for inspectors include information on changes to Minnesota law in the area. Both amendments were adopted. Members approved the bill and sent it to the floor.



Swift County Health Care Director Gail Svor, Benson, demonstrates a health monitoring system on Sen. Gary Kubly (DFL-Granite Falls) in the Capitol Rotunda, Thurs., Apr. 14, during an event to promote telemedicine in Minnesota.

Photo by David J. Oakes

The final bill of the meeting was S.F. 2057, authored by Sen. Charles "Chuck" Wiger (DFL-North St. Paul). Wiger said the bill continues and makes minor changes to certain councils and advisory committees that are set to sunset. The committee approved the bill and forwarded it to the full Senate.

Pension, lands bills approved

The State and Local Government Operations Committee, chaired by Sen. Linda Higgins (DFL-Mpls.), continued work on a variety of bills, including the omnibus pension and the omnibus lands bills, at its evening meeting, Mon., Apr. 11.

S.F. 427, sponsored by Sen. Don Betzold (DFL-Fridley), is the omnibus pension bill. Betzold offered an amendment to remove the only section of the bill with a fiscal impact, so the rest of the bill could go to the floor. The amendment was adopted. He said nothing else in the bill has a cost, and most of the bill makes technical changes. He said there are a few local issues regarding hospitals as they convert from public to private institutions. Under the bill, the employees will be allowed to continue in their public employee pension fund, said Betzold. He added that the pension commission intends to continue working on any problematic issues in the bill. Sen. David Tomassoni (DFL-Chisholm) offered an amendment that would allow the wife of a St. Louis Park police officer, who was killed while serving on active duty in Iraq, to receive her husband's pension, even though they had been married less than a year. Betzold said the commission may want to discuss the issue further, because the amendment will add a cost to the bill. He added that there will be another pension bill to which the amendment may be attached later. Tomassoni withdrew the amendment. Senators approved the bill, as amended, and sent it to the floor.

Sen. Thomas Bakk (DFL-Cook) authored S.F. 896, the omnibus lands bill. Bakk said the bill is non-controversial except for two provisions. The first provision, said Bakk, directs the commissioner of natural resources to allow land owners bordering public water in Washington County to place docks on the water. The second controversial provision, he said, requires the Department of Natural Resources (DNR) to obtain county permission before designating a

piece of land as a scientific and natural area (SNA). Bakk said he added the provision because so much land in northern counties is publicly owned. "The problem is that counties feel like they have no input," he said. "The DNR needs to work more cooperatively with local units of government," said Bakk. Sen. Betsy Wergin (R-Princeton) asked if the DNR may override a county's decision. Bakk said the DNR may still buy the land, but the bill requires counties approval to designate the land as an SNA. Mark Holsten, deputy commissioner, DNR, said he agrees that county approval is a reasonable requirement, but that counties should not have veto authority over how the DNR manages state lands. Sen. Claire Robling (R-Jordan) offered an amendment that permits the sale of a piece of tax forfeited land, adjacent to public water, in Rice County. The amendment was adopted. Senators approved the bill, as amended, and re-referred it to the Tax Committee.

S.F. 1905 was carried by Sen. Jim Vickerman (DFL-Tracy). The bill permits a county economic development authority to have nine members, instead of the three, five or seven allowed under current law. Vickerman said a county economic development authority in his district requested the change, so it could have a larger board. The committee approved the bill and recommended it for placement on the Consent Calendar.

Sen. Steve Kelley (DFL-Hopkins) sponsored S.F. 1380. Kelley said the bill does two things. First, he said, it authorizes the Department of Administration (DOA) to help save the state money through forward contracting, which allows the state to buy longer term fuel contracts to protect against volatility in the fuel market. The bill also allows the state to engage in energy saving contracts, said Kelley. He said the contracts permit outside contractors to evaluate state buildings and finance the upfront costs of making energy saving alterations. There is no extra state expense, said Kelley, and the contracts will make state buildings more energy efficient. Sen. Yvonne Prettnier Solon (DFL-Duluth) said the contracts worked well in Duluth. Members approved the measure and sent it to the floor.

Higgins authored three bills. S.F. 1390 makes a number of changes to the operation of the State Employee Group

Insurance Plan (SEPIG). She said the plan affects 120,000 state employees. Vickerman offered an amendment to remove a provision eliminating a section that limits retired judges and former Legislators to buying or terminating health insurance only during the open enrollment period. Current law allows the former judges and Legislators to purchase health insurance coverage at any time after leaving office without limitation on the frequency of purchasing and terminating the coverage. Sen. Scott Dibble (DFL-Mpls.) said the provision is appropriate. "It doesn't prevent Legislators from accessing state health care. It simply prevents them from going in and out of the system frequently," he said. The amendment was adopted. Senators approved the bill, as amended, and sent it to the Finance Committee.

Higgins' next bill was S.F. 1298, the Minnesota Electronics Recycling Act of 2005. For every computer monitor or television, said Higgins, there are eight pounds of hazardous waste. She said the bill establishes fees and a system through which to manage the waste. Tomassoni offered an amendment that he said focuses responsibility for managing the waste on producers. With the amendment, the bill provides for producers to pick-up the waste at one of several designated pick-up points throughout the state, at the request of the Office on Environmental Assistance (OEA). Under the bill, the OEA will make the requests of various producers in proportion to the rate at which they contribute to waste production. Sen. David Senjem (R-Rochester) said the bill is too complex to work. Buzz Anderson, Minnesota Retailers Association, spoke in support of the bill, as amended, saying it met the standards of Minnesota retailers. Laura Bishop, Best Buy, said that Best Buy supports the approach both as a retailer and as a manufacturer. The amendment was adopted. Members approved the bill, as amended, and re-referred it to the Finance Committee.

Higgins also carried S.F. 1945. The bill requires a city council to hold a hearing on and vote on a charter amendment proposed by the city charter commission. Higgins said current law allows, but does not require, councils to hold the hearings. The committee approved the bill and recommended it for placement on the Consent Calendar.

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State Government Budget Division

Military, veterans bills heard

The State Government Budget Division met Tues., Apr. 12, to consider several bills relating to the military and to veterans benefits. The panel, chaired by Sen. Sheila Kiscaden (IP-Rochester), laid the bills over for possible inclusion in the division's omnibus bill.

S.F. 616, presented by Sen. Jim Vickerman (DFL-Tracy) on behalf of Sen. Dallas Sams (DFL-Staples), extends the time period for the adjutant general of the Minnesota National Guard to make tuition reimbursement grants to members who have served in active military service. S.F. 1496, carried by Sen. Sean Nienow (R-Cambridge), authorizes the carry forward of the unexpended appropriation for the Veterans Service Office grant program. S.F. 681, authored by Sen. Charles "Chuck" Wiger (DFL-North St. Paul), creates a fund for the purpose of reimbursing members of the National Guard or other reserve component of the armed forces for certain premiums paid for life insurance.

S.F. 362, carried by Sen. Steve Murphy (DFL-Red Wing), creates a program that provides interest-free loans to members of the Minnesota National Guard or other military reserve units called to federal active service and deployed outside of the United States. Murphy said deployment often causes hardship for members of the guard who must leave small businesses or who have expenses caused by their deployment. Kiscaden said the bill carries a fiscal note of \$76 million and, in light of the state's shortfall, the bill might need further work. Members said they supported the concept of the measure, but were concerned about the costs.

Murphy carried a second bill, S.F. 363, modifying the eligibility for state-paid health insurance. The bill makes members of the Minnesota National Guard or other military reserve units called to federal active service and deployed to foreign lands and their families eligible for participation in the state employee group insurance program. Kiscaden said the state plan has underfunded reserves and suggested Murphy consider other plans such as MinnesotaCare, in order to allow families

to participate. Murphy said the problem with using other state plans is that they have a means test for eligibility. A representative from the Attorney General's Office said the fiscal note indicates 50 percent of veterans and their families would take advantage of the program. He said he doubted the number would be that high. The bill was also laid over for further work.

S.F. 861, sponsored by Sen. James Metzen (DFL-South St. Paul), appropriates money to assist in the operation and staffing of the Minnesota National Guard Youth Camp at Camp Ripley. Metzen said the camp is available for young people who have a connection with the guard. S.F. 1891, sponsored by Sen. Jane Ranum (DFL-Mpls.), authorizes the commissioner of veterans affairs to establish a program of outreach to minority veterans.

Military bills heard

The State Government Budget Division met Wed., Apr. 13, to continue consideration of bills relating to veterans and members of the military. The panel, chaired by Sen. Sheila Kiscaden (IP-Rochester), laid the bills over for possible inclusion in the division's omnibus bill.

Two of the measures set up a military assistance trust fund. Chief Author Don Betzold (DFL-Fridley) said more National Guard and reserve members are being deployed into combat situations than ever before. He said the deployment often means hardship for the families of military members. The trust fund set up under both S.F. 658 and S.F. 659 is a fund to which members of the military and their families can turn for assistance. One of the bills, S.F. 658, proposes a constitutional amendment to set up the fund, while the other bill, S.F. 659, creates the fund legislatively. Tom Huago, Army Reserve Ambassador for Minnesota, spoke in support of the bills. He said the fund will provide a safety net for soldiers serving in the War on Terrorism. Betzold said there was no urgency for the constitutional amendment bill because the voters could not vote on it until November of 2006. Members voted to advance S.F. 658 to the full Finance Committee in order to have the measure re-referred to the Rules and Administration Committee. The panel did move to lay over the other bill, S.F. 659, for possible inclusion in the omnibus bill.

S.F. 1863, sponsored by Sen. Jim Vickerman (DFL-Tracy), provides grants to an assisted living and rehabilitation services organization to provide transitional housing, permanent housing, case management, living skills and supportive services to veterans and their families motivated toward positive lifestyle changes. Jimmy Coiulthard, president, Minnesota Assistance Council for Veterans, spoke in support of the bill. He said the council works to get veterans with mental illness, chemical dependency, or other issues into the work force and stable housing situations.

Vickerman also carried an omnibus veterans and military affairs bill. S.F. 734 provides for special "Support Our Troops" license plates, establishes an account for money raised by the plates, provides funding for National Guard incentive programs, provides funding for a World War II veterans memorial, provides income tax benefits and provides for the maintenance and improvement of veterans homes.

Colonel Denny Shields, special assistant to the adjutant general, Minnesota National Guard, spoke in support of the measure. He said, "The recommendations in the bill did not just come from the fourth floor of the Veterans Affairs Building, but from veterans who have served in Kosovo, Afghanistan and Iraq."

The bill contains appropriations of \$1.5 million for each fiscal year of the biennium to be used for National Guard reenlistment bonuses. Kiscaden said the division was going to try and create a bill that balances the needs of both members of the military who are currently serving in the War on Terrorism and the needs of those who have served in past conflicts. She said the current conflict has a great deal of popular support, but that the division has also heard about the needs of those veterans who participated in conflicts that were not so popular. The panel divided the bill and laid over the portions containing fiscal provisions for possible inclusion in the omnibus bill. The balance of the bill was forwarded to the full Finance Committee.

Kiscaden carried a bill establishing the Minnesota Health Care Purchasing Authority. S.F. 1796 creates the purchasing authority to serve as the agency of state government responsible for all state purchasing of health care. The bill requires the purchasing authority to

convene a panel of health care policy experts and health care providers to establish a process to select evidence-based guidelines based on sound research evidence and implement an integrated approach using the guidelines for state government purchasing decisions. Carolyn Pare, Buyers Health Care Action Group, said the bill is designed to lead to more efficient, effective health care coverage. She said the fractionalizing of health care purchasing has led to higher costs, but that by consolidating the purchasing the plans will provide better health care coverage.

Labor agreements advance

The State Government Budget Division, chaired by Sen. Sheila Kiscaden (IP-Rochester), considered several measures for inclusion in the division's omnibus bill at the Thurs., Apr. 14, hearing. One of the measures, S.F. 547, ratifies the public employment labor agreements not ratified last year. The bill, sponsored by Sen. Linda Scheid (DFL-Brooklyn Park), also approves compensation plans and salaries for some agency heads in the executive branch. The bill also covers arbitration awards reached by several bargaining units. The bill was laid over for inclusion in the omnibus bill.

Members also approved, and sent to the full committee, a bill setting maximum fees for copying government documents. S.F. 966, authored by Sen. Don Betzold (DFL-Fridley), provides that in most cases, the requesting person must pay the actual costs of providing the data. However, if 300 or fewer paper copies are requested, for readily available documents actual costs are not to be used, and instead the responsible authority may assess a set fee per copy, not to exceed 25 cents for each separate page.

Two additional bills were laid over for inclusion in the omnibus bill. S.F. 1083, carried by Sen. John Hottinger (DFL-St. Peter), authorizes the state auditor to accept, modify or reject applications from local government units for waivers of rules and temporary limited exemptions from enforcement of procedural requirements in order for local government units to provide cooperative public service delivery. The final bill to be considered, S.F. 482, sponsored by Sen. Jim Vickerman (DFL-Tracy), provides for local planning assistance for regional development commissions.

Tax

Tax incidence study discussed

Members of the Tax Committee, chaired by Sen. Lawrence Pogemiller (DFL-Mpls.), used their Tues., Apr. 12, meeting to discuss the Tax Incidence Study prepared by the Department of Revenue. The study determined that tax collection fell during 2001-2002, the shares of business and household tax remained unchanged and the effective tax rate rose to 11.3 percent of total income, according to a brief departmental review of the study's findings. The complete study is available online: http://www.taxes.state.mn.us/taxes/legal_policy/research_reports/content/incidence.shtml

Assessments, fees discussed

Assessment practices, special assessments, fees and limited market value were the major topics of discussion at the Wed., Apr. 13, meeting of members of the Tax Committee. The panel, chaired by Sen. Lawrence Pogemiller (DFL-Mpls.), also approved the appointment of George Perez as a judge of the Tax Court. Perez has served on the court since 1997 and has been its chief judge since 2001.

The committee discussed assessment practices with Gordon Folkman of the Dept. of Revenue, Valerie Thompson, interim assessor for the city of Minneapolis, and Tom May of the Hennepin County Assessor's Office. Gary Carlson of the League of Minnesota Cities, Keith Carlson of the Metropolitan Inter-County Association and Matt Smith, director of financial services for the city of St. Paul, discussed the growing use of special assessments and fees by local units of government. Commissioner Dan Salomone presented the Dept. of Revenue's report on limited market value. Limited market value serves as a limit on the annual growth in the amount of market value subject to property taxation, Salomone said, and seeks to shield property experiencing rapid market value growth from rapid tax increases. Limited market value applies only to agricultural, residential, seasonal recreational residential and timberland properties.

Committee members briefly heard S.F. 254, carried by Sen. Linda Berglin (DFL-Mpls.). The bill modifies parental contributions, modifies MFIP provisions, modifies Medical Assistance estate

recovery provisions, eliminates recoveries for alternative care costs and removes liens against life estates and joint tenant interests. The panel stripped the tax provisions from the bill and re-referred the measure to the Finance Committee. Pogemiller said the tax provisions from the bill would be considered for possible inclusion in the third omnibus tax bill.

Business taxes discussed

Members of the Tax Committee met Thurs., Apr. 14, to discuss the impact of various business taxes on the state's employers and economy. The panel, chaired by Sen. Lawrence Pogemiller (DFL-Mpls.), engaged in a wide-ranging discussion with representatives of a progressive think tank and the business community.

Joel Kramer, executive director of Growth and Justice, said Minnesota's business taxes have been found to be 35th in the nation as a percentage of private sector economic activity and 41st as a share of all taxes paid in the state. The business taxes category, Kramer said, includes only taxes that are the legal obligation of the business to pay, not consumer sales taxes or individual income taxes. Studies have indicated that the corporate income tax is only a small part of the overall tax burden for businesses, he said.

However, Tom Hesse of the Minnesota Chamber of Commerce said that it is hard to find a good measure of an effective tax rate on business when mixing all tax categories together. The private sector economic activity measure, he said, is artificially low in Minnesota because of the state's high wage base. If business pass-through taxes are included in a measure of business taxation, Hesse said, Minnesota's ranking climbs sharply, primarily because of the state's individual income tax. Jill Larson, Minnesota Business Partnership, said policymakers should seek to achieve more spending by growing the economy and finding efficiencies in delivering government services, not by increasing tax rates. Tax rates affect business decisions about location and expansion, she said, especially because tax burdens are easily predicted. It should not be forgotten, Larson said, that taxes levied on businesses are eventually paid by consumers and workers as higher prices or lower wages.

Committee update

Committee members also heard the results of research conducted by the Minnesota Taxpayers Association, and funded by the National Association of Industrial and Office Properties, on the state's special budgetary funds. Lynn Reed, Taxpayers Association, said that 36 special funds represent almost 40 percent of state spending. The committee also briefly considered S.F. 2206, carried by Pogemiller, which defines the term "tax" to include fees, charges and assessments imposed by government. No action was taken on the measure.

Transportation

Northwest Airlines discussed

The Tues., Apr. 12, meeting of the Transportation Committee was dominated by a discussion with Northwest Airlines President and CEO Douglas Steenland about the future of the airline. Committee Chair Steve Murphy said, "Northwest President and CEO Douglas Steenland has agreed to talk with us about the status of the airline and the future of the company."

Steenland began by saying, "We are proud to be a Minnesota company. We have had our headquarters in Minnesota for 75 years and we plan to stay. We have a positive economic impact on the state and we are one of the state's largest employers." He said the airport is a great facility and that the airline has had a constructive relationship with the MAC and the Legislature. Unique among airlines, we have had three representatives of labor on our board, Steenland said. He said the airline, like many others, has experienced challenges in recent years. But, he said, the airline has many strengths to counter those challenges. "First, our greatest strength is our employees," Steenland said. He said the airline offers unparalleled opportunities for travel through the Minneapolis-St. Paul International Airport to over 160 countries throughout the world.

"The airline industry has fundamentally changed. Low-cost airlines are driving our business model," Steenland said. He said, "We lost over \$700 million in 2004 and unfortunately 2005 will be another loss production year." We have trimmed millions from non-labor operations, Steenland said. He said the cost of doing business exceeds the revenue



Northwest Airlines President and Chief Executive Officer Douglas Steenland appears before the Transportation Committee, Tues., Apr. 12, to talk about the challenges facing the company and airline industry.

Photo by David J. Oakes

coming in. "Overall, by any measure, the costs of labor are too high," he said.

Murphy asked Steenland to comment on the compacts between the airline and the state in 1994. The compacts specified certain numbers of employees at the maintenance facility in Duluth, at Chisholm and statewide, Steenland said. The airline has exceeded the targets for Duluth and Chisholm and is 793 short for the statewide number, Steenland said. In addition, the language of the covenant allowed deviation because of technological changes and other exceptions. The net result is that the state and Minneapolis-St. Paul has been favored by the covenants, Steenland said. Murphy also asked about future lay-offs and the financial viability of the airline into the future. Steenland said the ultimate goal is to bring the company back to profitability

and to make the changes needed to ensure viability.

Sen. Dean Johnson (DFL-Willmar) said, "We want Northwest Airlines to stay in the state and we appreciate your appearance here today." Steenland said the airline wants to stay and went on to outline cost cutting measures the airline has initiated. He said, "The one thing that we will never scrimp on is passenger safety."

The committee also granted approval to a bill extending the validity of drivers instruction permits. S.F. 1345, sponsored by Sen. Satveer Chaudhary (DFL-Fridley), extends the validity for two years, rather than the current one year. The bill was sent to the full Senate.

Bill information, Senate districts and contact information for Senators and much more is available at <http://www.senate.mn>

Senate Briefly

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Flowering crabapple trees are in full bloom as spring arrives on the grounds of the State Capitol.

Photo by Shelley Hawes



April 22, 2005

Senate Highlights

Transportation omnibus bill ok'd

The omnibus transportation funding bill was the focus of the Thurs., Apr. 21, meeting of the Transportation Budget Division.

The bill, S.F. 1980, carried by Chair Steve Murphy (DFL-Red Wing), provides funding of about \$5.8 billion for transportation, transit and public safety activities. The measure contains appropriations over and above those contained in the first budget balancing bill, S.F. 1879. The bill provides for a 4 cent increase in the gas tax beginning July 1 of this year, a 3 cent increase July 1, 2006 and a 3 cent increase July 1, 2007. After 2007, the gasoline tax is indexed to inflation. In addition, a number of fees are raised in the bill, including raising the fee paid on initial motor vehicle registration from \$4 to \$8, placing a surcharge on drivers license electronic records of \$5—up from \$2.50 and increasing the fees for drivers licenses.

The measure provides \$84.2 million for multimodal systems, \$2.139 billion for state roads, \$1.133 billion for local roads, \$116 million for Metropolitan Council Transit Operations, and \$266 million for the Dept. of Public Safety, which includes \$140 million for the State Patrol and \$102 million for Driver and Vehicle Services. The bill also includes \$17 million in new revenue, mostly from the fee increases. There are also a number of other items funded through trunk highway bond appropriations. The bill specifies the sale of \$1 billion in trunk highway bonds over a ten year period for road construction.

The bill proposes a constitutional amendment to dedicate the proceeds of the motor vehicle sales tax to be used exclusively for surface transportation purposes. The measure also raises the fees for license tabs by altering the depreciation schedule for passenger vehicles.

The bill was approved and advanced to the full Finance Committee.

Omnibus bill approved

Members of the K-12 Education Budget Division met Thurs., Apr. 21, to complete their work on the panel's omnibus budget package. The division, chaired by Sen. LeRoy Stumpf (DFL-Plummer), advanced the proposal to the Finance Committee.

The package provides for \$761.455 million in net new general fund spending for FY 06-07. It includes an increase in the basic formula allowance from its current level of \$4,601 per pupil to \$4,832 in FY 06 and \$5,053 in FY 07. General education programs are funded at \$10.733 billion for the biennium, a \$619.134 million increase. The education excellence area is funded at \$363.258 million, an increase of \$104.441 million. Most of the education excellence increase is directed at professional compensation pilot sites and staff development. The special programs budget is \$1.284 billion, a \$20.519 million increase. Facilities and technologies funding is increased by \$13.423 million to \$103.642 million. Nutrition programs get an increase of \$4.331 million for the biennium, for a total of \$29.562 million in the budget area. Library funding remains constant under the bill, at \$22.146 million for the biennium.

The budget for the Dept. of Education is cut \$1.106 million in the bill, to \$44.888 million. Funding for the Perpich Center for Arts Education is untouched at \$12.846 million for FY 06-07. Appropriations for the Faribault Academies for the Deaf and Blind increase \$899,000 to \$21.831 million.

The package also includes a net zero levy target.

Early childhood bill reviewed

The Early Childhood Policy and Budget Division, chaired by Sen. John Hottinger (DFL-St. Peter), held a brief meeting, Thurs., Apr. 21, to review its omnibus bill. Hottinger said the division is the only one that did not face cuts and, in fact, received \$35 million more than its budget target as projected in the February forecast.

Matt Massman, fiscal analyst, provided an overview of the fiscal changes in the bill. With the additional \$35 million, he said, school readiness programs will receive an extra \$2 million each year. Programs for health and development screening will also receive an increase of \$1.266 million in order to fund costs related to a shift in targeting younger children for screening, said Massman. A \$3.9 million increase to the Head Start appropriation and a one-time appropriation of \$2.5 million to the Minnesota Early Learning Foundation are also in the bill, he said. Another provision, Massman said, provides a \$3.4 million increase to adult basic education (ABE) programs, a figure that is \$3.159 million more than the governor suggested. Overall, he said, the changes amount to \$34.98 million, just under the committee target of \$35 million.

Hottinger outlined the policy measures to be included in the omnibus bill. He said they include: S.F. 447, S.F. 592, portions of S.F. 673, S.F. 894, S.F. 905, S.F. 906, S.F. 907, portions of S.F. 1110, S.F. 1365 and S.F. 1853. S.F. 447 and S.F. 592, both authored by Sen. Bob Kierlin (R-Winona) provide child care rate assistance to accredited Montessori schools and require the commissioner of education to disseminate information on early childhood learning standards respectively. S.F. 673, carried by Hottinger, restores funding to early childhood family and community education programs, while S.F. 894, carried by Sen. Sandra Pappas (DFL-St. Paul) increases funding to ABE and modifies adult literacy programs. Sen. Gary Kubly (DFL-Granite Falls) sponsored S.F. 905, which requires the commissioner of education to coordinate education, health and human services related to early childhood education, and Sen. Steve Kelley authored S.F. 906, which modifies and expands early childhood and kindergarten readiness screening programs. S.F. 907, sponsored by Hottinger, establishes

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the Minnesota Early Learning Foundation. Sen. Linda Scheid (DFL-Brooklyn Park) carried S.F. 1110, which contains provisions to increase child care assistance rates, and Sen. David Tomassoni (DFL-Chisholm) authored S.F. 1365, which expands eligibility for early childhood mental health screening. Finally, S.F. 1853, carried by Sen. Betsy Wergin (R-Princeton), is the governor's early childhood bill. Hottinger said the omnibus bill incorporates many of the provisions in the governor's proposal.

The measure was advanced to the full Finance Committee at a Fri., Apr. 22, meeting.

Omnibus environment, economic development budget okayed

The Environment, Agriculture and Economic Development Budget Division devoted much of the Thurs., Apr. 21, meeting to discussion and approval of the division's budget proposal. Sen. Thomas Bakk (DFL-Cook), chief sponsor, outlined the details of the proposal. The proposal provides for general fund appropriations of \$5.2 million in the environment and agriculture areas, he said. In addition, the proposal includes only changes items from the bill, S.F. 1879, passed earlier in the year. The proposal includes both cuts and increases in appropriations as change items. Thus, the \$5.2 million is additional spending over the budget contained in S.F. 1879. Total change items for the Pollution Control Agency equal \$3.4 million in reductions. There are no change items for the Office of Environmental Assistance. The measure also maintains funding for the Minnesota Zoo at previous levels.

General fund appropriations for the Department of Natural Resources are increases by \$10.9 million from the base. In the area of lands and minerals, change items include \$250,000 appropriated for Tower-Sudan mine drilling. In the area of forest management change items include \$400,000 for silviculture-timber fiber quality, \$500,000 for a reallocation from enforcement and \$600,000 for an appropriation from the forestry management investment account. The proposal authorizes a change item of a \$500,000 reallocation from ecological services for parks and recreation and an increase of \$400,000 for parks and recreation. In the area of trails and waterways, change items

include a reallocation from operations support, \$100,000 for the Duluth Port Authority, \$300,000 for Mesaba Trail facilities and \$114,000 for expansion of the snowmobile trail account. In the area of fish and wildlife, change items include \$325,000 for the Lets Go Fishing promotion and \$200,000 for roadside habitat.

Fiscal Analyst Dan Mueller said the department wanted to move funds from operational support to the various accounts in the agency. In all, he said, there is a \$14.09 million reduction in general fund appropriations, but there are increases in appropriations from other

funds to arrive at a \$10.9 million increase for the department.

For the Metropolitan Regional Parks, the proposal provides a \$400,000 increase in metro parks funding from the general fund. There were no change items for the Minnesota Conservation Corps, the Science Museum, the Agricultural Utilization Research Board or the Legislative Commission on Minnesota Resources. The Board of Water and Soil Resources change items include a reduction of \$600,000 in the base, but increases for floodplain management, beaver damage control grants and a study of



Director of Driver and Vehicle Services Pat McCormack fields questions from members of the Legislative Audit Commission, Wed., Apr. 20, as Legislative Auditor Jim Nobles watches in the background. McCormack was responding to a report from the legislative auditor that found security breaches in the Dept. of Public Safety Driver and Vehicle Services Division web-based computer system.

Photo by David J. Oakes

Senate Highlights



Senators Linda Scheid (DFL-Brooklyn Park) and Charles "Chuck" Wiger (DFL-North St. Paul) pore over the details of a spreadsheet as the K-12 Education Budget Division considers the Senate's omnibus K-12 education bill, Thurs., Apr. 21.

Photo by David J. Oakes

public drainage system buffers. The net reduction is \$321,000 under the proposal.

Department of Agriculture change items include \$85,000 for rail studies for Willmar and Clara City, \$200,000 for livestock siting assistance and training, \$220,000 for livestock odor and air research, \$70,000 for the Minnesota Horticulture Society, \$150,000 for cold climate research, \$200,000 for mental health grants, \$1.25 million for Second Harvest Food Banks, \$4.75 million for new building lease costs, \$500,000 for E85 pump grants, \$200,000 for ethanol efficiency grants and \$314,000 for new building lease costs for the Animal Health Board. The proposal also includes a number of fee increases and other revenue provisions.

The economic development portions also include changes from the previous budget balancing bill. The bill appropriates \$56.455 million more than the governor's recommendation for a total of \$296.74 million. The proposal provides appropriations for business and community development, workforce partnerships, the Housing Financing Agency, the

Historical Society and several boards. In addition, the measure includes appropriations to the Commerce Department and the Department of Labor and Industry.

Members advanced the bill to the full Finance Committee.

Omnibus bill considered

Members of the Public Safety Budget Division began their consideration of the panel's omnibus budget proposal, Thurs., Apr. 21. The proposal makes changes to the first phase of the Senate budget plan, S.F. 1879, which was passed earlier in the session. When the pieces are combined, the public safety budget package provides for \$1.782 billion in general fund spending and \$105 million in spending from other funds. It also includes \$82.921 million in revenue for the general fund, primarily through fee increases.

The division, chaired by Sen. Jane Ranum (DFL-Mpls.), reviewed the proposal with fiscal staff. It provides \$84.299 million for the Supreme Court, \$16.378 million for the Court of Appeals, \$461.279 million for the District Courts and \$1.452 million for the Tax Court.

The proposal also includes \$88,000 for the Uniform Laws Commission, \$504,000 for the Board of Judicial Standards, \$122.654 million for the Board of Public Defense, \$315.627 million for the Dept. of Public Safety, \$7.886 million for the Board of Peace Officer Standards and Training, \$252,000 for the Private Detective Board and \$6.98 million for the Dept. of Human Rights. The Dept. of Corrections receives \$880.135 million, the Sentencing Guidelines Commission is budgeted at \$872,000, the Attorney General's Office receives \$50.523 million. Two agencies not usually within the panel's budget are provided funding for activities related to methamphetamine: the Dept. of Employment and Economic Development receives \$500,000 and the Board of Veterinary Medicine receives \$7,000. The proposal also includes several policy provisions related to crimes and public safety, including sex offender sentencing and registration and the prevention of methamphetamine crimes.

Division members used the balance of the meeting to hear from interested parties about the budget package. The

proposal was approved at a Fri., Apr. 22, meeting.

Omnibus bill approved

Members of the State Government Budget Division approved the final draft of their omnibus bill, Thurs., Apr. 21, and sent it to the full Finance Committee. Division Chair Sen. Sheila Kiscaden (IP-Rochester) said the final proposed budget is substantially below the governor's budget recommendation. S.F. 1879, which the division already approved, brought the state's budget into balance, said Kiscaden, and now the division is looking at additional reductions or expenditures. The original budget reflects \$14.5 million worth of cuts and a base of \$531 million in spending, she said. Kiscaden said the final proposal recommends a base of \$505 million. In order to preserve health and human services, fund education and ensure public safety, the state is asking its agencies to become even leaner and more efficient, said Kiscaden.

Fiscal analyst Kevin Lundeen outlined a spreadsheet representing changes to the budget passed in S.F. 1879. Among new appropriations in the draft, he said, are rate increases for administrative hearings in the Department of Administration (DOA) and additional funding in the sum of \$55,000 to the Secretary of State's Office for voter registration. The draft also provides appropriations for several proposals by the Department of Military Affairs, such as funding tuition reimbursement programs, re-enlistment incentive programs, the Support Our Troops program and a National Guard youth camp. Lundeen said new revenue sources include real estate recording fees, card club franchise and race track fees, a reduction of the Minnesota Amateur Sports Commission's (MASC) funding to \$150,000 annually and \$500,000 in savings from the Drive to Excellence initiative. The draft also represents the adoption of the governor's recommendation or no change to the State Auditor's Office, the Lawful Gambling Control Board, the Department of Revenue and the Department of Employee Relations, said Lundeen.

Sen. Mady Reiter (R-Shoreview) said she is concerned about MASC funding and asked for an accounting of \$2 million of the organization's money. She said the way in which MASC sought money in the bonding bill was inappropriate and lacks

accountability. "To grant money and then not have it spent in the way for which it was originally determined is dishonest," said Reiter. Kiscaden pointed out that changes to the budget include recommending a reduction in funding to MASC. She said the proposal requires the commission to return to the Legislature to approve use of funds each year. Reiter said that every other entity in the bill came forward and presented a justification for funding while MASC did not. Kiscaden responded that she was not happy with the process MASC used and that she had asked the commission to bring a bill to the division. Reiter moved to remove language relating to and funding the commission. Sen. James Metzen (DFL-South St. Paul) said the commission brings in millions to the state in economic development. The motion failed on a 1-8 roll call vote.

The committee adopted the draft containing the proposed changes.

Sen. Cal Larson (R-Fergus Falls) offered an amendment to allow the state to negotiate an extension to the lease of a portrait of Cass Gilbert and his wife. Larson said the portrait is on loan from the basement of the Smithsonian, and that it is more appropriate to display the work in the Minnesota Capitol. The amendment was adopted. Senators also adopted an amendment offered by Ranum, which directs the Department of Revenue to develop recommendations for consolidating debt collections by government units. Metzen offered an amendment making the Electronic Real Estate Recording Task Force permanent. The amendment was adopted. The division also adopted an amendment suggested by Sen. John Marty (DFL-Roseville). The amendment allows the chief administrative law judge to charge for costs of intentional and frivolous delays in proceedings brought through the Department of Human Rights. Kiscaden offered three amendments. The first clarifies that the Office of the Legislative Auditor may retain earnings from audits it performs for the Metropolitan Council. The second directs the State Auditor to provide a list of available reports and send the reports electronically. The final amendment raises the threshold from \$15,000 to \$25,000 for contracting authority in the construction procurement process. All three amendments were adopted.

Budget bill moves forward

A proposal completing the Senate's higher education budget package for FY 06-07 was approved by members of the Higher Education Budget Division at their Thurs., Apr. 21, meeting. The panel, chaired by Sen. Sandra Pappas (DFL-St. Paul), advanced the document to the Finance Committee on a 9-0 roll call vote.

When combined with the higher education provisions of S.F. 1879, a structural balance bill approved by the Senate earlier in the session, total higher education spending for the biennium is \$2.793 billion, a \$39.96 million increase over the base. The Higher Education Services Office budget area, which includes the state's financial aid programs, receives \$347.229 million under the bill, \$2.675 million below the base. Appropriations to the Mayo Medical Foundation remain at their base amount, \$2.782 million. The Minnesota State Colleges and Universities receive \$1.221 billion, a \$5.24 million reduction. The final budget area, appropriations to the University of Minnesota, accounts for \$1.222 billion, an increase of \$47.625 million.

The proposal also includes numerous policy proposals, including permitting state universities to offer applied doctoral degrees, prohibiting the marketing of credit cards to students, providing tuition waivers to deaf students, granting resident tuition rates to undocumented aliens who have attended a state high school for at least three years and extending the deadline to apply for state grants from 14 days after the start of a term to 30 days after the term starts. Other policy provisions modify the membership of the MnSCU Board of Trustees, provide federal conformity for Minnesota's College Savings 529 Plan, modify the selection process for University regents, extend the Farmer-Lender Mediation Act and provide for a committee to research the possibility of creating a four-year institution in Rochester.

MyBills system available

With the MyBills personalized bill tracking system, users can add House and Senate bills to their lists by bill number, subject, or author, and view the status of their bills, with items with significant current floor action highlighted. The MyBills system is available at: <http://www.house.mn/leg/billsblog.asp>

Floor update

Monday, April 18

Consent Calendar bills approved

Thirteen measures on the Consent Calendar were granted final passage at the Mon., Apr. 18, floor session.

S.F. 1095, sponsored by Sen. Michelle Fischbach (R-Paynesville), allows the commissioner of public safety to waive the driver's license road test for military personnel holding a valid license issued by the armed forces. S.F. 1253, carried by Sen. Sandra Pappas (DFL-St. Paul), authorizes the RiverCentre Authority to merge with the St. Paul Convention and Visitors Bureau. S.F. 1252, authored by Sen. Ellen Anderson (DFL-St. Paul), provides for the consumptive use of groundwater. S.F. 1841, sponsored by Sen. John Hottinger (DFL-St. Peter), eliminates the Project Riverbend Board and reassigns its duties to the boards of Blue Earth, Brown, Le Sueur, Nicollet, Redwood and Renville Counties.

Sen. Wesley Skoglund (DFL-Mpls.) carried S.F. 1804, which defines "public place" for purposes of the prostitution law. S.F. 1386, sponsored by Sen. Mike McGinn (R-Eagan), clarifies that drivers are prohibited from driving vehicles onto the shoulder to pass on the right. Sen.

Gary Kubly (DFL-Granite Falls) carried S.F. 663, which adds an exception—for volunteer ambulance service compensation or retirement benefits—to the ban on public officers having an interest in a contract. S.F. 1016, authored by Sen. Pat Pariseau (R-Farmington), permits delegation of a county board's noxious weeds appeal committee duties to the county's zoning board of adjustment.

H.F. 1820, carried by Sen. Sean Nienow (R-Cambridge), names as "the Garden of Remembrance" the cemetery located on the grounds of the Cambridge State Hospital. H.F. 1650, carried by Sen. Thomas Bakk (DFL-Cook), makes technical corrections to statutes transferring cosmetology regulation from the Dept. of Commerce to the Board of Barber and Cosmetologist Examiners.

Sen. Jim Vickerman (DFL-Tracy) carried S.F. 1905, which authorizes county economic development authority boards to have nine members. The boards may currently have three, five or seven members. S.F. 1945, sponsored by Sen. Linda Higgins (DFL-Mpls.), requires city councils to hear and vote on charter commission recommendations for charter amendments by ordinance. Sen. Jane Ranum (DFL-Mpls.) carried S.F. 1898, which increases the monetary threshold

for purchase, lease, construction or repair of county jails for commissioner of corrections review requirement purposes.

Thursday, April 21

Special Orders bills passed

Members devoted most of the floor session, Thurs., Apr. 21, to consideration of several bills on Special Orders. Bills on Special Orders have been acted upon favorably by one or more standing committees, are subject to debate and amendment and may be considered for final passage. A bill on Special Orders bypasses the Committee of the Whole, is given a third reading after all discussion and amendments have been considered and receives a roll call vote. Thirty-four votes are needed for final passage of most bills.

S.F. 1335, sponsored by Sen. Richard Cohen (DFL-St. Paul), regulates state construction contracts. The measure grants the commissioner of administration and the Minnesota State Colleges and Universities System authority relating to the use of design-build or construction-manager-at-risk methods of project delivery or job order contracting. The bill also specifies conditions for the solicitation and award of contracts and the selection of contractors. Finally, the bill authorizes the University of Minnesota to use the design-build method of project delivery for larger construction or remodeling projects. Sen. Linda Higgins (DFL-Mpls.) offered, and members adopted, an amendment relating to the cost at which bid solicitation is required.

S.F. 493, authored by Sen. Gary Kubly (DFL-Granite Falls), authorizes additional Yellow Medicine County Hospital District Board members. S.F. 767, authored by Sen. Geoff Michel (R-Edina), recodifies corporate regulation provisions.

All of the bills designated Special Orders were granted final passage.

Members also adopted the conference committee report on S.F. 1116. The bill sponsored by Sen. Satveer Chaudhary (DFL-Fridley), requires children to wear life jackets while boating. Senators also granted concurrence and repassage to a bill deleting land from the Mississippi Recreational River Land Use District in Wright and Sherburne Counties. The bill, S.F. 692, was sponsored by Sen. Mark Ourada (R-Buffalo).



From left, Senators Leo Foley (DFL-Coon Rapids), Paul Koering (R-Fort Ripley) and John Marty (DFL-Roseville) engage in conversation immediately following a recent floor session.

Photo by David J. Oakes

Committee update

Early Childhood Policy and Budget Division

School readiness grant bills heard

Three measures were heard and laid over for possible inclusion in the omnibus bill when the Early Childhood Policy and Budget Division, chaired by Sen. John Hottinger (DFL-St. Peter), met Tues., Apr. 19.

S.F. 238, sponsored by Sen. Gen Olson (R-Minnetrista), allows school districts to levy for utility costs of facilities used primarily for community education programs. The bill provides two levy options, said Olson. The first is a levy of up to \$2 per square foot per utility, and the second is a levy of up to the actual cost of the utilities in the previous year, she said. Olson said if districts leased a different facility for the programs, they could charge all the costs to taxpayers, but this option allows districts to offer a more cost effective choice to taxpayers. She offered an amendment clarifying that the bill applies only to utilities for district-run community education programs. The amendment was adopted.

Melanie DeLuca, director of community education, Orono, said 45 buildings across the state in 35 different districts have buildings used for community education programs. Many are former school buildings that have been taken out of the K-12 system and devoted to other educational programs, such as community education, Adult Basic Education (ABE) and adult literacy programs, she said. DeLuca added that early childhood programs are the largest users of the buildings. Sally Latimer, director of community education, Roseville, said Roseville's building is a hub of activity for important educational activities. "Without our building," said Susan Reingans, director of community education, Cannon Falls, "I don't know where community education programs in our community would go." By using the buildings for community education programs, districts are also preserving them in case the buildings may be used in the future, said DeLuca.

S.F. 2170 authorizes planning grants for school readiness projects. Sen. Linda Scheid (DFL-Brooklyn Park), who authored the bill, said the measure is directed at grants for projects that improve school readiness and promote

collaboration amongst different educational entities, such as school districts, non-profit organizations and county service organizations. John Frederickson, assistant superintendent of Osseo Schools, said the projects are especially critical to helping immigrant and refugee families prepare their children for school. Steve Kline, executive director, Community Emergency Assistance Program, said that the grants may provide funding to allow his organization to collaborate on the creation of a family center for Brooklyn Park, Brooklyn Center and four nearby school districts. "The project is on the cutting edge of delivering human services," he said. Scheid said the project would also be matched with private funds.

Julie Quist, EdWatch, spoke in opposition to the bill. "The problem is that the bill is too broad," said Quist. She said terminology in the bill is so vague that it fails to narrow the population at which the bill is targeted. "As written, the bill can include anyone," she said. "We are interested in targeting and defining governmental services that are needed, but want to make sure those services are not extended to include everybody," said Quist.

Sen. John Marty (DFL-Roseville) carried S.F. 245. Marty said the bill undoes 2003 cuts to school readiness programs, HeadStart, community education programs, ABE and early childhood family education (ECFE) programs. "When I see cuts to these programs, I think we're being very penny wise and pound foolish," he said. Several participants in ECFE programs spoke in support of the measure.

Environment, Agriculture and Economic Development Budget Division

Variety of bills heard

The Environment, Agriculture and Economic Development Budget Division, chaired by Sen. Dallas Sams (DFL-Staples), met Mon., Apr. 18, to consider a variety of bills for inclusion in the division's omnibus bill.

S.F. 1611, authored by Sen. Lawrence Pogemiller (DFL-Mpls.), appropriates \$250,000 each year of the biennium for the Learn to Earn program. Pogemiller said the program prepares at-risk youth to enter the workforce. The program helps

young people make the connection between education and work, he said. Rochelle Berry Graves, commissioner, Minneapolis Park and Recreation Board, said the program encourages young people to participate in the workforce. "I truly believe, idleness is the devil's workshop," Graves said, "and the program provides an opportunity for kids to earn while they are learning." She said, "I don't want to see kids downtown on misdemeanor charges, they need something to encourage their participation in the workforce." Pogemiller said this is a modest appropriation for something that has been proven to work. Sams suggested considering the use of workforce development funds, rather than general fund dollars, for the program.

A bill appropriating money to the Duluth Port Authority, S.F. 33, was also considered. Sen. Yvonne Prettner Solon (DFL-Duluth), chief author, said the appropriation will be used to determine the cause of freshwater corrosion of harbor sheet piling. She said the funds would be matched by funds from a non-state source.

Sen. Tom Saxhaug (DFL-Grand Rapids) carried four bills. S.F. 251 provides for a \$300,000 for a new Children's Discovery Museum in Grand Rapids. S.F. 270 appropriates \$260,000 for the biennium for a grant to the Mississippi Headwaters Board for the Upper Mississippi River Corridor. S.F. 788 modifies temporary permit provisions for recreational vehicles and allows refund for registrations, licenses and titles. S.F. 1626 provides for establishment and disposition of issuing fees and electronic licensing system commission. The bill also modifies issuance of snowmobile state trail stickers by agents.

S.F. 409, authored by Sen. Thomas Bakk (DFL-Cook), authorizes the Iron Range Resources and Rehabilitation Board to offer an early separation incentive program. Members adopted an amendment to sunset the program in 2007. Bakk also authored a bill, S.F. 1534, that modifies snowmobile state trail sticker provisions and provides for payment of trail maintenance costs. The bill originally contained a fee of \$30 annually for the snowmobile sticker. However, members adopted an amendment making the \$30 sticker fee good for three years.

Sen. Steve Dille (R-Dassel) authored a bill, S.F. 1629, altering livestock zoning

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Senators Linda Berglin (DFL-Minneapolis) and Warren Limmer (R-Maple Grove) converse in the Senate chamber during a recent floor session.

Photo by David J. Oakes

regulations. Dille said the bill is the governor's feedlot proposal, but that a number of changes had been made. Members deleted the funding portions of the bill to be included in the omnibus bill and sent the rest of the measure to the full Finance Committee.

Panel continues reviewing bills

The Environment, Agriculture and Economic Development Budget Division met Tues., Apr. 19, and continued reviewing bills for inclusion in the division's omnibus bill. The panel, chaired by Sen. Dallas Sams (DFL-Staples), heard a total of 15 bills.

One of the first bills heard, S.F. 588, sponsored by Sen. Satveer Chaudhary (DFL-Fridley), prohibits employers from misrepresenting the nature of employment relationships and provides a civil remedy.

Chaudhary said the bill prohibits employers from saying individuals are independent contractors when the individuals are actually employees. Chaudhary said the practice of classifying employees as independent contractors results in loss of unemployment insurance and workers compensation premiums. The bill was recommended to pass and advanced to the full Finance Committee. In addition, members voted to retain the language of the bill to include in the omnibus bill.

S.F. 966, authored by Sen. Don Betzold (DFL-Fridley), provides a maximum copy fee for copies of data. The measure was advanced to the full Finance Committee. Betzold said the bill would be amended into the data practices bill on the floor.

S.F. 712, sponsored by Sen. LeRoy Stumpf (DFL-Plummer), provides for

evaluation of construction aggregate located on school trust lands. S.F. 480, carried by Sen. David Senjem (R-Rochester), provides an appropriation to the Mississippi River Parkway Commission to support tourism and economic development along the Great River Road.

Sen. Ann Rest (DFL-New Hope) sponsored two bills. S.F. 2011 establishes the Minnesota Sesquicentennial Commission to plan for activities relating to Minnesota's 150th anniversary of statehood. The measure also includes an appropriation for the commission's activities. S.F. 895 provides for international economic development zones and provides tax incentives for businesses located within the zone. The measure was approved and advanced to the full Finance Committee.

S.F. 1373, authored by Sen. Sandra Pappas (DFL-St. Paul), establishes the incumbent worker program. Pappas said the bill also modifies workforce development governance. S.F. 2212, carried by Sen. Richard Cohen (DFL-St. Paul), provides an appropriation for training to implement the Ford Motor Company Ford Production System at the Twin Cities Ford Assembly Plant. Cohen said the plant is scheduled to stop making the Ford Ranger truck and that the Ford Motor Company has not indicated any other production would be shifted to the plant. He said the funds are needed to help train workers.

S.F. 1298, the Minnesota Electronics Recycling Act of 2005, was also heard. Chief Author Linda Higgins (DFL-Mpls.) said the bill is based on the manufacturers' responsibility model. However, Higgins said the bill was not officially before the division because the paperwork didn't get done. Higgins said that there were some amendments, but without the bill, the division could not make changes. Members laid the bill over.

Sen. Julie Rosen (R-Fairmont) sponsored two measures. S.F. 1886 establishes the small business growth acceleration program. Rosen said the purpose of the bill is to help qualified companies implement technology and business improvements and bridge the gap between standard market pricing for technology and business and what the companies can afford to pay. S.F. 2133 modifies the issuing fees deputy registrars and others such as resort owners and bait shop owners may collect for various DNR stamps, seals, tags or coupons.

S.F. 1424, sponsored by Sams, authorizes an annual adjustment of dry cleaner environmental fees. The measure was also sent to the full committee, with the language held over for inclusion in the division's omnibus bill. S.F. 1368, carried by Sen. Ellen Anderson (DFL-St. Paul), is the energy policy bill. Anderson said a few items in the bill have a fiscal impact. She said the items include a fee assessed by the Commerce Dept. for technical assistance, funding for developing best management guidelines for a woody biomass energy project, an assessment on all utilities to fund conversion to an e-filing system, funding for a landowner payments working group charged with researching alternative methods of paying landowners on whose land high voltage transmission

lines have been constructed, funding for establishing initial multifuel transition infrastructure for hydrogen vehicles and funding for a soy diesel project. The measure was approved and advanced to the full Finance Committee.

Sen. Thomas Bakk (DFL-Cook) also carried two bills. S.F. 610 modifies the disposition of the snowmobile trails and enforcement account. Bakk said the bill allows the funds to be used to mark snowmobile ice trails. S.F. 2010 updates standards and makes other technical changes to weights and measures provisions and authorizes the Petroleum Tanks Release Compensation Board to adopt rules for consultant services.

Finance

Energy, lands bills advance

A bill relating to energy policy and the omnibus lands bill both advanced to the floor when the Finance Committee, chaired by Sen. Richard Cohen (DFL-St. Paul), met Wed., Apr. 20.

S.F. 1368 modifies a variety of energy provisions. Sen. Ellen Anderson (DFL-St. Paul), who authored the bill, outlined key items in the measure, which include the authorization of faster cost recovery for utilities to build transmission lines, policy directives to help deliver renewable energy to the market and a proposal to assist Minnesota based wind developers in financing wind projects by front loading their contracts. Anderson also reviewed the fiscal parts of the bill. Provisions that have a cost, she said, are those requiring the commissioner of commerce to provide technical assistance to the Public Utilities Commission (PUC), changing fees for siting transmission lines, implementing an e-filing system at PUC and allowing two municipalities to transform from coal-burning to biomass burning electrical facilities. Sen. Dennis Frederickson (R-New Ulm) offered an amendment clarifying that funding for the biomass project will come from non-state sources. Anderson said the University of Minnesota and the utilities facilities will provide money for the projects. The amendment was adopted.

Sen. Thomas Bakk (DFL-Cook) sponsored S.F. 897, the state lands bill. He said the bill makes technical and housekeeping changes to several provisions on the sale and exchange of state lands. There is a small fiscal impact, said

Bakk, because the Department of Natural Resources (DNR) may charge back the cost of doing appraisals when land will be exchanged between the department and a private party. Bob Meier, director of legislative affairs, DNR, provided an overview of the bill. He said two modifications to the land acquisitions process were among its main changes.

Health and Human Services Budget Division

Proposals for omnibus bill heard

Members of the Health and Human Services Budget Division met Mon., Apr. 18, to consider four measures for possible inclusion in the division's omnibus bill. The panel, chaired by Sen. Linda Berglin (DFL-Mpls.), also advanced one measure to the full Finance Committee.

S.F. 254, S.F. 1955, S.F. 1279 and S.F. 1395 were all laid over for possible inclusion in the omnibus bill. Berglin carried S.F. 254. The bill repeals grant cuts made in 2003 to families with developmentally disabled children and families on public housing and retroactively eliminates provisions allowing for liens to be placed on certain Medical Assistance (MA) recipients. The bill closes a corporate tax loophole to finance the measures, said Berglin.

Two mothers of developmentally disabled spoke in support of the portions of the bill reducing parental fees for services provided to their children. One said her fees rose from \$168 per month before 2003 to \$511 after 2003. She said she was grateful for the waiver, but that families cannot afford the high fees. Kim Stanley, whose son has a developmental disability, said she hopes this is the year Legislators will reduce the fees. Julie Borg Brainerd, said she supports eliminating the liens on MA recipients. The law stops people from asking for medical help when they need it, because they are afraid they will lose their land as a result, she said. MaryAnne Rivold, West St. Paul, said that senior citizens are especially vulnerable to the liens. Al Hester spoke in support of eliminating cuts to Minnesota Family Investment Program (MFIP) recipients who also receive housing subsidies. "Minnesota is the only state in the country that does this," he said. According to Reggie Wagner, Legal Services Advocacy Project, the cuts

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reduce grants intended to cover the basic needs of children. A representative from the Welfare Rights Committee said the bill repeals two of the largest and worst cuts to welfare in the state's history.

Berglin also sponsored S.F. 1955. The bill prepares the state to deal with potential changes to federal Temporary Assistance for Needy Families (TANF) funds by creating an MFIP work participation rate enhancement program. Berglin offered an amendment reducing transitional assistance rates for the program from \$75 to \$50 and granting the commissioner of human services authority to determine whether to implement any portions of the bill if federal law changes. The amendment was adopted.

Sen. Leo Foley (DFL-Coon Rapids) authored S.F. 1395. Foley said the bill provides community services for discharged patients from Anoka County's regional treatment center and provides services to divert people from entering the treatment center. Bill Connelly, Minnesota Mental Health Association

(MMHA), spoke in support of the bill.

The final measure to be laid over for possible inclusion in the omnibus bill was S.F. 1279, sponsored by Sen. Scott Dibble (DFL-Mpls.). The bill eliminates the expiration date of a provision exempting antihemophilic drugs from MA prior authorization requirements. Jim Paist, Hemophilia Foundation of Minnesota and the Dakotas, said the bill will help hemophilia patients obtain life-saving drugs more quickly, a crucial factor in treating hemophilia.

Senators approved S.F. 1162, authored by Berglin, and sent it to the full Finance Committee. The bill limits the amount a provider may charge uninsured patients. Berglin offered an amendment removing provisions from the bill requiring public disclosure and reporting of provider charges for frequently prescribed drugs and services. She said the amendment is intended to reduce the cost of the bill. The amendment was adopted. David Feinwachs, Minnesota Hospital Association, said the bill will serve the uninsured

well without seriously hurting hospitals. He added, however, that the bill raises the issue of cost-shifting.

Abortion alternatives bill ok'd

In its second meeting, Mon., Apr. 18, the Health and Human Services Budget Division approved a bill establishing a grant program for organizations that promote alternatives to abortion. The panel, chaired by Sen. Linda Berglin (DFL-Mpls.) also heard three other measures.

Sen. Dallas Sams (DFL-Staples) carried S.F. 917, the Positive Abortion Alternatives Act. The bill creates a grant program for organizations that encourage and assist women in carrying their pregnancies to term. Andrea Rau, legislative associate, Minnesota Concerned Citizens for Life (MCCCL), said the bill provides practical support to women in need. Over 80 percent of women who have had an abortion, said Rau, cited a lack of financial and emotional support as a reason for their decision. "We are failing



Supporters of a state marriage amendment recite the Pledge of Allegiance at the outset of a Minnesota for Marriage rally in front of the Capitol, Wed., Apr. 20.

Photo by Shelley Hawes

as a society if over 80 percent of women having abortions feel forced into that choice because of a lack of support," she said. Rau also noted that grantees are not prohibited from discussing abortion with patients, but they may not promote or encourage abortion to be eligible for the program.

Tim Stanley, NARAL Pro-Choice Minnesota, asked the committee to make two changes to the bill. First, he asked Senators to delete the definition of "unborn child" contained in the bill. Stanley said the definition codifies into state law the idea that childhood begins at fertilization. He said the codification would have a serious impact on other policy areas, such as stem cell research. Teresa Nelson, legal counsel, ACLU of Minnesota, said the language marks a significant departure from how Minnesota defines abortion in current law. Second, Stanley asked the division to add a provision requiring that information distributed by grantees to patients be medically and factually accurate. He said NARAL has found that crisis pregnancy centers often distribute inaccurate information to patients. Rebecca Troitzky-Sirr, Medical Students for Choice, said she is concerned that workers in crisis pregnancy centers may not have the training to provide medically accurate information to patients.

Sen. Linda Higgins (DFL-Mpls.) offered an amendment deleting the definition of unborn child. Sams said the definition is similar to the one contained within the Right to Know Act. The amendment was adopted. Sen. Becky Lourey (DFL-Kerrick) offered an amendment relating to privacy protections in the bill. Lourey said the commissioner of health said the privacy protections, which were strengthened in a previous committee, are so strict that they may prevent a commissioner from being able to fulfill certain duties articulated in the bill. The amendment allows the commissioner access to information necessary to monitor and review grantees' programs. The amendment was adopted. Lourey offered another amendment requiring that information regarding abortion provided by grantees must be objective, non-judgmental and designed to convey only accurate information to patients. The amendment also requires the commissioner of health to review the information to ensure that it meets the provision. The

amendment was adopted. Sams said he wanted the Department of Education (DOE) to administer the program, instead of the Department of Health (MDH). Sen. Paul Koering (R-Fort Ripley) moved to give staff the authority to change the bill's language to reflect Sams' request. The motion was approved. Members approved the bill, as amended, and re-referred it to the full Finance Committee.

Under S.F. 643, authored by Sen. Don Betzold (DFL-Mpls.), courts would be able to civilly commit a pregnant woman found to be chemically dependent. Betzold said the bill lowers the standard for civil commitment, providing for women who abuse substances, the use of which poses a substantial risk to a fetus' brain or physical development, to be eligible for commitment. "By using the early intervention process, which is 10 days worth of treatment, the bill may help to bump some of these individuals onto the right track," he said. The division approved the bill and sent it to the full Finance Committee.

Berglin sponsored two bills. The first, S.F. 1979, authorizes non-Medical Assistance (MA) payments to certain hospitals. The payments facilitate the state's ability to get federal money, she said. She said the bill allows the state to draw down federal money up to the amount of \$22 million in its first year and \$48 million in the next year. "The bill would do a lot to alleviate the problems we have created for hospitals in the last biennium," said Berglin. She also said the fee revenue in the bill is no longer in the division's budget, so she offered an amendment to remove the corresponding provisions in the bill. The amendment was adopted. Sen. Yvonne Prettnier Solon (DFL-Duluth) asked if it is possible to use some of the money, if the state receives funds beyond the \$22 million, to fund diagnosis related groups (DRGs). (DRGs are groups for which hospitals are reimbursed to treat Medicare patients with specific illnesses.) Solon asked if some of the money could be used to fund DRGs in greater Minnesota, because the bill has the potential to create greater disparities between Metro Area and greater Minnesota hospitals than already exist. Berglin said the bill already relies on the support and good will of several large Metro hospitals that are paying costs associated with it. She said the hospitals are making it possible for everybody to benefit from the bill.

S.F. 65, Berglin's second bill, makes a variety of modifications to public health care programs. Berglin said the bill is intended to generate savings by looking at how to improve the delivery of services. The few provisions in the bill with a cost, she said, include the repeal on prescription drug co-pays, a study on childhood obesity and extending the scholarship fund to long-term care workers not working in nursing homes. Berglin offered an amendment that takes the state university system out of the bill and makes several other changes, such as permitting health plan companies to reduce reimbursements to providers. The amendment was adopted. Due to time constraints, Senators decided to lay the bill over for further discussion.

Omnibus proposals heard

Members of the Health and Human Services Budget Division continued their consideration of bills for inclusion in the omnibus bill at their Tues., Apr. 19, meeting.

Committee Chair Sen. Linda Berglin (DFL-Mpls.) carried S.F. 2003. She said the purpose of the bill is to find savings to provide for a cost of living adjustment (COLA) increase for long-term care workers. The savings, said Berglin, will come through closing beds in multi-bed rooms. "It is a proposal with a soft landing because it does not close any facilities," she said. The bill provides for a rate increase to nursing facilities, intermediate care facilities for persons with developmental disabilities and long-term care community services and directs some of the money to be used for employee compensation. The bill also provides incentives to facilities to close beds and limits the expansion of certain waiver programs.

Sen. Yvonne Prettnier Solon (DFL-Duluth) offered an amendment to allow two facilities to close four beds each. She said the amendment is cost neutral. The amendment was adopted.

Berglin also authored S.F. 1000. The bill authorizes the commissioner of corrections to contract to buy prescription drugs for prisoners. The bill also expands eligibility for discharge plans and requires that discharge plans include assistance in applying for medical coverage. Berglin said the measure also tries to move the work of determining if discharged prison-

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ers are eligible for Medical Assistance (MA) from counties to the Department of Human Services (DHS). She offered an amendment delaying the effective date of the provision until Aug. 1, 2006 or until the implementation of HealthMatch, whichever is later. She said the amendment is related to costs associated with moving the determination process. The amendment was adopted. Berglin offered another amendment clarifying that prisoners are not eligible for MA. The amendment was adopted.

Sen. Becky Lourey (DFL-Kerrick) sponsored two bills. The first, S.F. 1710, is the DHS children's policy bill. Lourey said the bill has one potential conflict with another child support policy bill, S.F. 630, with regard to how orders are considered in determining net income. Lourey said the provision, based on current practice, could be reconciled to new practice if S.F. 630 passes. She also outlined the other policy changes in the bill and said it has no fiscal impact. Senators approved the bill and sent it to the full Finance Committee.

Lourey also carried S.F. 1837, the DHS policy bill. Sen. Leo Foley (DFL-Coon Rapids) offered an amendment to make cost neutral an amendment he offered in an earlier committee. The amendment was adopted. An amendment suggested by Sen. Sandra Pappas (DFL-St. Paul) was also adopted. The amendment allows foster homes to participate in a waiver program. Kathy Kelly, Department of Health (MDH), said in order to make the amendment work, the department will need to apply for a federal waiver. She said the federal application would not require additional staffing and that the amendment is cost neutral.

Lourey said another potential problem with the bill is a provision specifying that the state is not liable for costs to defendants in lawsuits in which the state is a party. Joel Carlson, Minnesota Trial Lawyers Association, said the provision allows the state to insert itself into the legal process as an intervener, but does not hold the state accountable as an intervener. Senators laid the bill over for further discussion.

S.F. 227, sponsored by Solon, creates a cancer drug repository program. Under the bill, drugs prescribed to patients who are unable to use them may be donated to providers for distribution if the drugs are unopened. Solon offered an amendment

specifying that the Board of Pharmacy will administer the program instead of MDH. The amendment reduces the cost of the bill, she said, because MDH would need to hire a pharmacist to administer the program, but the Board of Pharmacy already has a pharmacist. The amendment was adopted. Solon offered a second amendment to remove language added in the Judiciary Committee specifying that providers were not immune to professional or medical malpractice that occurred within the program. Instead, she offered language maintaining the providers' immunity in administering defective drugs but removing it in cases of malpractice. The amendment was adopted.

The final bill, S.F. 1822, was authored by Sen. Linda Higgins (DFL-Mpls.). The measure provides for a rate increase to special transportation services and delays a provision directing the commissioner of human services to contract with an independent broker to provide the services. The fiscal note on the original bill, said Higgins, was \$1.4 million. She offered an amendment to reduce the costs. The amendment uses funds for wheelchair access to fund stretcher workers, a group in need of a rate increase, she said. The amendment also maintains the delay provision and removes the formal study and directs the commissioner to make recommendations on the issue instead.

HIV, public health bills heard

Members of the Health and Human Services Budget Division, chaired by Sen. Linda Berglin (DFL-Mpls.), held a marathon meeting, Wed., Apr. 20, to consider seven bills.

The following three measures were laid over for possible inclusion in the division's omnibus bill. S.F. 1836 requires the commissioner of human services to establish an HIV prevention and health care access program for low income individuals. Sen. John Hottinger (DFL-St. Peter), who sponsored the bill, said the proposal implements guidelines developed on the topic by the Department of Human Services (DHS) last summer and gives the Legislature a role in monitoring federal money in the program. The division adopted an amendment that Hottinger said will reduce the cost of the bill.

S.F. 1837, a bill modifying several provisions relating to MinnesotaCare

(MnCare) and Medical Assistance (MA), was authored by Sen. Becky Lourey (DFL-Kerrick). She offered an amendment appropriating funds for an oral health care system pilot project. The idea, said Lourey, stems from the Oral Healthcare Solutions Project (OHSP), which proposed a \$2 million dollar initiative. Lourey said she told OHSP the state could not afford \$2 million, and OHSP offered to raise the money through grants and from the community if the state funded \$150,000. The amendment, which appropriates the money from a special fund for the purpose, was adopted.

Berglin carried S.F. 65, a bill which contains health care costs containment provisions, an electronic medical records plan, health professional loan forgiveness initiatives and a variety of modifications to public health programs. Mary Jo George, Minnesota Nurses Association, said the bill represents a comprehensive approach to reducing health care costs. Berglin offered an amendment changing provisions related to the prescription drug discount program in the bill. With the changes, she said, the program will start out as voluntary and certain aspects of it will be delayed until HealthMatch is up and running. The amendment also takes out a hardship waiver limitation relating to personal care assistant (PCA) hours and allows the program to continue as it does under current law, said Berglin. The amendment was adopted. Sen. Linda Higgins (DFL-Mpls.) offered an amendment appropriating \$300,000 for an HIV/AIDS public education and awareness campaign targeting African-born Minnesota residents. The amendment was adopted. Lourey offered an amendment to prevent companies dealing with pharmacists from paying the pharmacists a legally required reimbursement for the wholesale drug distributor tax. Julie Johnson, Minnesota Pharmacy Association, said the tax is like the pharmacist's version of the provider tax. A wholesaler charges pharmacists 2 percent, which is paid to the state, and then insurance companies must reimburse the taxed amount, she said. According to Johnson, certain companies in Western Minnesota are refusing to pay the tax. The amendment, she said, will rectify the problem. The amendment was adopted.

No action was taken on the following bills.



Senators David Senjem (R-Rochester) and Julianne Ortman (R-Chanhassen) exchange ideas during a recent floor session.

Photo by David J. Oakes

Berglin authored S.F. 109, which requires the commissioner of human services to provide grants to federally qualified and rural health centers. The grants, said Berglin, will equal the provider tax imposed in the previous year multiplied by payments relating to MA and MnCare recipients eligible for federal matching funds. While other providers get a share of the provider tax back in their rate, said Berglin, these facilities do not. Rhonda Degelau, Minnesota Primary Care Association, said the impact of not receiving an offset to the provider tax varies across small clinics, but that the law requires the offset to go through to all providers.

Sen. Sheila Kiscaden (IP-Rochester) sponsored S.F. 1204, a bill modifying

several areas related to the licensing of health care professionals. Kiscaden outlined the provisions in the bill. One section that is controversial, she said, is a provision added by Sen. Brian LeClair (R-Woodbury) to allow an individual to be licensed as a physical therapist if the individual has been licensed and practiced in another country and other states. Lourey said the proposal circumvents Minnesota's licensing process. "We have higher standards here," she said. Sen. Yvonne Prettnier Solon (DFL-Duluth) said she planned to offer an amendment to remove the provision at the division's next meeting. LeClair asked if the division would be interested in adopting compromise language offered by the Board of Physical Therapy.

S.F. 1706, authored by Higgins, requires the commissioner of human services to convene a task force to discuss collaboration between schools and mental health professionals to provide more effective mental health care to children. Sue Abderholden, National Alliance for the Mentally Ill (NAMI), said, "We still haven't figured out how to serve high-risk kids in the schools." She said mental health professionals must be integrated into children's everyday lives to make their services effective.

Sen. Michelle Fischbach (R-Paynesville) carried S.F. 1115. The bill requires all plumbers to be licensed and follow plumbing codes, grandfathering in plumbers who have been practicing for more than two years and codifies inspec-

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tion requirements and fees already in practice. Randy Ellingboe, Department of Health (MDH), said the fees associated with the program should cover its cost. However, because it will take time to generate the fees, there will be a few years in which there is a cost to the state, he said. In the long term, the bill is expense neutral, because the fees will cover the cost of the inspections, said Ellingboe.

Maple Grove bill okayed

Members of the Health and Human Services Budget Division devoted most of their Thurs., Apr. 21, meeting to a discussion of a bill authorizing construction of a new hospital in Maple Grove. The panel, chaired by Sen. Linda Berglin (DFL-Mpls.), also took action on two other bills.

Sen. Warren Limmer (R-Maple Grove) sponsored S.F. 1840, which exempts Maple Grove hospital projects from the hospital construction moratorium. Limmer asked Senators to focus not on Maple Grove's current needs in considering the bill, but the needs of the community 10 or 15 years from now. He cited the area's fast growth and development and increasingly diverse socioeconomic base as reasons why the hospital is needed. The population of the area, said Limmer, is expected to grow by nearly 200,000 over the next two decades by even the most conservative estimates. Senators offered several amendments to the bill. One, offered by Berglin, establishes several criteria which the commissioner of health must consider in selecting a construction proposal. "It is our job to come up with good criteria and maybe to rank those criteria," said Berglin. Scott Leitz, Department of Health (MDH), said it would be helpful to the department to know which criteria should be most heavily weighted in the decision-making process. Members amended the amendment several times to clarify what criteria should be included. The amendment, as amended, was adopted.

Sen. Paul Koering (R-Fort Ripley) said there is no rush to complete work on the bill, and that it might be beneficial to take more time to consider the measure. He moved to table the bill. The motion failed. Sen. Becky Lourey (DFL-Kerrick) asked how long it would take the department to make a decision on the proposal. Leitz said MDH would make the decision by the Sept. 30 deadline specified in the bill.

Senators approved the bill, as amended, and sent it to the full Finance Committee.

The division also approved S.F. 1204 and sent it to the full Finance Committee. The bill, authored by Sen. Sheila Kiscaden (IP-Rochester), modifies several provisions relating to licensing of health professionals. Kiscaden suggested several amendments, all of which were adopted by the division. The amendments: clean up language relating to the Office of Mental Health Practice, make changes to the process of accounting for and anticipating licensing fees and expenditures, specify the circumstances under which dental hygienists may administer certain forms of anesthesia, modify provisions relating to the Emergency Medical Services Regulatory Board and outline an agreement, reached between audiologists and hearing instrument dispensers, on the required licensure for distributing hearing instruments. Sen. Yvonne Prettner Solon (DFL-Duluth) offered an amendment to remove a provision providing an exemption to licensing law for a physical therapist. LeClair, who authored the provision, said he is disappointed that the provision might be removed after another committee already approved the bill and the Board of Physical Therapy offered compromise language on the subject. Solon said the state must adhere to a consistent standard in licensing and that others who have gone through the licensure process would think it is unfair if certain individuals did not need to go through it. The amendment was adopted.

The division also laid over S.F. 1115 for possible inclusion in its omnibus bill. Sen. Michelle Fischbach (R-Paynesville) sponsored the measure, which requires and provides for the licensure of plumbers.

K-12 Education Budget Division

Abortion alternatives bill gains

A bill providing grants to organizations that encourage women to carry their pregnancies to term was approved by members of the K-12 Education Budget Division at their Wed., Apr. 20, meeting. The panel, chaired by Sen. LeRoy Stumpf (DFL-Plummer), advanced the bill to the Finance Committee.

S.F. 917, presented by Stumpf on behalf of Sen. Dallas Sams (DFL-Staples),

authorizes \$2.5 million in grants each year, beginning in FY 07. The grants, to be made by the Dept. of Education, are for programs providing information on, referral to and assistance with securing services, including medical care, nutritional services, housing assistance, adoption services, education and employment assistance, child care assistance and parenting education and support. Members adopted an amendment, offered by Sen. Ellen Anderson (DFL-St. Paul), requiring the programs to assist women in caring for their babies after birth.

In other action, committee members began their consideration of 181 pages of draft articles for the omnibus education budget bill. Stumpf said the proposal is "an honest budget" that tries to provide adequate funding for education. The proposal includes a five percent increase in the basic formula in FY 06 and a four percent increase in FY 07, he said, and reinstates the special education growth factors in FY 07. Stumpf said the proposal also stabilizes education funding by consolidating several levies into one and equalizing the new consolidated levy. The package also includes funding to complete the education finance study started last year, a proposal for a professional compensation model for educators and a conditional implementation of the federal No Child Left Behind Act.

The net budgetary impact of the proposal is \$761.654 million over the February forecast for state aids, or a grand total of almost \$12.615 billion in FY 06-07 in state education aids. The proposal includes no net change in the levy budget. We will have to raise revenues to pay for this, Stumpf said, and we will raise the revenue. Where the revenue will come from is still up for discussion, he said, primarily in the Tax Committee. Sen. David Hann (R-Eden Prairie) said the proposal is hard to evaluate without knowing where the extra money comes from. "If we choose this, what else are we choosing?" he asked.

Division members reviewed each section of the proposal with fiscal staff.

State Government Budget Division

Variety of bills heard

Several measures were heard by members of the State Government Budget

Division at their Tues., Apr. 19, meeting as the panel, chaired by Sen. Sheila Kiscaden (IP-Rochester), worked toward assembling its omnibus budget package. Many of the bills were laid over for possible inclusion in the omnibus bill.

S.F. 1523, carried by Sen. Linda Berglin (DFL-Mpls.), requires the commissioner of employee relations to provide pharmaceutical benefits under the state employee health plan through a pharmacy benefits manager. S.F. 267, presented by Sen. Julie Rosen (R-Fairmont) on behalf of Sen. Steve Murphy (DFL-Red Wing), updates real estate recording fees and standards. S.F. 819, sponsored by Sen. John Marty (DFL-Roseville), requires employee records to be preserved after a state employee is involuntarily terminated and prohibits terminating employees because they have reported serious waste or mismanagement. Deputy Commissioner Paul Larson, DOER, said the state does not have a record for wrongful terminations. The protections under the bill are already in place, he said.

Sen. Richard Cohen (DFL-St. Paul) sponsored a bill, S.F. 1952, appropriating funds to the Office of the State Auditor to restore audit practice division staffing levels that were reduced in FY 04-05. The bill has no net fiscal impact because the office bills back its costs to the governmental units it audits, State Auditor Patricia Anderson said. Kiscaden authored S.F. 1947, which appropriates funds for the regulatory and administrative expenses of the Racing Commission. Members adopted an amendment, offered by Kiscaden, providing an offset against fees related to a racing track in the North Metro Area.

Two bills were advanced to the Finance Committee. S.F. 1555, authored by Sen. Ann Rest (DFL-New Hope), reforms regulations of charitable gambling. Sen. John Hottinger (DFL-St. Peter) carried S.F. 1551, which makes several changes to elections law designed to facilitate registration and voting. Members adopted an amendment, offered by Sen. Jim Vickerman (DFL-Tracy), removing a provision providing rulemaking authority to the secretary of state. The measure was also laid over for inclusion in the omnibus bill. S.F. 2032, carried by Kiscaden, creates an Office of Enterprise Technology as an executive agency and creates the position of state

chief information officer to head the agency.

Tax

Tax exemptions, check-offs heard

The Tax Committee, chaired by Sen. Lawrence Pogemiller (DFL-Mpls.), met Tues., Apr. 19, to consider a variety of bills granting tax exemptions for a range of situations. S.F. 166, sponsored by Sen. Mady Reiter (R-Shoreview), provides a sales tax exemption for the construction of the Centennial Lakes Police Facility. S.F. 799, authored by Sen. Julianne Ortman (R-Chanhassen), provides a sales tax exemption for the Carver County Justice Center. Both measures were placed on the committee's C list. The C list is for bills that are to be included in the omnibus bill if funds are available.

S.F. 467, sponsored by Sen. Michele Bachmann (R-Stillwater), exempts a veterans camp in Washington County from condemnation proceedings and provides tax exempt status for the property. The measure was approved and recommended for placement on the Consent Calendar. S.F. 1601, carried by Sen. Mee Moua (DFL-St. Paul), eliminates the sunset of an exemption for solar energy systems. The measure was placed on the C list.

Bachmann also sponsored a bill, S.F. 1236, that provides an income tax check-off to fund benefits for survivors of law enforcement officers and firefighters and provides for maintenance of peace officer and firefighter memorials. Pogemiller said a number of other bills contained proposals for income tax check-offs to fund a variety of worthy causes. Members separated the bill and sent a portion of the bill that creates an advisory council to the State and Local Government Operations Committee. A motion was made to include the portion of the bill containing the income tax check-off in the omnibus bill. The motion was defeated. A second motion to send the check-off portion of the bill directly to the floor was also defeated.

S.F. 946, sponsored by Sen. Steve Dille (R-Dassel), also contained an income tax check-off to fund grants to members of the National Guard and reserves who have incurred financial need as the result of being ordered to federal active service since Sept. 11, 2001.

Pogemiller suggested placing a sunset on the bill. He said the current military action is unusual in that large numbers of National Guard and reserve troops are being called up, which creates hardship for many families of National Guard and reserve members. Members adopted an amendment limiting the check-off to two years. Members also adopted an amendment eliminating references to eligible foundations and deleted instructions to the commissioner on the design of the tax form. The measure was recommended for the C list.

In addition, the panel heard a bill authorizing a pilot project in Crow Wing County for the establishment of a sewer district. S.F. 1214, sponsored by Sen. Carrie Ruud (R-Breezy Point), also provides additional powers for the sewer district. Ruud said the county has many different kinds of sewer systems and the bill is designed to bring all the systems under one board and assess what types of systems are in existence. The measure was placed on the A list.

Various tax credits considered

The Tax Committee considered bills providing for a variety of tax credits at the Wed., Apr. 20, hearing. The panel, chaired by Sen. Lawrence Pogemiller (DFL-Mpls.), placed each measure on a priority list for inclusion in the committee's omnibus bill.

S.F. 584, sponsored by Sen. Gen Olson (R-Minnetrista), allows a credit for contributions to school tuition organizations. Olson said the school tuition organizations provide scholarships and grants to students attending kindergarten, elementary or secondary schools. She said the school tuition organizations must allocate at least 85 percent to scholarships or grants for children to attend any qualified school of their parents' choosing. Under the bill, the credit would be equal to 75 percent of the contribution and has a maximum of \$1,000. The measure was placed on the C list for consideration in the omnibus bill.

S.F. 558, carried by Sen. Julianne Ortman (R-Chanhassen), authorizes additional expenses for the schools expenses tax credit and eliminates some of the limits in current law. The additional expenses include tuition. Current law limits the credit to \$1,000 or \$2,000 per family. Under the bill, there is no family

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limit, however the credit phases out at 185 percent of the federal poverty level and the maximum income for the credit is \$4,000 plus 250 percent of the federal poverty guidelines. Members adopted an amendment deleting provisions relating to limits on the credit, thus retaining current law.

Supporters argued the bill gives parents more choice in their children's education. The measure was advanced to the full Senate. The measure was placed on the C list.

Sen. Sandra Pappas (DFL-St. Paul) authored two measures dealing with tax credits for higher education. S.F. 1382 provides a credit for employer postsecondary education expenses. The bill specifies that a taxpayer may take a credit equal to 30 percent of the expense incurred by the taxpayer for payment of tuition and fees for postsecondary education for qualifying employees. The measure limits the credit to \$2,000 per year. S.F. 1888 provides an income tax credit for expenditures for postsecondary tuition and related expenses. Pappas said the bill is aimed at covering the first two years of postsecondary education for qualifying students. Sen. William Belanger (R-Bloomington) suggested an amendment limiting the credit to courses leading to graduation rather than remedial courses. Both measures were placed on the C list.

S.F. 1175, sponsored by Sen. Mee Moua (DFL-St. Paul), increases the income tax subtraction for charitable contributions. Moua said the bill allows 100 percent of charitable contributions in excess of \$500 to be deducted from taxable income for nonitemizers and allows all itemized charitable contributions to be deducted in determining Minnesota alternative minimum tax income. The measure was also placed on the C list.

Bills providing a tax credit of qualifying investments in dairy operations were also heard. S.F. 1247, sponsored by Ortman, provides a 10 percent credit for qualifying expenditures. Ortman said the bill is the governor's recommendation and limits the credit to 6 years and a total of \$30,000. S.F. 516, sponsored by Rod Skoe (DFL-Clearbrook) on behalf of Sen. Dallas Sams (DFL-Staples), also provides for a 10 percent credit on qualifying expenditures, but limits the 10 percent credit on expenditures up to \$500,000.

On expenditures over \$500,000, the credit is gradually reduced. Skoe said the bill is weighted more toward smaller operations, but the total dollars are about the same as in the Ortman bill, S.F. 1247. Both measures were placed on the C list.

Corporate tax bills heard

The Thurs., Apr. 21, meeting of the Tax Committee was devoted to discussion of the taxation of corporate foreign source income. Committee Chair Lawrence Pogemiller (DFL-Mpls.) said, "Today, we are going to take up the corporate tax area. It is pretty clear, something is going to happen this year." He said there is quite a bit of uncertainty about how much revenue is being lost to the state. He said the Senate hired a consultant, Debra Anderson, to study the issue. He said Anderson had worked as an assistant attorney general in North Dakota, worked as an attorney for the Minnesota Department of Revenue and worked in the private sector for the last 11 years as a tax consultant.

Pogemiller said panel members would hear several presentations on the complexities of foreign source income. He said the omnibus bill will contain a minimum of \$200 million in additional revenue for the state. "We want to make sure we capture revenue that should be fairly paid to the state, but at the same time, not harm the state's business climate," Pogemiller said. "We want to generate revenue that we think is businesses' fair share, but we want to get this right," he said. He said, "I don't believe what we pass out of the Senate will be the final language, but it will be a starting point."

Anderson reviewed the history of taxation of foreign source income in Minnesota. She said the unitary tax system was initiated in 1981 and that a great deal of work had been done in the late '80s. "We want to encourage Minnesota corporations doing business overseas," she said. Anderson said, though, "For the most part, in Minnesota, corporations are able to choose how much tax they want to pay to the state by shifting income and the way they count intangibles." Anderson outlined a number of policy issues members would have to consider in formulating a bill on foreign source income.

Members also heard a presentation and discussion by Barb Renner, Deloitte & Touche, and Rob Ozmun, Price Waterhouse Coopers, representing the CPA Society. In addition, Linden

Gawboy, representing the Welfare Rights Coalition, also spoke on corporate taxation.

Pogemiller also had the committee review two bills changing the definition of foreign operating corporations. S.F. 1080 defines a foreign operating corporation as a corporation with 80 percent foreign property and payroll. Current law allows a corporation to be classified as a foreign operating corporation if its domestic property and payroll is 20 percent or less. The bill also specifies the corporation must have at least \$2 million of property and at least \$1 million in payroll located outside the United States. The measure also allows the commissioner of revenue to disallow foreign operating corporation status to a corporation and to disallow the foreign royalty and fee subtraction.

S.F. 1082 also redefines a foreign operating corporation and uses the same percentages used in S.F. 1080. In addition, the bill disallows a dividend received deduction from a foreign operating corporation if the deemed dividend includes dividends, interest, royalties, capital gains or other income. No action was taken on either bill.

Schedule available online

Next week's schedule is available online at: <http://www.senate.mn/schedule/2005/0425.htm>

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A large political banner hangs from the second floor as a tour guide gathers students around the glass star in the Capitol Rotunda, Fri., Apr. 29.
Photo by David J. Oakes



April 29, 2005

Senate Highlights

Energy bill approved

Senators met Tues., Apr. 26, to consider several measures, including three bills designated as Special Orders by Majority Leader Dean Johnson (DFL-Willmar). Senate Rules permit the majority leader to designate bills for final passage without preliminary consideration by the Committee of the Whole.

S.F. 1368, carried by Sen. Ellen Anderson (DFL-St. Paul), is the omnibus energy bill. The bill provides for more transmission lines and for more renewable energy, she said. It includes a new tariff to finance wind contracts and make possible local ownership of financially viable wind projects, Anderson said. The measure is a compromise between environmental groups, utilities, regulators and many others, she said, and offers a balanced approach with an eye on ensuring reliability and stimulating renewable energy development. Members adopted an amendment, offered by Sen. Dallas Sams (DFL-Staples), permitting a joint venture between the city of Alexandria and Gardonville Telephone Cooperative.

Sen. David Gaither (R-Plymouth) complemented Anderson on her work on the bill. He said many compromises were made along the way, all stakeholders were given an opportunity to weigh in and the bill emerged with wide support. S.F. 1368 was granted final passage, 62-0.

H.F. 218, sponsored by Sen. Julie Rosen (R-Fairmont), extends eligibility to receive the renewable energy production incentive. The bill was passed, 62-0. S.F. 284, authored by Gaither, permits the use of zero-depth pools, without the presence of a lifeguard, by persons older than age 18. The measure was approved, 57-4.

Four bills were granted final passage on the Consent Calendar. H.F. 1189, sponsored by Sen. William Belanger (R-

Bloomington), removes an expiration date on an exception to seasonal weight limits for recycling and garbage trucks. S.F. 467, authored by Sen. Michele Bachmann (R-Stillwater), prohibits Washington County from acquiring property of the disabled veterans rest camp on Big Marine Lake by eminent domain, exempts the property from the property tax and designates the property as a legal conforming use for county zoning controls purposes. H.F. 2126, carried by Sen. Steve Murphy (DFL-Red Wing), clarifies the pay differential law for state employees who are ordered to active military service. Murphy also sponsored S.F. 2112, which allows county boards to meet at locations other than the county seat.

Special Orders bills passed

Senators met Wed., Apr. 27, to consider over a dozen bills under Special Orders.

H.F. 1334, sponsored by Sen. Thomas Bakk (DFL-Cook), modifies exemptions for an iron nugget production scale demonstration facility. Bakk moved to remove an amendment made in committee requiring the Pollution Control Agency to describe reductions made in mercury emissions and to estimate the amount of reduction achieved overall specifically resulting from the implementation of a voluntary reduction plan. The amendment was offered in the other body and rejected, Bakk said. Sen. Satveer Chaudhary (DFL-Fridley) said the Senate should not change its position simply because the other body has a different position. The Senate should seek to keep the reporting requirement in conference committee, he said. Bakk said the agency is already preparing the information, without a statutory requirement. The

motion prevailed and the language was removed. H.F. 1334 was granted final passage, 56-4.

Sen. Don Betzold (DFL-Fridley) carried S.F. 427, the first of the annual pension bills. Betzold said the Legislative Commission on Pensions and Retirement decided to put forward a very technical proposal in the bill before advancing a measure that is more controversial. The bill was approved, 56-1. S.F. 969, authored by Sen. Jim Vickerman (DFL-Tracy), requires state agencies to reduce the use of gasoline and petroleum-based diesel fuels in state-owned motor vehicles and specifies cleaner fuel use requirements in the procurement of motor vehicles for the state fleet. The bill was approved, 58-0. Vickerman also carried S.F. 1355, which extends the application period to take the power-limited technicians license examination. The measure was granted final passage, 61-0.

S.F. 808, sponsored by Sen. Steve Murphy (DFL-Red Wing), exempting motorized foot scooters from motor vehicle taxes and registration fees, was approved, 55-1. Sen. Steve Kelley (DFL-Hopkins) carried S.F. 1861, which requires the commissioner of employment and economic development to study supervision procedures governing the installation of biotechnology piping systems. The bill was granted final passage, 60-0. S.F. 1296, authored by Sen. Tom Saxhaug (DFL-Grand Rapids), permits counties to establish two-way rights-of-way along trunk highways for snowmobiles. The measure was approved, 60-0. S.F. 289, sponsored by Sen. Wesley Skoglund (DFL-Mpls.), permits political parties to name alternate presidential electors, requires presidential electors to vote for their party's candidates for president and vice president and requires presidential electors to cast their votes orally and confirm the vote in writing. The bill was granted final passage, 52-8.

S.F. 1056, carried by Sen. Mee Moua (DFL-St. Paul), provides for issuance of registration plates and stickers to motor vehicle dealers and for electronic transmission of motor vehicle transfers. The bill was approved, 60-0. Sen. Sheila Kiscaden (IP-Rochester) sponsored S.F. 1869, which permits local government unit shared hospital or ambulance service purchasing programs to award contracts to more than one bidder. The bill was granted final passage, 61-0. S.F. 554, authored by Sen. Gary Kubly (DFL-Granite Falls), was granted final passage,

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57-4. The bill requires equine teeth floaters to have indirect supervision from a licensed veterinarian. Kubly offered an amendment requiring equine teeth floaters to be certified by the International Association of Equine Dentistry or another professional equine dentistry association. The amendment was adopted.

Vickerman sponsored S.F. 1146, which clarifies the exemption of county agricultural societies from local zoning ordinances. The bill was passed, 58-0. Moua authored H.F. 47, which corrects the calculation of city aid base. The measure was approved, 57-0.

Senators also concurred in the House amendments to and repassed S.F. 244, sponsored by Sen. Sheila Kiscaden (IP-Rochester). The bill provides for consecutive teaching experience for a teacher whose probationary employment is interrupted by military service.

MAC/Met Council bill passes

A bill modifying the terms and requirements of membership on the Metropolitan Airports Commission (MAC) and the Metropolitan Council was approved when the full Senate met, Thurs., Apr. 28. Six other bills also gained final passage.

S.F. 1940, authored by Sen. Ann Rest (DFL-New Hope), makes changes to the nomination process and residency

requirements for potential and serving MAC and Metropolitan Council members. Rest said the bill specifies residency requirements similar to those to which Legislators are subject. The bill also expands the content requirement of MAC's annual report to the Legislature. Rest offered an amendment outlining the type of information to be included in the report. The amendment, said Rest, clarifies that the report must include information on how the airport operates as a hub. Sen. Jane Ranum (DFL-Mpls.) said she sees why the amendment is necessary, and added that she hopes the report will contain information on the competitive disadvantages or advantages of the airport as a hub for Northwest Airlines. The amendment was adopted. Sen. Sharon Marko (DFL-Cottage Grove) offered an amendment to stagger the terms of Metropolitan Council members. Staggered terms provide for institutional memory and greater continuity on the council, she said. Marko added that the council used to have staggered terms and only recently switched to terms that match the governor's term. The amendment was adopted. Senators granted final passage to the bill, as amended, on a 52-11 vote.

H.F. 1320 and H.F. 915, both of which were also sponsored by Rest, passed as well. H.F. 1320 changes the name of a park in the Hennepin County regional

park district from Hennepin County Park Reserve to Three Rivers Park. Rest said the bill brings statute into line with the current name of and references to the park. The bill was approved, 61-1. H.F. 915 requires municipalities to reimburse the state airports fund if land acquired with state funds is no longer used for aviation purposes. Rest said the result of the measure will be that if a municipality sells airport land, it will no longer be able to retain the state's share of proceeds from the land sold. The bill also deletes references to aircraft decals and number plates, said Rest, because there are more advanced methods used to identify aircraft now. Sen. Mee Moua (DFL-St. Paul) offered an amendment to allow the Department of Transportation (MnDOT) to lease the parking lot of its aeronautics building at the St. Paul airport on evenings and weekends to a small business in St. Paul. Moua said the amendment means MnDOT will not have to go out for competitive bids. The amendment was adopted. Senators approved the bill, as amended, on a 61-0 vote. Rest also carried S.F. 1780, which allows employers of professional athletes to require or request random drug testing of the athletes. Rest said the bill is consistent with collective bargaining agreements. The bill was granted final passage, 57-3.

Sen. David Tomassoni carried S.F. 1486. The bill prohibits the use of quotas by state patrol and law enforcement officers in issuing traffic and vehicle inspection violations. Tomassoni said representatives of the State Patrol said it does not use the quotas currently, so they are not opposed to the bill. Senators unanimously approved the bill, 61-0. Tomassoni also authored S.F. 893, which authorizes county auditors, with county board permission, to contract with municipal public utilities for the lease or sale of farm grown closed loop biomass or short rotation woody crops. The Senate approved the measure, 62-0.

The final bill to gain approval was S.F. 1509. Sen. Gary Kubly (DFL-Granite Falls) authored the bill, which exempts farm labor manufactured housing areas related to seasonal agriculture from regulation as manufactured home parks. The bill also requires the posting of a severe weather conditions safe evacuation plan. Kubly said that the housing must still comply with Minnesota law. The bill was approved, 61-0.



Actors from Central Lakes College Theatre for a Diverse Population, Brainerd, appear in an original production of "People Like Us: A Celebration of Diversity" in the Capitol Rotunda, Tues., Apr. 26.

Photo by Shelley Hawes

Committee update

Finance

Higher ed, state government omnibus budget bills advance

The Finance Committee met Fri., Apr. 22, to approve both the higher education and the state government omnibus budget bills. Both bills were amended to pass and forwarded to the full Senate.

Sen. Sandra Pappas (DFL-St. Paul) outlined the draft containing changes to the higher education budget. She said highlights of the proposed changes to the original budget passed in S.F. 1879 include fully funding recurring enrollment growth for both the Minnesota State Colleges and Universities (MnSCU) system and the University of Minnesota. Overall, said Pappas, the new budget provides \$1.22 billion each to both MnSCU and the University of Minnesota, exceeding the governor's recommendation for their funding by \$18 million and \$15 million respectively. Pappas also said additional funds were appropriated for to the Intervention for College Access Program (ICAP).

She offered, and the committee adopted, four amendments. The first relates to removing a cap on the nursing loan forgiveness program. The second clarifies a tuition waiver for deaf students, while the third removes a retroactivity provision regarding an extension of student loan application deadlines. Pappas' fourth amendment increases funding for a planning committee for a University center in Rochester. The amendment increases funding for development and implementation from \$1 million to \$2.5 million. Sen. Chris Gerlach (R-Apple Valley) offered an amendment to Pappas' amendment raising the figure even higher, to \$3.2 million. Gerlach said the amendment matches the governor's funding proposal for the project. Pappas said she strongly supports the Rochester initiative, but that the state's first responsibility is to make sure the University is fully funded. Adjusting the item, said Pappas, would put the budget out of balance. Gerlach's amendment failed on an 11-9 roll call vote. Pappas' amendment was adopted on a 19-1 roll call vote.

Sen. Sheila Kiscaden (IP-Rochester) presented the state government omnibus bill. Kiscaden said the division is recommending even less spending than is

proposed by the governor, taking across the board cuts to all state agencies. "We are making a decision that we want state government to be as slim as possible, so we can make investments in education, health care and public safety," she said. Kiscaden added, however, that, in the future, it is important to consider salary increases for legislative and state employees, who have not had an increase in several years. She said the bill focuses on the key priorities of funding programs for active military personnel and veterans and a new office of information technology.

Sen. Linda Berglin (DFL-Mpls.) said she is concerned with a provision authorizing the administrative branch of state government to propose legislation to create a health care purchasing authority. "We don't usually direct the administrative branch to propose legislation for us about something this major that we haven't even studied," said Berglin. She suggested changing the language to require only recommendations instead of legislation. Sen. Mark Ourada (R-Buffalo) said, "Health care is the monster eating us alive. If we go with the recommendation language, it only provides a report. We will be much further down the line next session if we have a real recommendation in bill form." Kiscaden offered an amendment requesting draft legislation instead of proposed legislation. The amendment also moves up the deadline for the report and recommendations to Dec. 2005 instead of Dec. 2006 in order to allow Legislators to review the information and work on their own bills. The amendment was adopted.

Kiscaden offered several other amendments. One deletes the race track franchise fee. Another allows state employees to take leaves without penalties. Kiscaden said the provision is one of the ways in which the state deals with budget problems. The amendments were adopted. The committee also adopted an amendment, suggested by Sen. John Marty (DFL-Roseville), articulating procedures on dealing with whistleblower employees in state agencies. Sen. John Hottinger (DFL-St. Peter) offered an amendment making minor changes to the gift ban law. One provision defines gifts of "insignificant value" as gifts with a market value of \$3 or less. Sen. Pat Pariseau (R-Farmington) moved to remove a provision from Hottinger's amendment which

allows funeral gifts and fees for political party convention attendance to be counted as campaign expenditures. Pariseau's motion was not adopted.

Sen. Keith Langseth (DFL-Glyndon) offered an amendment removing language that makes the Minnesota Amateur Sports Commission (MASC) fiscally accountable, in part, to the Legislature. Kiscaden said the current provision preserves MASC funding, including \$4.8 the commission received in the bonding bill, but requires the commission to come back to the Legislature to discuss their revenues and obtain authorization for the use of their funds. Sen. James Metzen (DFL-South St. Paul) said the goal is for MASC to become self-sufficient and that they already cover 99 percent of their own budgetary needs. Paul Erickson, MASC, said the commission already has an extensive review process, as six Legislators and 11 gubernatorial appointees sit on its board. Hottinger said he wanted to restore all of the commission's funding. Langseth withdrew his amendment. Sen. Cal Larson (R-Fergus Falls) offered an amendment restoring the commission's funding to \$300,000 annually and requiring MASC to come to the Legislature only for approval of increased lease authority. The amendment was adopted.

Education budget approved

Members of the Finance Committee, chaired by Sen. Richard Cohen (DFL-St. Paul), met Mon., Apr. 25, to consider two omnibus budget proposals.

Sen. LeRoy Stumpf (DFL-Plummer) presented the K-12 education budget proposal. He said the proposal funds our schools and important initiatives to ensure Minnesota students are adequately prepared when they graduate high school. It provides \$12.617 billion for education programs and increases the basic education formula allowance to \$4,832 in FY 06 and \$5,053 in FY 07, a five percent and four percent increase, respectively. The budget package also increases funding for special education. Stumpf reviewed the major elements of the proposal, including a professional compensation and staff development scheme for educators and a consolidated levy to replace several existing levies. The measure also contains a provision to opt the state out of the No Child Left Behind Act if the federal government fails to modify the law.



Senators Rod Skoe (DFL-Clearbrook), left, and Bob Kierlin (R-Winona) carefully scrutinize a spreadsheet during a recent Finance Committee hearing.

Photo by David J. Oakes

The measure was recommended for introduction as a committee bill and re-referred to the Tax Committee.

The public safety budget, carried by Sen. Jane Ranum (DFL-Mpls.), provides funding for operations and initiatives in the judicial system, law enforcement agencies, the Dept. of Public Safety, the Attorney General's Office, the Dept. of Human Rights and the Dept. of Corrections. Total spending under the proposal is \$1.887 billion, with \$1.782 billion from the general fund. The measure also raises \$82.921 million for the general fund, from several fee increases and surcharges. The criminal and traffic fine surcharge is raised by \$11, the alcohol excise tax is increased by \$0.01 per drink, the recorder fee surcharge is raised by \$6.50, the civil court filing fee is increased by \$5 and a \$1 surcharge on drivers license renewals is imposed, under the proposal.

Two issues were the focus of the Public Safety Budget Division, Ranum said. They were how to handle sex offenders and address "the worst of the worst," and how to deal with the increas-

ing numbers of drug offenders, she said. Ranum said the state has one of the lowest incarceration rates in the country, but one of the highest rates of probation or supervised release. Recent budget cuts, she said, have drastically reduced the amount of intensive supervision being done. Cuts in public safety are not as visible as cuts in education, but they are just as important, she said. Ranum noted that many counties have raised property taxes or lowered their standards for supervision to deal with cuts made at the state level. The proposal provides for indeterminate life sentences for repeat sex offenders and strict supervised release for sex offenders who are allowed back into the community, she said. Ranum said the proposal also funds chemical dependency treatment in prison and in the community, including an early release incentive for drug offenders who were motivated by addiction, as opposed to profit, and who successfully complete treatment. In many areas, she said, state funding increases are designed merely to replace federal funding that is being taken away from state programs.

The public safety budget proposal was laid over for further consideration.

Environment, safety bills gain

The Finance Committee met Tues., Apr. 26, to complete work on the omnibus public safety budget bill and to consider the omnibus environment, agriculture and economic development budget bill.

Members began by hearing testimony on the omnibus public safety budget bill. The measure, sponsored by Sen. Jane Ranum (DFL-Mpls.), contains a proposal to raise revenue by adding one cent to the cost of a drink.

Representatives of community corrections organizations spoke in support of the provision. Tom Atkins, Washington County Community Corrections, said the added revenue will help pay for the corrections costs caused by the abuse of alcohol and drugs. Sen. Pat Pariseau (R-Farmington) offered an amendment deleting the provision that added the extra one cent per drink to raise revenue.

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Pariseau argued the provision should be before the Tax Committee, rather than in the Finance Committee. Committee Chair Richard Cohen (DFL-St. Paul) said it was not unusual to have a tax provision in a finance bill and that the bill would simply be re-referred to the Tax Committee. Sen. Steve Murphy (DFL-Red Wing) said the use of the revenue for increased monitoring of offenders would save help prevent re-offense and save families in the long run. Sen. Gen Olson (R-Minnetrissa) countered that the issue was that it was a new tax and that it was not a "user fee," because not everyone that has a glass of wine for dinner is going to end up with a DUI. Sen. Sandra Pappas (DFL-St. Paul) said the problems of alcohol abuse are contributing to the rapid increase in the state's incarceration rate.

Sen. James Metzen (DFL-South St. Paul) offered an amendment to delete the one cent tax. He said he believed the tax was too regressive. Sen. Sheila Kiscaden (IP-Rochester) said, "I don't like fees being placed in these bills, but it does show that there is an unmet need and that there is a method for paying to meet those needs." We have a serious problem we cannot ignore and that will cost us more in the future, she said. Pariseau said the bill, with the added tax, cuts the public out of the discussion on the priorities. The amendment failed 11-11.

Members also adopted an amendment relating to county recorder fees. The amendment eliminates some fees, increases the amount that accrues to the state and standardizes the fee throughout the state. Ranum offered an amendment to withdraw funding for a

revolving fund for meth lab cleanup from the bill. Ranum explained that the funding is contained in another omnibus bill.

Sen. Satveer Chaudhary (DFL-Fridley) offered an amendment relating to the Financial Crimes Task Force. Under the bill, a \$1 surcharge on driver's license renewals is slated for the task force. Chaudhary said the amendment clarifies the language.

The committee re-referred the measure to the Tax Committee without recommendation.

After a recess to accommodate the floor session, members reconvened to

consider the omnibus environment, agriculture and economic development budget bill. Sen. Thomas Bakk (DFL-Cook) carried the bill and said the measure had a target of \$14 million over the previous budget bill, S.F. 1879. According to Fiscal Analyst Dan Mueller, the environment and agriculture portion of the bill contains \$5.2 million of the target. Mueller presented a line by line description of the bill's spreadsheet.

The measure provides \$13.163 million over the base for the Pollution Control Agency, appropriates an additional \$18,000 to the Minnesota Zoo, and provides an additional \$279,000 to the



During his opening statement, Sen. John Hottinger (DFL-St. Peter) holds up a cereal box touting the importance of early childhood education as the Finance Committee considers the Senate's early childhood omnibus spending bill, Wed., Apr. 27.

Photo by David J. Oakes

Board of Water and Soil Resources for flood reduction programs, drainage system buffer assessment and beaver damage control grants.

The measure also contains numerous change items for the Dept. of Natural Resources (DNR). Mueller said the proposal appropriates an overall net increase of about \$17.5 million to the DNR, which includes a \$4.7 million general fund reduction but an increase of \$15.7 million from the natural resources fund, \$6.4 million from the game and fish fund and \$100,000 from the permanent school fund.

Change items included for the DNR include \$100,000 to identify, evaluate and lease construction aggregate on school trust lands, \$250,000 for a grant to drill a bore hole in the Tower-Soudan mine complex, \$7.6 million from the forest management investment account, \$400,000 for grants for silvicultural research, \$1 million to acquire easements for permanent snowmobile trails, \$75,000 for an ATV gas tax study, \$100,000 to the Duluth Port Authority to determine the cause of freshwater corrosion, \$300,000 for a grant for the Mesabi Station, \$200,000 for the roadsides for wildlife program, \$325,000 for a grant to the "Let's Go Fishing" program, \$200,000 for nongame information, education and promotion, \$750,000 for an aquatic species cost-share program, \$964,000 for state parks, \$40,000 for the Como and Duluth Zoos and \$20.8 million in operations support reallocations to the program areas of the DNR.

Under the measure, \$1.1 million is appropriation to the Metropolitan Council for Metro Parks. The proposal appropriates \$914,000 to the Board of Animal Health for a grant to the Veterinary Diagnostic Laboratory and for new building lease costs. The measure appropriates \$39.58 million as recommended by the Legislative Commission on Minnesota Resources.

The proposal appropriates \$25.11 million to the Dept. of Agriculture for grants for E85 pumps, ethanol combustion efficiency research, rail container load out facility feasibility studies, mental health counseling for farms, grants to the Minnesota Horticultural Society, grants for forage and turf seed, training and assistance related to livestock facilities, grants to the Second Harvest food banks, Rural Finance Authority loan programs and new building lease costs.

In addition, a number of fees, totaling about \$6.8 million, are raised under the measure. The measure also contains changes requested by the administration for the electronic licensing system and recreational vehicle registration.

In the area of economic development, the measure contains a net total of \$8.727 million in appropriations over the previous budget bill. The bill contains few new items, said Fiscal Analyst Dave Jensen. The new items include \$500,000 for a methamphetamine lab cleanup revolving fund, \$378,000 for boiler and pressure equipment inspection and code enforcement, \$250,000 for the Film Board and \$1 million for the Tourism Division.

The proposal also includes bills that provide \$100,000 for the Children's Discovery Museum in Grand Rapids, \$1.35 million for historical sites, \$7 million for the collaborative research partnership between the University of Minnesota and the Mayo Foundation for research in biotechnology and medical genomics, \$100,000 for the Minnesota Inventors Congress, \$125,000 for cold weather vineyard research, \$100,000 for the Minnesota Sesquicentennial project, \$250,000 for the "get broadband" program for Greater Minnesota internet access and \$110,000 for continuing minority business development programs in the Metropolitan Area. The measure also provides \$12.95 million in appropriations from the workforce development fund. Under the proposal, \$3 million is provided to the Minnesota Alliance of Boys and Girls Clubs to administer a statewide project of youth job skills development, \$3.6 million for the Minnesota Conservation Corps, \$2 million for the youth intervention program, \$750,000 for an educational program at the Ford plant in St. Paul, \$1 million for a grant to the American Indian Opportunities Industrialization Centers of Minneapolis and the Northwestern Opportunities Industrialization Centers in Bemidji, \$1.5 million to initiate and expand health occupation training, \$1.891 million for the displaced homemaker program and \$500,000 for a grant to Lifetrack Resources for its immigrant/refugee collaborative programs.

Members also adopted an amendment increasing the marriage dissolution fee offered by Sen. Steve Dille (R-Dassel). Sen. John Hottinger (DFL-St. Peter) offered an amendment splitting an appropriation for a study of livestock odor

control and appropriating part of the money to the Institute for Sustainable Agriculture. The amendment was not adopted. Hottinger also offered an amendment to delete sections relating to the state building code. The amendment was adopted. Hottinger offered a third amendment to require watercraft licenses be renewed every two years, rather than every three years, to raise funds for the fight against invasive species. Bakk spoke against the amendment and said it is a major policy change that deserves more discussion. The amendment failed to be adopted. Hottinger offered a final amendment deleting a provision specifying that no schools start before Labor Day. The amendment was adopted. Sen. Satveer Chaudhary (DFL-Fridley) offered, and members adopted, an amendment to include language relating to shooting ranges. Finally, members reconsidered the vote by which the language relating to school start date was removed. The amendment to remove the language was defeated. The proposal was approved and recommended for introduction as a committee bill.

Health and human services, early childhood budget plans okayed

Members of the Finance Committee met Wed., Apr. 27, to consider the omnibus budget bills for health and human services and early childhood education. The panel, chaired by Sen. Richard Cohen (DFL-St. Paul), approved both measures and advanced them to the floor and the Tax Committee respectively.

Sen. Linda Berglin (DFL-Mpls.) began the meeting by outlining the health and human services omnibus bill. The proposal appropriates nearly \$169 million in addition to base budget spending. Berglin said the target spending for the measure was just over \$150 million. Spending targets, she said, were divided into two parts, one to deal with parental fees, liens related to health care programs, and certain penalties, and the other to provide a 2 percent cost-of-living adjustment (COLA) to long-term, intermediate care facility and community workers. The proposal also includes new savings initiatives to fund a few other items, said Berglin. She added that health and human services had taken \$90 million in cuts to their base budget.

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Senators Pat Pariseau (R-Farmington), left, and Gen Olson (R-Minnetrissa) consult during a meeting of the Senate Finance Committee, Wed. Apr. 27.

Photo by David J. Oakes

Sen. Satveer Chaudhary (DFL-Fridley) asked Berglin to explain how a provision allowing small employers to enroll their employees in MinnesotaCare (MnCare) would work. She said the plan requires a business to pay 50 percent of coverage costs while the state assumes remaining costs. If these employees enrolled in MnCare otherwise, said Berglin, the state would be responsible for 90 percent of their medical costs. She added that 60 percent of uninsured Minnesotans work for small employers who will qualify for this program. Sen. Pat Pariseau (R-Farmington) asked if the proposal nickel and dined people into putting everybody on a single-payer system. Berglin said no one considers the program a single payer proposal. "It's a way for us to provide coverage to more people with the money we've got," said Berglin. Instead of the state and the individual paying, she said, the state and the employer pay in this case. Berglin said the proposal, which costs around \$9 million, has been implemented successfully in other states. Sen. Sheila Kiscaden (IP-Rochester) said she has concerns about the provision. "By extending

MnCare to small employers," she said, "it gives them an incentive not to offer health insurance." She said that adding people to MnCare ultimately transfers costs to other payers in the private sector.

Members also discussed a provision in the bill relating to licensure of plumbers. Sen. LeRoy Stumpf (DFL-Plummer) asked if the provision will change building codes associated with plumbing. Berglin said the code will not change, but licensed plumbers will be required to do the work. Pariseau said the Department of Commerce usually handles licensure. Berglin responded that the Department of Health (MDH) has traditionally handled plumbing issues because of the relationship between clean water and public health. She said the provision could be moved in future years, but that its original author, Sen. Michelle Fischbach (R-Paynesville), asked for it to be included in the omnibus bill.

Sen. James Metzen (DFL-South St. Paul) offered an amendment allowing Dakota County to receive Medical Assistance (MA) payment rates for treating its prisoners. Berglin said the amendment has no fiscal impact and

could, in fact, save Dakota County money. The amendment was adopted. Senators also adopted a technical amendment offered by Sen. Dennis Frederickson (R-New Ulm) to refine certain language in the bill.

Next, the committee heard the early childhood education omnibus bill, presented by Sen. John Hottinger (DFL-St. Peter). The bill proposes an additional \$35 million in spending, said Hottinger. He also spoke on the importance of early childhood education. "We hear a lot about No Child Left Behind," said Hottinger, "but when students start behind, they never catch up." The bill appropriates \$3.69 million more to school readiness, \$10.55 million more to early childhood family education (ECFE), \$7.67 million more to Head Start, \$1.9 million more to community education and \$3.4 million to Adult Basic Education (ABE). Hottinger noted that the bill also restores child care reimbursement rates to their 2001 level and creates a Minnesota Early Learning Foundation (MELF). He said the bill also funds a governor's recommendation designed to encourage screening pre-kindergarten children at a younger age.

Hottinger offered an amendment related to grants to promote kindergarten readiness. Because there is not enough money to provide a broad state grant program, he said, the amendment uses available funding to provide planning grants and targets projects at west Hennepin County. The amendment was adopted.

Pariseau said she has concerns about developmental screening provisions in the bill because it permits socioemotional screening of pre-kindergarten students. "We're trying to get to children younger and younger. Soon, we will be in the maternity ward," said Pariseau. The screening requires parental consent and is entirely voluntary, said Hottinger. He added that the screening could be useful in helping to prepare children for school.

Omnibus transportation bill gains

The Finance Committee devoted the Thurs., Apr. 28, hearing to review of the omnibus transportation budget bill. The panel, chaired by Sen. Richard Cohen (DFL-St. Paul), advanced the measure, S.F. 1980, to the Tax Committee.

The transportation funding proposal, carried by Sen. Steve Murphy (DFL-Red Wing), provides funding for highways and transit, bonding for capital projects and funding for public safety functions. In addition, the bill sets up new accounts, provides for special license plates, raises fees and provides for a constitutional amendment to dedicate 100 percent of the motor vehicle sales tax for surface transportation issues.

The appropriations in the bill are in addition to appropriations made in the first budget bill, S.F. 1879, Murphy said. Under the bill, the trunk highway fund appropriation for infrastructure investment support is increased by \$50 million and the state road construction appropriation is decreased by \$50 million. The measure also provides \$12.706 million to the county principal arterial account from the flexible account and \$5.064 million is transferred to the municipal principal arterial account. The bill provides an increase of \$785,000 to the State Patrol for automated external defibrillators and \$1.7 million for traffic and pedestrian safety.

Capital projects in the bill include \$9.34 million to repair and renovate the Dept. of Transportation building, \$16.6 million for the district headquarters

facility in Mankato and \$4.7 million for smaller capital projects.

The measure increase the fee on initial motor vehicle registration and on vehicle transfers from \$4 to \$10, increases the vehicle dealer license application fee from \$50 to \$100 and increases the annual fee from \$100 to \$150, authorizes a \$20 fee for expedited services, increases fees for various documents, increases the fees for every vehicle transaction fee other than registration and increases the fees for driver's license and identification cards.

The measure also provides for special "Support Our Troops" license plates, as well as several other special plates commemorating veterans.

The gasoline tax, under the bill, is increased 4 cents per gallon the first year and 3 cents per gallon the second year, Murphy said. The bill also provides for the gasoline tax to increase with inflation.

Murphy said congestion is increasing in the Metro Area faster than just about any place else in the country. He said the plan is to approach the problem with a two pronged attack, through adequate road construction and increases in transit solutions, which include buses, light rail and commuter rail. Murphy said, "We couldn't print enough money to build our way out of the congestion problem." He said the other body cut \$66 million from transit, but the Senate proposal retains that amount and adds an additional \$11.5 million.

The bill provides for an increase in the license tab fees, Murphy said. He said the increases in the bill amount to about half of the amount that was cut under a previous administration.

Murphy said the increase in the gasoline tax will result in \$2.2 billion for highways and the new vehicle registration tax increases will result in \$893 million over the next 10 years. In all, \$5.656 billion will be raised, he said.

Sen. Scott Dibble (DFL-Mpls.) offered an amendment to increase funding for transit. He said the need for transit is overwhelming and needs increased funding. The amendment increases the percentage of motor vehicle sales tax revenue dedicated to transit. The amendment increases the percentage from 7 percent to 9 percent in FY 06 and from 8 to 10 percent in FY 07. In addition, the amendment increases the amount for both Metro and Greater Minnesota transit. The amendment was adopted. Sen. Linda

Berglin (DFL-Mpls.) offered an amendment to eliminate the requirement for a constitutional amendment. She said the constitutional amendment would not allow the state the flexibility to alter where the funds could go. Berglin said if there were severe shortfalls in the state budget in future years, the state needs the flexibility to appropriate money to solve the shortfall. Sen. Pat Pariseau argued against the amendment and said the bill removes the ability of the voters to approve the dedication of the funds solely for transportation. The amendment was adopted on a 14-7 roll call vote. Dibble also offered, and members adopted, an amendment for a public transit facility in a private development.

The committee also considered a bill, S.F. 1703, imposing a sales tax in the Metro Area to fund transit. Chief Author Sharon Marko (DFL-Cottage Grove) said the bill addresses long-term transit needs in the area. Under the bill, one half of one percent is added to the sales tax in the seven-county Metro Area. The proceeds are to be used for Metro Area transportation and transit improvements and services, Marko said. The bill also specified a particular percentage of the motor vehicle sales tax be used for transit and specified the appropriations. An amendment, offered by Dibble, removed those provisions of the bill. The measure was approved and forwarded to the Tax Committee.

Public safety budget bill revamped

The Finance Committee met Fri., Apr. 29, to discuss an amendment to the omnibus public safety budget bill, S.F. 2273, made necessary by actions taken the previous day in the Tax Committee.

The bill, carried by Sen. Jane Ranum (DFL-Mpls.), had contained an additional tax on alcoholic beverages, but the Tax Committee removed the provision. As a result, Ranum said, an additional \$51.579 million needed to be cut from the bill. The committee, chaired by Sen. Richard Cohen (DFL-St. Paul), adopted an amendment containing the funding reductions. The amendment reduces funding by \$190,000 for administrative costs of the Dept. of Public Safety, by \$600,000 for the State Fire Marshal's Office and by \$2.262 million for battered women's shelter grants. The funding for the Peace Officer and Standards Training Board is reduced by a total of \$318,000.

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Sen. Steve Kelley (DFL-Hopkins) entertains a group of preschoolers in a Capitol hallway during an Early Childhood Read-A-Thon, Thurs., Apr. 28.

Photo by Shelley Hawes

Ranum said the amendment reduces funding for Dept. of Corrections health services by \$1.409 million, for chemical dependency treatment in the prison system by \$6 million, for mental health treatment in the prison system by \$4 million, for chemical dependency treatment in the community by \$3 million and for administrative costs by \$150,000. In addition, a proposed initiative to increase supervision of offenders in the state corrections system, the community corrections system and the juvenile system was cut by \$34.186 million. The amendment also contains an increase in the traffic fine surcharge.

Sen. Thomas Neuville (R-Northfield) offered an amendment specifies that, in the early release for drug offenders portion of the bill, notice must be given to prosecutors for offenders eligible for participation in the early release program retroactively. The amendment was adopted.

Cohen offered an amendment to increase the parking ticket surcharge from \$3 to \$4. Cohen said the increase will raise \$1.1 million for the general fund. Members adopted the amendment. The bill was then advanced to the full Senate.

Health and Human Services Budget Division

Omnibus' fiscal changes reviewed

Members of the Health and Human Services Budget Division met briefly Mon., Apr. 25, to review the fiscal portions of the division's omnibus budget bill. Sen. Linda Berglin (DFL-Mpls.), who chairs the division, said the proposals included in the bill reflect important priorities. Among those priorities, she said, is a two percent cost-of-living adjustment (COLA) increase for long-term care providers and the restoration of funding to eliminate dental caps in the

Medical Assistance (MA) and General Assistance Medical Care (GAMC) programs. The recommendations also include buying back co-pays that have affected elderly and disabled Minnesotans and funding longer treatment for methamphetamine addicts, said Berglin. She added that the proposal does not cut eligibility for any program, and that, in fact, there are small eligibility increases included in the proposal.

Fiscal analyst David Godfrey outlined the recommended changes, which increase health and human services spending by just under \$168.4 million for the 2006-2007 biennium. According to Godfrey, proposals for Department of Human Services (DHS) spending include funding rent for a new DHS building through administrative cost cuts, financing a prescription drug discount program, repealing dental caps on GAMC, MA and MinnesotaCare (MnCare), eliminating co-pays for GAMC and MA, directing

Temporary Assistance for Needy Families (TANF) funds to pay for work and child care initiatives under the Minnesota Families Investment Program (MFIP), providing a COLA increase for long-term, home and community care professionals and offering a MnCare enrollment option to small employers. Godfrey said the recommendations coincide with some of the governor's recommended DHS initiatives, such as a program to prevent homelessness for young adults transitioning from long-term foster care and additional funds for state operated forensic services. The proposal does not include gubernatorial recommendations to freeze the child care assistance rate or to decrease the reimbursement rate to hospitals by 5 percent, he said. One savings initiative in the proposal, said Godfrey, is managing case load growth in home and community based waivers, which will save over \$41 million over the next biennium. DHS proposals also include expenditures for funding diagnosis related groups in rural hospitals and a variety of programs to improve services for persons with mental illness, he said.

Godfrey also provided an overview of spending changes to the Department of Health (MDH) and health-related boards. Among the proposals recommended by the governor that were not adopted in the omnibus bill are eliminating grants for suicide prevention, eliminating the office of complimentary and alternative practices and funding dental loan forgiveness, said Godfrey. He also outlined the fee increases included in the proposal. Under the proposed budget, there will be increases in: drinking water service connection fees, well management program fees, food manager's certification process fees, the food, beverage and lodging program fee and the lab certification fee. To cover rent costs associated with a new MDH building, said Godfrey, the proposal specifies a \$1.25 million administrative reduction to MDH, across the board fee increases for boards amounting to \$2.52 million and a transfer from the occupational therapy state government special revenue account. He said MDH proposals include the governor's recommendation on reporting adverse health events. Additionally, Berglin recommended plumber licensing requirements, the implementation of a donated dental program, an inter-agency work group on childhood obesity and family

planning grants to clinics in greater Minnesota. Godfrey said loan forgiveness, a cancer drug repository program and pharmaceutical price reporting are funded under the Board of Pharmacy, while the Board of Nursing is to receive an appropriation to establish a Center for Excellence.

Sen. Yvonne Prettner Solon (DFL-Duluth) and Sen. Paul Koering (R-Fort Ripley) both said they appreciated funding for and not cutting health programs and providers in rural areas. Sen. Julie Rosen (R-Fairmont) said she is especially appreciative of initiatives in the bill targeted at battling the methamphetamine problem. While Sen. Brian LeClair (R-Woodbury) said he appreciated the work that went into making the recommendations, he asked how the state could afford the bill. He said there are several hundred million dollars difference between the proposal and the governor's recommended spending. The division adopted the proposed changes on a roll call vote of 7-1.

Omnibus bill approved

The Health and Human Services Budget Division, chaired by Sen. Linda Berglin (DFL-Mpls.), completed work on its omnibus budget bill, Tues., Apr. 26.

Members offered several amendments. Berglin told the division that amendments may not have a fiscal impact on the measure, or they will be not included in the final bill. She offered two amendments, the first of which specifies distribution of certain specialty pharmacy products, and the second of which reduces duplicative auditing of health plans by the Department of Human Services (DHS) by accepting audits conducted by nationally recognized, independent organizations. Both amendments were adopted. The division also adopted an amendment from Sen. Linda Higgins (DFL-Mpls.), which appoints a task force of education and mental health professionals to develop recommendations on how to pay for mental health screening for children. Senators adopted amendments from Sen. Julie Rosen (R-Fairmont) and Sen. Becky Lourey (DFL-Kerrick) as well. Rosen's amendment allows a nursing facility in Faribault County to be inspected by a survey team from Mankato instead of Rochester. Lourey's amendment directs the commissioner of health to work with

local public health departments to develop a public health information network.

Sen. Brian LeClair (R-Woodbury) offered an amendment to allow the Department of Health (MDH) to provide information on the cost of certain health services, so patients may know how much is paid for the procedures they receive. LeClair said the amendment makes available important information in a consumer-based market. He also said the amendment specifically uses the word "may," in directing the commissioner to provide the information, to negate any potential fiscal impact. Doug Stang, MDH, said the department does not think there will be a cost to the amendment. The amendment was adopted.

The division also adopted a new spreadsheet, containing budget information from late-received fiscal notes. Berglin said the spreadsheet did not reflect any policy changes, only the way in which new fiscal notes impacted the budget. The spreadsheet was adopted on a roll call vote of 7-1. Senators also adopted the omnibus bill, as amended, on a 7-1 roll call vote and sent it to the full Finance Committee.

Rules and Administration

Omnibus bill scrutinized

The Rules and Administration Committee, chaired by Sen. Dean Johnson (DFL-Willmar), met Fri., Apr. 29, to consider a provision of a bill that had been brought to the committee by a rule allowing any member to object to a bill's disposition in a committee report.

The bill, S.F. 2276, carried by Sen. Thomas Bakk (DFL-Cook), is the omnibus environment, agriculture and economic development appropriations package. An amendment, offered by Sen. Satveer Chaudhary (DFL-Fridley), relating to shooting ranges, had been added in the Finance Committee. When the measure reached the floor, Sen. Don Betzold (DFL-Fridley), objected to the committee report because of provisions in the amendment that fall under the jurisdiction of the Judiciary Committee. Betzold objected because the bill had not come to the Judiciary Committee for consideration.

Betzold said the provision contained a number of issues that needed to be

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reviewed by the Judiciary Committee and requested that the language be stripped from the bill.

Chaudhary said the provisions, which restrict changes in use, development or construction in the area of a preexisting outdoor shooting range that causes the range to become out of compliance, have been heard before by various committees. The language also exempts shooting ranges in compliance with performance standards from nuisance actions. He said all of the stakeholders have come to an agreement for the first time in several years.

Sen. Richard Cohen (DFL-St. Paul) said the provisions were not related to the appropriations contained in the omnibus bill. He said the language should be removed from the bill.

Johnson said he had had an amendment drafted that deleted the shooting range provisions, deleted language containing a bill related to electronics recycling and deleted language specifying that schools not start before Labor Day.

Members of the Rules and Administration Committee divided the amendment and approved the portion that removes the shooting range language.

Sen. Linda Higgins (DFL-Mpls.) spoke to the provisions relating to electronics recycling. She said the measure is also a stand alone bill, but that it had been objected to under the same rule and had been pulled into the Rules and Administration Committee. The committee removed the language from the omnibus bill. Members also removed a provision relating to taxes because a separate bill is in the Tax Committee. The omnibus bill was advanced to the floor.

Tax

Tax assistance grants approved

Members of the Tax Committee, chaired by Sen. Lawrence Pogemiller (DFL-Mpls.), met Tues., Apr. 26, to consider several proposals for inclusion in the third omnibus tax bill. Among the measures was one supporting organizations providing tax assistance to low-income Minnesotans.

S.F. 1216, carried by Sen. Ann Rest (DFL-New Hope), appropriates \$125,000 annually for grants to nonprofit organizations providing volunteer services, including accounting and tax preparation

services, to low-income and disadvantaged Minnesota residents to help them file federal and state income tax returns and Minnesota property tax refund claims and to provide personal representation before the Department of Revenue and Internal Revenue Service. Rest said the assistance is important to ensure that Minnesotans are able to comply with their tax obligations and to help low-income residents get their refunds, which they usually spend quickly in their communities. Members adopted an amendment, offered by Sen. John Marty (DFL-Roseville), making the appropriation part of the agency's base budget and increasing the annual amount to \$200,000 after FY 07. Representatives of volunteer services organizations and the department said the services are very helpful to Minnesotans and the state. S.F. 1216 was placed on the C list for Tax III.

S.F. 2113, carried by Sen. Chris Gerlach (R-Apple Valley), authorizes the city of Rosemount to spend increment from a TIF district to acquire parcels of property that the Department of Transportation or Dakota County acquired in connection with the realignment of Trunk Highway 3. S.F. 2092, authored by Sen. Thomas Saxhaug (DFL-Grand Rapids), increases from \$15,000 to \$25,000 the maximum levies imposed by Lakeview Cemetery Association towns and cities. The bills were placed on the A list.

Sen. Mike McGinn (R-Eagan) sponsored S.F. 2158, modifying the definition of "market value" used in levy and debt limitations. Kathy Hahne, representing the Minnesota Association of Local Housing Finance Agencies and the National Association of Housing and Redevelopment Officials, said the definition was unclear to some counties. Jack Mansun, Dept. of Revenue, said the differences in interpretation were not widespread and could lead to significant increases in taxation in counties using the more commonly accepted interpretation. The proposal was placed on the C list.

The panel also discussed an proposal relating to deferred compensation earned as a Minnesota resident but later paid to a non-resident. The proposal taxes the deferred compensation when it is paid, if it was earned in Minnesota. Current law provides that the deferred compensation is not taxable in Minnesota if the earner is not a Minnesota resident when the compensation is paid. The proposal is part

of the tax provisions from S.F. 254, sponsored by Sen. Linda Berglin (DFL-Mpls.). The tax provisions of the bill were placed on the C list. (The remainder of the bill was advanced to the Finance Committee at an earlier meeting.)

Miscellaneous tax bills heard

Members of the Tax Committee met Wed., Apr. 27, to consider a variety of bills for inclusion in the panel's Tax III omnibus bill. The committee also heard from Jeff Forester, Minnesota Seasonal Recreational Property Owners Coalition, Tom Hesse, Minnesota Chamber of Commerce, and Kent Warden, Greater Minneapolis Building Owners and Managers Association, on the statewide property tax. Pogemiller said the proposal is to freeze the rate of the statewide property tax, rather than calculate the rate as a fixed dollar amount adjusted for inflation.

The panel, chaired by Sen. Lawrence Pogemiller (DFL-Mpls.), began with S.F. 782. The bill, sponsored by Sen. Mady Reiter (R-Shoreview), requires a payment to the city of White Bear Lake of \$104,964. Reiter said a census error had resulted in the city not receiving the correct amount of aid from the state. The measure was recommended for the panel's "C" list.

Several bills were considered as amendments for the omnibus bill. Pogemiller explained that the measures were currently in the Rules and Administration Committee because of a provision in the Temporary Joint Rules. He said that after discussion with the parties involved it was decided to consider the bills as amendments to the omnibus bill, even though the bills were not formally in the committee's possession. S.F. 2091, sponsored by Sen. Dick Day (R-Owatonna), provides a personal property tax exemption for an electric generation facility. The measure was recommended for the "A" list. A second measure, S.F. 2166, sponsored by Sen. Ellen Anderson (DFL-St. Paul), that clarifies the market value exclusion for electric power generation efficiency, was also recommended for the "A" list. A bill, S.F. 2163, providing a property tax exemption and a sales tax exemption for construction materials used for a hydroelectric utility was also heard. The measure, sponsored by Pogemiller, was recommended for the "C" list.

Members also discussed a bill, S.F. 1962, that repeals a provision specifying

that counties pay post-retirement costs of court administration, guardian ad litem, or interpreter employees who have elected to retain county insurance benefits after July 1, 2001. The measure, sponsored by Sen. Don Betzold (DFL-Fridley), was recommended for the "C" list. S.F. 1743, sponsored by Sen. Betsy Wergin (R-Princeton), was recommended for the "C" list. The measure modifies the tax base used to calculate debt service levies. S.F. 1880, carried by Sen. William Belanger (R-Bloomington), extends the fiscal disparities Bloomington repayment by eight years. The measure was recommended for the "A" list.

Income tax increases heard

Two proposals to increase the individual income tax rates paid by

Minnesotans were heard by members of the Tax Committee, Thurs., Apr. 28.

Sen. John Hottinger (DFL-St. Peter), chief author of both proposals, said the measures are simple and easy to understand—they partially roll back the tax cuts of 1999 and 2001. Minnesotans will pay more than they did last year, but less than they would if the income tax system of 1999 were still in place, unchanged, he said. The 2003 budget did not share the pain among Minnesotans, Hottinger said, but focused the burdens on the underprivileged. It is time to start a public discussion of what our obligations to each other are, he said. The cuts we made are unsustainable and were overly optimistic, Hottinger said.

S.F. 1333 increases the individual income tax rates for the lowest tax bracket from 5.35 percent to 5.38 percent

for the current tax year and to 5.40 percent for tax year 2006 and beyond. It increases the rate for the middle bracket from 7.05 percent to 7.38 percent and then 7.7 percent. The bill increases the rate for the top bracket from 7.85 percent to 8.28 percent and then 8.7 percent. Revenue increases by \$884.6 million in FY 06-07 and by \$1.018 billion in FY 08-09, under the proposal. S.F. 2256 imposes a surtax on the income tax, effectively raising the brackets to the same levels as in the other bill, but reverts tax rates to their current levels after tax year 2006. The bill raises revenue by \$648.4 million in FY 06-07.

Representatives of major religions spoke in support of the proposals and discussed a moral basis for higher taxes. Archbishop Harry Flynn said Catholic leaders are deeply concerned about the



Minnesota clergy, from left, Rabbi Aaron Brusso, Bishop Peter Rogness, Hamdy El-Sawaf and Archbishop Harry J. Flynn appear before the Committee on Taxes, Thurs., Apr. 28, to offer their perspective on a proposal to increase individual income tax rates.

Photo by David J. Oakes

Committee update

consequences of recent budget cuts. They add to the suffering of children, the elderly, the disabled, the sick and the poor. Bishop Peter Rogness, Evangelical Lutheran Church in America, said recent cuts have dismantled many aspects of our public life that made our state a people-friendly state. Every person has a right to live and to an opportunity to work and lead a meaningful life, said Hamdy El-Sawaf, Islamic Center of Minnesota. Taxes pay a critical role in bringing forth a good society, he said. Rabbi Aaron Brusso, Adath Jeshurun Congregation, said people use government because we do not have the capacity to provide a safety net individually or the confidence that people will participate in something voluntarily. People in need should not have to rely on random acts of kindness, Brusso said.

Others addressed the importance of the programs taxes support. The question is not if to raise revenue, but how to raise the revenue, said Nan Madden of the Minnesota Council of Nonprofits. "While no one likes to pay taxes, we do like the things taxes pay for," she said. Madden said many families would be better off with a modest tax increase than with a no-new-taxes approach that increases fees and tuition. Jim Koppel, executive director of the Children's Defense Fund, said Minnesotans are losing out on possible investment opportunities and creating future costs by underfunding early childhood education. The business community's concerns about raising income taxes are not well-founded, said Wayne Cox of Citizens for Tax Justice. Higher income taxes are not going to make it harder to recruit employers, he said. Minnesota had high job growth before the 1999 tax cuts, Cox said, because Minnesota has an educated, productive workforce.

There are many principles behind tax policy: competitiveness, accountability and the ability to pay, said Lynn Reed of the Minnesota Taxpayers Association. If taxes are shifted away from the majority of taxpayers, there is a tendency to demand more services without seeing the costs, he said. The concern is that such policies create an overdependence on government, Reed said.

S.F. 1333 was placed on the C list for Tax III, which means it remains in consideration for the omnibus bill. S.F.

2256 was placed on the E list, meaning it is not in consideration for the omnibus bill.

Committee members also heard S.F. 1195, carried by Sen. Thomas Neuville (R-Northfield). The bill permits taxpayers to voluntarily pay more taxes and designate where the extra funds can be spent. The measure creates accounts for K-12 education, higher education and health care. If people are willing to pay more voluntarily, they should be able to, Neuville said. Many taxpayers might be willing to pay more if they knew the money would go to programs they care about, he said, while they would be reluctant to support general tax increases. S.F. 1195 was placed on the C list for Tax III.

Alcohol excise tax heard

Members of the Tax Committee, chaired by Sen. Lawrence Pogemiller (DFL-Mpls.), held a second meeting, Thurs., Apr. 28, to consider an increase in the excise tax on alcoholic beverages. The proposal is contained in the omnibus public safety budget bill, S.F. 2273. Sen. Jane Ranum (DFL-St. Paul), chair of the Public Safety Budget Division, discussed the proposal.

The revenue from the tax increase is used for three things—sex offender supervision caseload reductions, chemical dependency treatment and crime victims' services, Ranum said. The excise tax is imposed at the wholesale level and is based on volume. The proposal increases the tax at a rate equal to one cent per drink, which is projected to raise \$50 million for the biennium. Representatives of the liquor industry spoke against the proposal. They said increased wholesale taxes translate into increased retail prices, making it harder to compete against businesses in surrounding states and leading to job losses.

Sen. David Tomassoni (DFL-Chisholm) offered an amendment deleting the tax increase. Sen. Thomas Bakk (DFL-Cook) said every budget division was given its target and was not supposed to create new revenue to shoehorn its way into the target. This initiative is important and we need to find a way to pay for it, said Sen. Mee Moua (DFL-St. Paul). If we do not like this tax, then we should come up with other

revenue, she said. The amendment was adopted and the tax increase was removed.

Sen. John Marty (DFL-Roseville) moved to advance S.F. 2273 to the full Senate. Marty said the effect of the motion is to indicate the Tax Committee's willingness to find other revenue to pay for the proposal. Sen. Don Betzold (DFL-Fridley) made a higher motion, to re-refer the bill to the Finance Committee. The Betzold motion prevailed on a divided voice vote.

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*The Capitol is reflected in the chrome of a custom wheel during the Minnesota Street Rod Association's display of collector cars, Tues., May 3.
Photo by Shelley Hawes*



May 6, 2005

Senate Highlights

Senate approves K-12 proposal

Senators continued an all-day floor session, Thurs., May 5, with consideration of the K-12 education omnibus budget bill. Sen. LeRoy Stumpf (DFL-Plummer), who carried the measure, said it provides \$12.617 billion in education spending over the next biennium. Included in that funding, said Stumpf, is an increase in the basic education formula allowance to \$4,832 in FY 06 and \$5,053 in FY 07. The increases, five and four percent respectively, are in response to parents and educators who said they felt the governor's four percent increase was not adequate. The bill will stop district cuts, stop program reductions, stabilize school funding and increase special education funding, said Stumpf. The proposal also includes a professional compensation provision and consolidates the equity, safe schools and operating levies into one levy, he said.

Sen. Steve Kelley (DFL-Hopkins) said, "The bill keeps schools from going backwards the way they have the past three years and sets us up to do better in future years." He outlined some of the policy provisions contained in the bill. Included in the provisions, said Kelley, is one allowing the state to opt out of the No Child Left Behind Act if the federal policy is not changed. Other provisions relate to basic skills testing, physical education standards, special education student needs, the development of assessment and identification systems for gifted and talented students and the development of district policies on bullying. Stumpf noted another provision allowing districts to receive funding, even if their schools are closed, in the case of an emergency, such as the Red Lake shooting.

Stumpf offered two amendments. The first allows schools to use health and safety revenue for construction used to house and maintain systems that maintain air quality necessary for a healthy environment. Stumpf's second amendment contained two parts. The first, he said, directs the commissioner of education to select up to four school districts to assist other districts in developing effective mentoring programs. The second provision allows the Waconia school district to lease an administrative space if it can prove to the commissioner of education that the administrative space costs less than the instructional space that would otherwise be leased. Both amendments were adopted.

Sen. Betsy Wergin (R-Princeton) offered an amendment to require that parents receive a thorough description of the content, materials and curriculum associated with sex education. The amendment also requires parents to provide written consent to allow children to take the class and allows parties to inspect any audio or visual materials associated with the curriculum. Under the amendment, parents may choose whether their children attend all or any parts of the class without penalty. Wergin said the bill allows districts to teach sex education in grades K-6 and requires that it be taught in grades 6-12. "We are affecting the life of all minor children in Minnesota. Within those families, there are huge cultural and religious differences, and we have to understand the differences from family to family," she said. Kelley said the bill already provides parents the right to say they do not want their child in the class and also requires districts to provide notice and information to parents regarding the class's curriculum. Sen. Sandra Pappas (DFL-St. Paul) said the

opt-in method in Wergin's amendment will put a significant burden on schools. Kelley said the bill balances the right of the parent to give input with the need of the district to move forward with this type of curriculum without adding a cost. The amendment failed, 30-35.

Senators also considered an amendment offered by Sen. Don Betzold (DFL-Fridley). The amendment provides for a statewide health insurance pool to be created for school districts. Betzold said the pool will provide a choice to districts on what type of plan they want to have, while also providing the strength of collective bargaining to the districts. Sen. Charles "Chuck" Wiger (DFL-North St. Paul) said the statewide pool proposal represents a mandate on districts, some of which do not want to participate in the pool. He offered an amendment to make joining the pool optional. Betzold said he opposed the amendment because it undermines the purpose of a state pool. Districts will go in and out of the pool, Betzold said, and higher cost districts will join and drive the price up. He added that there is wide support for creating the pool. "The only way a pool like this works is if it is mandatory," he said. Sen. Claire Robling (R-Jordan) said she supported the amendment. "Bargaining units should have choices," she said. Sen. Sean Nienow (R-Cambridge) said he had previously offered a compromise on the issue allowing districts to opt into the pool, but requiring those that join to remain in it. Nienow said requiring all districts to join means issuing an unfunded mandate for half of the school districts in Minnesota. "We are mandating a pooled rate. If your rate happens to be less than average, and half of the schools are less than average, we are mandating a higher rate for you," Nienow said. Wiger's amendment failed, 26-38.

Sen. David Gaither (R-Plymouth) said the amendment punishes school districts that have done a good job with their health insurance. Sen. Satveer Chaudhary (DFL-Fridley) said the state has created other statewide pools. He said the amendment creates rate stability, allows districts to have group insurance and provides for cost-containment and data tracking. Chaudhary said the amendment allows districts to pool resources to purchase insurance in the free market. Gaither responded that a mandate and the market are often at odds. He said the amendment effectively strength-

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From left, Senators Claire Robling (R-Jordan), Debbie Johnson (R-Ham Lake), Charles “Chuck” Wiger (DFL-North St. Paul) and Michael Jungbauer (R-East Bethel) congregate in the Senate Chamber.

Photo by David J. Oakes

ens the weak by weakening the strong. Members adopted Betzold’s amendment, 37-27.

Sen. David Hann (R-Eden Prairie) offered several amendments. The first allows districts to structure transportation fees in a way suitable to the district’s citizens. He said the amendment does not require a fee, but allows districts to charge for providing transportation to students, particularly those living between one and two miles from school. “The amendment is reflective of the local control we all respect,” said Hann. Kelley said the amendment leads to greater disparities between wealthy and poor districts. He said the amendment is especially burdensome to poor districts with longer transportation routes. Sen. Gen Olson (R-Minnetrista) said there is nothing wrong with letting districts make their own choice. The amendment was not adopted on a 26-35 vote.

Hann asked Stumpf to explain how the consolidated levy systems will work. Stump said the new consolidated levy will equal approximately the same amount of the three levies eliminated in creating it. He said the new levy sets a levy level and requires the district to raise that amount. The new levy, said Hann, seems like it returns to the idea of a property tax levy that the state manages and districts must implement. He said that approach is difficult to explain to constituents. He offered an amendment to allow districts to levy up to 40 percent of the overall formula allowance. “It allows districts capped by the current level to gain more money locally,” said Hann. Stumpf said voting for Hann’s amendment means approximately \$40 million in new property taxes. Sen. Geoff Michel (R-Edina) said the current referendum law hand-cuffs districts trying to improve their schools. “Let’s let these districts raise

some money locally,” said Michel. Senators rejected the amendment, 8-57.

Hann offered a third amendment eliminating a requirement that school districts spend two percent of their funding on staff development. Kelley said it is appropriate to have two percent spent on staff development because staff development is the most important way of improving schools for kids. The amendment still allows schools to spend two percent on staff development, said Hann. “All this does is allow districts flexibility to spend money on staff development as they see fit, not as we see fit,” he said. The amendment failed, 28-36.

Hann also offered an amendment requiring school districts to spend 65 percent of their funding on classroom instruction. Hann said the governor recommended a similar provision. Stumpf said the amendment removes control from the districts. He said the statewide

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average is 63 percent and that having flexibility allows districts to have librarians and other staff. Kelley said the amendment also excludes extracurricular activities and differs significantly from the governor's proposal. The amendment failed 24-41.

Sen. Thomas Neuville (R-Northfield) offered an amendment to prohibit teachers from striking in the middle of the school year. He said the recent strike in a district was unfair to students. The amendment prohibits strikes during the period beginning with the first student contact day for teachers and ending with the last student contact day the next spring. Sen. Carrie Ruud (R-Breezy Point) said, "I would ask for your support on the amendment. The recent strike has devastated the community. Students transferred and teachers were laid off." The amendment failed on a 29-37 roll call vote.

Sen. John Hottinger (DFL-St. Peter) offered an amendment to allow districts to start the school year on any day, as long as two-thirds of the school board members vote to approve it. Otherwise, said Hottinger, the start date could not be before Labor Day. There is no provision in the bill relating to Labor Day, said Stumpf. He said he preferred not to include the amendment in the measure. The amendment failed, 33-34.

The bill was granted final passage on an unanimous 67-0 vote.

New tax bracket approved

A tax package raising over \$1 billion over the next biennium was approved at the Fri., May 6, Senate floor session. The main element of the bill, S.F. 2206, is the creation of a fourth tax bracket with a tax rate of 10.65 percent.

We are talking today about how to create a fair share approach for investments in Minnesota's future, said Sen. Lawrence Pogemiller (DFL-Mpls.), chief author of the bill. He noted that the Senate has shown strong support for new spending in higher education, early childhood and health care. We voted unanimously yesterday for the best K-12 proposal brought forward, he said. The tax bill represents a choice between fair taxes, based on a person's ability to pay, and property taxes, Pogemiller said. The bill attacks abusive tax avoidance schemes, he said, and makes Minnesota a leader in

streamlined sales taxes. The measure also builds on the middle-class tax cuts of the previous omnibus tax bill, which included alternative minimum tax reform, and provides conformity to federal provisions repealing the marriage penalty, he said.

The tax increases in the bill are temporary, Pogemiller said, while the tax breaks for middle-class Minnesotans are permanent. We are buying back the gimmicks we have used in recent years, he said, with the temporary tax increases. Even when the wealthiest Minnesotans pay a little more in income taxes under the bill, Pogemiller said, tax incidence information from the Dept. of Revenue indicates they will still be paying a smaller portion of their income in total taxes than middle-income residents. He noted that the bill reestablishes a fair relationship with local governments by increasing local government aids. The bill includes a freeze on residential property taxes, he said, but it is in exchange for more help from the state. We have spent the money in a tripartisan manner, Pogemiller said, and now is the time to pay for our spending. The bill, he said, "is a fair share for investments in Minnesota's future."

Business is still in the recovery phase, said Sen. William Belanger (R-Bloomington). This bill attacks business owners directly through the new income tax bracket and through increased business property taxes, he said. Belanger said the bill undoes the much-needed tax relief of 2001. The property tax freeze is harmful to all Minnesotans, he said, because cities will enact higher levies in anticipation of the freeze. After the freeze is lifted, property taxes will skyrocket again. "This bill just goes too far," he said.

Members considered three amendments. One, offered by Sen. Dave Kleis (R-St. Cloud), increased the funds for local government aids from \$523 million to \$616 million. An amendment removing the property tax freeze provisions was offered by Sen. John Marty (DFL-Roseville). Both amendments were not adopted. Senators did adopt an amendment, offered by Pogemiller, providing \$3.22 million over the biennium for consolidated chemical dependency treatment.

We have enacted a lot of temporary taxes in the past, said Sen. Betsy Wergin (R-Princeton), and they were not so

temporary. I am not reassured that this tax increase will ever go away, she said. This tax cut is clearly permanent, said Kleis. We have done a lot of things to stifle job creation, he said, but this is the worst. However, Pogemiller said some temporary taxes have been repealed. In 1981, he said, we enacted a surtax on income and repealed it in 1984. We need to be fair and honest in our taxation, instead of having hidden fees and taxes, Pogemiller said.

Sen. Bob Kierlin (R-Winona) warned that business owners and corporate executives will be put off by the new taxes. To add employees, he said, a business needs a lot of equity. This bill makes it even harder for business owners to grow their enterprises and create jobs, he said. Large corporations can move their operations to other major cities, Kierlin said. High-income Minnesotans who do stay in the state will change their investment and spending strategies to reduce their tax liability, he said. We need to solve our budget problems and reduce the gimmicks, Kierlin said, but we can do it by relying on economic growth. Pogemiller replied that Minnesota is gaining population while surrounding states are losing. People move here for the quality of life, he said, and because we value education and have a strong workforce.

The bill was approved on a 35-28 roll call vote.

In other action, the Senate appointed its conferees for the first several omnibus budget bills—H.F. 1481, the state government bill, H.F. 1385, the higher education bill, H.F. 1, the public safety bill, and H.F. 1422, the health and human services bill.

Senators also observed a moment of silence to remember Sgt. Gerry Vick of the St. Paul Police Department. Vick died earlier in the day after being shot in the line of duty. Sen. Mike McGinn (R-Eagan), a retired commander with the department, said Vick would like to be remembered as a father, husband, son and brother. He came to work every day honored and happy he could be a St. Paul police officer, McGinn said. Vick was awarded two medals of valor, an unusual feat for a police officer, McGinn said. "Today, the city of St. Paul and the state of Minnesota lost a joyful and faithful public servant," he said.

Floor update

Friday, April 29

State government budget passes

Senators approved S.F. 2266, the state budget omnibus budget bill, when they met Fri., Apr. 29. Sen. Sheila Kiscaden (IP-Rochester), the bill's author, said the measure reflects a lean budget that comes in under both the House's and the governor's spending recommendations. The focus of the bill, said Kiscaden, is to make state government more effective and efficient. Savings provisions in the bill include the Drive to Excellence initiative, the creation of the Office of Enterprise Technology and the position of chief information officer, the reinstatement of the Board of Innovation and the creation of an Electronic Records Task Force, she said. Kiscaden said new spending initiatives are targeted largely at expenditures related to the military. Over \$13 million in new spending is appropriated to active duty military personnel and veterans, she said. The money fully funds projects such as a 100 percent tuition reimbursement, reenlistment bonuses for the Minnesota National Guard and the creation of the Support Our Troops license plate, said Kiscaden.

Sen. Richard Cohen (DFL-St. Paul) offered two amendments. The first eliminates all assistant commissioners, five deputy commissioners and other higher level state government positions. "We have had a state government the last few years that goes after the bottom rung," said Cohen. He said state government has hired more and more political appointees over the last few years. "The amendment allows us to share the pain. It sets out some equity in state government," Cohen said. Sen. Dennis Frederickson (R-New Ulm) said the positions, especially those relating to military affairs and human rights, are an important part of state government operations. The amendment prevailed, 37-27.

Cohen's next amendment provides a salary supplement of one percent, or approximately \$21 million over the next biennium, to state employees. Cohen said state workers have not had a salary increase in several years. "We treat state employees as the ugly step children of public employees. We forget about them, we shove them aside, and in the process, we put significant economic pressure on them," he said. Kiscaden said 60 percent

of state employees are still eligible for step increases in salary, but added that it is prudent to start earmarking funds in the state budget to provide future salary increases for state employees. She said she supported the amendment. Sen. Dick Day (R-Owatonna) asked how the state will pay for the increase. Cohen said the previous amendment, eliminating high level state government positions, will cover the expenses associated with the increase. The amendment was adopted.

Kiscaden offered an amendment allowing employees to use sick leave for absences related to the illness, injury or death of a family member or regular household member. Sen. Michele Bachmann (R-Stillwater) said the phrase regular member of the household is very broad. Sen. Warren Limmer (DFL-Maple Grove) said the bill, because of its wording, could be interpreted as a domestic partners bill. Frederickson offered an oral amendment to exclude regular household members from the amendment and to include only family members. Frederickson's amendment failed, 30-35. Sen. Sean Nienow (R-Cambridge) said he opposed the amendment because it is not the state's place to tell private employers how employees can use their sick days. Kiscaden's amendment prevailed on a 38-28 vote.

Sen. Dave Kleis (R-St. Cloud) moved to delete a section of the bill pertaining to elections. He said the article represents two other bills, S.F. 1551 and S.F. 1001, which are also moving independently in the Senate. "Bills that are already moving through the process need not be in these finance bills," he said. Kleis added that he does not agree with some of the changes to campaign finance and election law contained within the section, but said they should be voted on independently. "We should vote on things according to their merit, and not lump them into large bills," said Kleis. Sen. John Hottinger (DFL-St. Peter), who carried both measures, said the sections provide equal treatment for voters and facilitate voter registration. He also said that the House counterparts have been included in the House's omnibus and that it is appropriate to put bills with a financial impact in a budget bill. The motion failed on a 28-37 vote.

Kleis offered several other amendments. The first decreases the salary of Legislators and constitutional officers by

four percent. The amendment allows the Legislature to lead by example when it comes to cuts in state government, he said. Sen. Don Betzold (DFL-Fridley) pointed out that many other state salaries are tied to the governor's salary level. Kleis said the amendment protects salaries tied to the governor's. Sen. Leo Foley (DFL-Coon Rapids) offered an amendment to the amendment to delete the provision protecting salaries tied to the governor's salary from cuts. "If we're going to do this, we should all share equally," he said. Foley's amendment to the amendment did not prevail. Kleis's amendment failed, 24-42. Kleis offered another amendment to not convene the Senate until April in even-numbered years. He said the Senate does not begin its real work until April anyway. The amendment would make it more difficult for farmers to serve in the Legislature, said Frederickson. "This is an anti-rural, anti-farmer amendment," Frederickson said. The amendment failed 25-41. Kleis' last amendment clarifies major and minor party status in the wake of election results. The amendment was adopted.

The Senate adopted an amendment, offered by Sen. Jim Vickerman (DFL-Tracy), prohibiting public employers from prohibiting their employees from wearing an American flag patch or pin on their uniforms. Under the amendment, public employees, firefighters, peace officers and police officers are among the employees that would be allowed to wear the pin or patch. The amendment was adopted, 66-0.

Sen. Chris Gerlach (R-Apple Valley) moved to delete a provision in the bill mandating that county sheriffs and jailors provide voting assistance to inmates upon admission to a correctional facility. "This is another mandate on our county sheriffs. They have a lot to worry about other than passing around absentee ballots and serving as an election site," he said. Hottinger said the sheriffs already pass this information out and are fine with the bill. The motion did not prevail, 32-34.

Nienow offered an amendment to strip felons or individuals convicted of treason of their voting rights. Kiscaden asked members not to support the amendment because the issue merits a broader, philosophical debate not covered under the omnibus budget bill. Nienow withdrew his amendment. He offered an amendment instead to apply the loss of

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Senators Steve Murphy (DFL-Red Wing) and Ann Rest (DFL-New Hope) converse in the Senate Chamber.

Photo by David J. Oakes

voting rights only to criminal sexual felons. Hottinger said the Crime Prevention and Public Safety Committee should hear the issue. He also said the amendment picks on one type of crime. "It's just the wrong approach," said Hottinger. Sen. Jane Ranum (DFL-Mpls.) said the amendment may not catch sex offenders, whose pleas often involve other charges, such as kidnapping. The amendment was not adopted.

Sen. Michael Jungbauer (R-East Bethel) offered an amendment to allow candidates to distribute candy at parades. The amendment was adopted. Sen. Pat Pariseau (R-Farmington) offered an amendment to delete a provision allowing individuals with campaign funds, such as Legislators or constitutional officers, to

use campaign funds to pay for a trip to state or national political party conventions. Pariseau said the provision is unethical because it can be easily abused and because the funds include taxpayer dollars. The amendment was adopted, 50-12.

Limmer offered an amendment to remove a section expanding what documents may be used for voter identification verification. He said only valid photo id's should be used for voter identification. "Whenever we go farther than that, we're going to start asking for trouble after every election," he said. Hottinger said the expansion is in line with the federal Help America Vote Act (HAVA). Limmer said the HAVA requirements may be wrong. The amendment failed, 23-41. He offered

a second amendment to allow individuals to qualify as ongoing absentee voters if the nature of their employment warrants it. The amendment was adopted.

Sen. Dan Sparks (DFL-Austin) proposed an amendment requiring licensure for sellers and brokers of industrialized modular homes. He said the industry supports the proposal, which will provide good consumer protections. The amendment was adopted.

Gerlach offered an amendment requiring non-profit organizations receiving state aid to disclose the salaries of the three highest paid directors in the organization, if those salaries are higher than the governor's salary. He said that the organizations receive significant state aid and that people should be able to

know how those dollars are spent. Kiscaden questioned the germaneness of the amendment. Sen. James Metzen (DFL-South St. Paul) ruled the amendment not germane because it relates to a substantially different subject than is contained in the bill.

The bill gained final passage on a 52-14 vote. Senators amended the contents of the measures onto H.F. 1481 in order to facilitate getting the bill to conference.

Monday, May 2

Environment, agriculture and development budget okayed

Senators began meeting in daily floor sessions Mon., May 2. Members devoted most of the session to debate on the omnibus environment, agriculture and economic development budget bill. The measure, carried by Sen. Thomas Bakk (DFL-Cook), contains appropriations for environmental programs, agriculture and economic development programs. Bakk said the bill, S.F. 2276, had a target of \$14 million over the amount appropriated in the previous budget bill, S.F. 1879, and that the measure comes in on target. He said the measure is about \$9.7 million over the governor's recommendation for environment and agriculture. In the economic development area, Bakk said, the bill is about \$42 million over the governor's recommendation, primarily because the bill does not make the same cuts for youth programs, housing or the Minnesota Historical Society. The bill also contains about \$18 million in bonding, Bakk said, along with about \$37 million in Legislative Commission on Minnesota Resources programs.

Sen. John Marty (DFL-Roseville) offered an amendment deleting a grant program for off-road vehicles groups and earmarking the funds for DNR enforcement. Marty said the grants are for education, but the department desperately needs funds for off-road vehicle enforcement. Sen. LeRoy Stumpf (DFL-Plummer) spoke against the amendment and said the provision is modeled after a Wisconsin law and that the education portion leads to self-enforcement. Sen. Carrie Ruud (R-Breezy Point) supported the amendment and said enforcement is needed to protect the state's forests. The amendment was adopted on a 32-31 roll call vote.

Members also considered an amendment, offered by Sen. Steve Kelley (DFL-Hopkins), clarifying a provision about state investment in small businesses. The amendment was adopted. Sen. Michael Jungbauer (R-East Bethel) offered an amendment to prohibit septic system professionals from using their position with government, either as an employee or a contractor, to solicit business for themselves. The amendment was also adopted.

Sen. Pat Pariseau (R-Farmington) offered an amendment to add in the shooting range bill that had been deleted in a previous committee. Pariseau said the amendment allows a shooting range that is in compliance with performance standards to continue operation, restricts development or construction in the area of a preexisting outdoor shooting range that causes the range to become out of compliance and exempts shooting ranges in compliance with performance standards from nuisance actions. Sen. Don Betzold (DFL-Fridley) argued against the amendment and said that the bill contains a number of judiciary issues and is scheduled for a hearing by the Judiciary Committee in two days. The amendment was adopted 51-11.

Sen. Warren Limmer (R-Maple Grove) offered an amendment to delete a portion of the bill relating to independent contractors and the definition of employee. He said the bill by passes the Dept. of Labor and Industry and uses the courts to solve disputes. By removing the provision, Limmer said, current law would remain in place. Sen. Satveer Chaudhary (DFL-Fridley) said the provision is supported by the building association, as well as labor organizations. He said specifying that workers are independent contractors allows avoidance of workers compensation insurance premiums and unemployment insurance premiums. He said misclassifying workers leads to a number of problems, including lack of workers' compensation, lack of benefits and lack of unemployment compensation. He said the result is an uneven playing field for employers who pay benefits and workers compensation and unemployment insurance premiums. The language in the bill specifies that individuals have a right of action if misclassification occurs. The amendment failed on a 30-34 roll call vote.

Sen. David Senjem (R-Rochester) offered an amendment making clarifying changes in provisions dealing with the Mississippi Parkway Commission. Sen. Wesley Skoglund (DFL-Mpls.) offered an amendment specifying that Social Security numbers given for cross-country ski permits are private data similar to the data classification for Social Security numbers needed for other Department of Natural Resources permits and licenses. Both amendments were adopted.

Ruud offered, and members adopted, an amendment to make a change in a provision relating to a gas tax study on fuel used by all-terrain vehicles on both private and public lands. A second amendment offered by Ruud was also considered. The amendment abolishes the LCMR and the LCMR Citizens Advisory Committee and replaces the LCMR with an appointed Minnesota Conservation Heritage Foundation. Under the amendment, the Minnesota Conservation Heritage Foundation would make appropriations from the environmental trust fund. Sen. Dennis Frederickson (R-New Ulm) argued against the amendment and said the spending of public money should be carried out by elected, rather than appointed, officials. Frederickson also said the LCMR has a very good and very lengthy track record in environmental issues and appropriations. Sen. Cal Larson (R-Fergus Falls) spoke in support of the amendment and said a recent survey of participants in the LCMR process showed the process is highly political and that the advisory committee was not effective in influencing LCMR decisions. Ruud said, "It is time to reform the LCMR. We are one of the only states in which the Legislature is involved in environmental trust fund appropriations." Frederickson argued that LCMR projects are scientifically sound and beneficial to the environment. Ruud withdrew her LCMR amendment, saying it was important for Senators to discuss the need to reform the commission.

Sen. Geoff Michel (R-Edina) said every year, there is less reason for us to have a Workers' Compensation Advisory Council. We set up the council to reform workers' comp, because it was such a messy process for the Legislature, he said. The council has not been able to pass its bill for the last three years, Michel said. The need for the council has evaporated, he said. Michel offered an amendment

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abolishing the council. “We have not utilized any of the work of this council for the last three years,” he said “and we have decided to do its work on the floor of the Senate. Sen. Dallas Sams (DFL-Staples) said the council has not compromised with other provider groups, which has stymied the council’s recommendations. The council has good work to do, but has not put enough energy into its task and into compromise, Sams said. The amendment was not adopted.

Sen. Steve Dille (R-Dassel) offered an amendment requiring caller identification for three of the exemptions to the “Do Not Call” list. Under the amendment, political parties, nonprofit organizations and persons soliciting without the intent to complete a sale during the call must have caller id, Dille said. The amendment was adopted. Members also considered an amendment, offered by Sen. Michele Bachmann (R-Stillwater), deleting a provision allowing a special

assessment for the dislocated worker program. Bakk said adoption of the amendment would make the bill seriously out of balance. The amendment failed 24-37.

The bill was granted final passage on a 56-9 roll call vote.

Tuesday, May 3

Public safety bill approved

A bill funding Minnesota’s public safety apparatus was approved by Senators at their Tues., May 3, session.

S.F. 2273—when combined with the public safety provisions of S.F. 1879, the structural balance bill approved earlier in the year—appropriates \$1.834 billion, including \$1.726 billion from the general fund, for the courts, the Dept. of Public Safety, peace officer licensing, the Dept. of Corrections, the Attorney General’s Office and other government agencies. It also includes several fee and surcharge

increases, including a \$12 increase in the criminal and traffic fine surcharge, a \$6.50 increase in the recorder fee surcharge, a \$1 surcharge on driver’s license renewals and a \$5 increase in the civil court filing fee. The measure includes mandatory life sentences for repeat violent sex offenders, increased penalties for methamphetamine-related crimes, early release for nonviolent drug offenders who were motivated by addiction rather than profit and a new felony of assault by strangulation.

Sen. Jane Ranum (DFL-Mpls.) reviewed the bill’s provisions for members and highlighted the measure’s focus on sex offenses, domestic violence and drug offenses. She said the bill addresses the problems of chemical dependency and abuse among offenders. The bill strengthens our focus on punishing “the worst of the worst” among sex offenders, Ranum said.



Jabbar Swift, left, and Anthony Brown—students from Wise Charter School Academy in Minneapolis—wait their turn to perform on the Capitol steps, Tues., May 3, as part of Charter School Day at the Capitol.

Photo by Shelley Hawes

We have been dealing with many of these issues year after year, said Sen. Dave Kleis (R-St. Cloud). Recent events have highlighted the need to tighten our grip on sex offenders, he said. Kleis noted that lawmakers still have differences on how they define "the worst of the worst." This bill is another patch on our sex offender system, he said. We need to fix the system and actually do something, Kleis said, rather than come back next year to place another patch. We should go further and adopt the other body's and governor's plan, he said. Kleis offered an amendment providing for life without the possibility of release for first-time sex offenders whose crimes involve torturing or inflicting great bodily harm on the victim, kidnapping, victims under age 14 or older than 69, dangerous weapons, multiple victims or multiple perpetrators. Minnesotans believe strongly in putting the worst offenders away forever, he said. The amendment denies the worst offenders the opportunity to have another victim, Kleis said.

The most important thing is to lock up the offender, Ranum said, and prosecutors need flexibility to achieve the goal. The bill provides for life sentences, with release being available only if offenders complete treatment and deal with any mental health problems, she said. A mandatory life sentence without release limits prosecutors' ability to get their job done, Ranum said. Sen. Don Betzold (DFL-Fridley) said lawmakers need to make sure punishments are proportional. These are serious offenses, but in some cases, killing the victim might lead to less punishment than leaving a potential witness for the prosecution alive.

The amendment was not adopted, 32-35.

Kleis sponsored a second amendment requiring a predatory offender assigned to risk level III to serve the offender's entire sentence in prison.

"I hope everyone can agree that when the Dept. of Corrections labels someone as likely to reoffend, they should serve the full time they were sentenced to," he said. Kleis said, under the amendment, if someone is designated a level III sex offender they must serve their entire sentence. Kleis said there would be no probation or conditional release under the amendment, nor would there be any reduction in prison time for good behavior. Betzold argued against the amend-

ment and said the purpose of conditional release is to maintain control over the offenders. Under the amendment, after an offender serves the full sentence, the offender would just be released without any monitoring, Betzold said. Kleis said those who are likely to reoffend could be released early under current law. "The amendment makes sure they serve their entire sentence," Kleis said.

Ranum spoke against the amendment and said, "One of the reasons our prison populations are increasing is because offenders are being yanked back because of supervised release violations. We have had a steady increase in people coming back to prison because of violations. It is the best way we know to keep offenders from recidivating." We are able to maintain control longer with supervised release or probation, she said.

Sen. Wesley Skoglund (DFL-Mpls.) said the bill specifies that the sex offenders be placed under the control of the Dept. of Corrections forever. Sen. Thomas Neuville (R-Northfield) said the amendment creates a due process problem because it applies retroactively and because it requires an administrative department to set the sentence. Kleis responded that the sentence is not being changed, just the duration of the time spent in prison. The amendment failed on a 33-34 roll call vote.

An amendment making it a misdemeanor to flee a police officer by means other than in a vehicle was offered by Sen. Linda Scheid (DFL-Brooklyn Park). Current law makes it a misdemeanor to flee in a vehicle. The amendment was adopted. Sen. David Tomassoni (DFL-Chisholm) offered, and Senators adopted, an amendment clarifying the supervision of the examiner of titles in St. Louis County.

Skoglund offered an amendment requiring a health care facility that receives notice that a predatory offender has been admitted to the facility to notify other patients at the facility. The amendment was adopted. Sen. Carrie Ruud (R-Breezy Point) offered an amendment clarifying that state agencies may use prisoners to conserve or maintain state lands. Ruud said the amendment is meant to reinforce the state's power to use prisoners to clean ditches along state roadways. Sen. Leo Foley (DFL-Coon Rapids) said the use of prisoners is being disputed between the state employee labor

unions and the administration. We should not interpose ourselves into labor relations, he said. The amendment was adopted, 49-15.

An amendment requiring the commissioner of public safety to cross-check hunting licenses against criminal backgrounds and determine whether any licensees are ineligible to possess a firearm under state or federal law was offered by Skoglund. Sen. Pat Pariseau (R-Farmington) said hunters and fishers should not be required to submit to criminal background checks. Skoglund said the amendment does not prevent anyone from being issued a license. All the amendment does is assist in preventing felons from having access to firearms, he said. The amendment was adopted on a 66-0 roll call vote. Skoglund offered an additional amendment, prohibiting early release of nonviolent drug offenders with previous convictions for violent crimes and requiring consideration of an offender's previous involvement in a gang. The amendment was adopted.

Kleis offered an amendment providing for a sentence of life without release for first-degree, premeditated murder. He said proportionality concerns should not hold back lawmakers in the future when they seek to impose a similar sentence on violent sex offenders. Premeditated murder is a serious offense deserving of serious punishment, Kleis said. The amendment was adopted, 43-22. Neuville offered an amendment relating to the disposition of the proceeds of state settlements. The amendment repeals a sunset date on statutes limiting the diversion of funds received in state class action settlements and permits the state's participation in multistate settlements involving the diversion of funds to nonprofit organizations. The Legislature should be appropriating money, Neuville said, rather than appropriation by lawsuit. Ranum said the attorney general has concerns with the provision and its limitations on the power of the attorney general to settle class action lawsuits. The amendment was not adopted, 26-39.

Sen. John Marty (DFL-Roseville) said the bill takes great strides forward, but could have done even more if lawmakers had been willing to fund additional initiatives through slight increases in alcohol taxes. I am disappointed that a good bill was taken apart, he said. Kleis urged Senators to support the bill, even

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though stronger penalties could be imposed on sex offenders. There are many issues that are important in this bill, he said. Ranum also urged support for the bill, stressing its advances in sex offender and drug offender policies. S.F. 2273 was granted final passage, 64-1.

In other action, Senators also approved a \$1 increase in the minimum wage.

When initially approved by the Senate, S.F. 3, sponsored by Sen. Ellen Anderson (DFL-St. Paul), provided for a two-step increase in the minimum wage from \$5.15 to \$7 by July 2006. As amended by the other body, the bill provides for an increase to \$6.15 this August. The version approved by the other body also increases the small-business minimum wage to \$5.25 and increases the annual gross sales volume of a small employer from \$500,000 to \$625,000. Anderson moved to concur with the amendments made in other body. "I would have loved to see a higher increase," she said, especially since the Senate had showed strong support for a \$7 minimum wage. Anderson noted that to keep up with inflation, the minimum wage would be near \$8.50 today. This is still a bare-bones pay rate, but many lawmakers thought any increase was a long-shot, she said. The bill does not include a "sub-minimum wage" for tipped employees, also known as a tip credit, sending a strong message that lawmakers value everyone's work, Anderson said.

Sen. Dave Kleis (R-St. Cloud) urged Senators to vote against the motion and the bill. The market dictates wages, he said, and the market has already set the wage level above the minimum. "This is just feel-good legislation," he said. Kleis noted that surrounding states have not increased their minimum wages. We should not be an island on this issue, he said. Sen. Bob Kierlin (R-Winona) said hospitality jobs will be exported to neighboring states, because Minnesota border communities will be disfavored without having a tip credit.

The bill was granted concurrence and repassage, 44-22.

Wednesday, May 4

HHS budget bill passed

Senators devoted their Wed., May 4, floor session to consideration of the health and human services omnibus

budget bill, S.F. 2278. The measure's author, Sen. Linda Berglin (DFL-Mpls.), introduced the bill by outlining areas it does not cut. Berglin said the bill maintains health insurance coverage for 47,000 Minnesotans by restructuring eligibility for public health programs. She said the measure also protects pharmacy payments, hospital payments and suicide prevention grant programs from cuts. Overall, said Berglin, the bill is a health care cost containment act. Provisions in the bill cap health care inflation at 5.5 percent and provide numerous tools to help hold down costs, she said. The bill also focuses on long-term care, giving a two percent cost-of-living adjustment for long-term care workers, and provides funding for programs relating to mental health services, prescription drug coverage and small employer health insurance, Berglin said.

Sen. Brian LeClair (R-Woodbury) urged Senators to oppose the bill. "If you're a middle class Minnesotan looking for free health care from the state, the bill is great for you," he said. LeClair said the bill spends money the state does not have. He said the bill spends \$500 million more over the next biennium than is suggested by the governor. That figure, said LeClair, represents a 20 percent increase to the health and human services budget. He said increases in health and human services squeeze other funding areas in the general fund. LeClair said that K-12 education, higher education and public safety should take budgetary precedence. "This is not fiscally responsible," said Sen. Dave Kleis (R-St. Cloud). Sen. Betsy Wergin (R-Princeton) said the bill does some good things, but that it ties down future budgets too much. Sen. Julianne Ortman (R-Chanhassen) said the bill costs \$1.5 billion over four years. "This is a bust the budget bill," she said.

Berglin said the bill cuts \$170 million dollars. She added that the state is spending no more as a percentage of its overall budget on health care now than it did a decade ago. She said the bill, which is \$11.6 million over the target base, is 26 percent of the overall budget, the same percentage as it was last year and in 1994. Sen. Becky Lourey (DFL-Kerrick) said the bill is a slim version of what the state needs to do to keep the state's health care system healthy. Sen. Steve Kelley (DFL-Hopkins) said the bill allows Minnesotans who work hard every day to have access to

health care coverage. "The bill reflects the heart and soul of Minnesota," said Sen. Dean Johnson (DFL-Willmar), who also said the bill manifests Minnesotans' long-held value of compassion in public policy.

Sen. Paul Koering (R-Fort Ripley) offered an amendment allowing counties to join a county-based purchasing pool for health care. The amendment was adopted. An amendment requiring the Minnesota Hospital Association to develop a website providing comparative cost information on popular health care services and treatments was also approved. Wergin, who offered the amendment, said the amendment will help provide individuals with the information they need to make wise, cost-conscious health care decisions. Senators also adopted an amendment, offered by Sen. Steve Dille (R-Dassel), to help educate women on post-partum depression. Dille said the amendment has no fiscal impact.

Sen. Sheila Kiscaden (IP-Rochester) offered several amendments. The first facilitates faster direct deposit of child support through the Department of Human Services (DHS). The amendment was adopted. The second directs state agencies to identify, promote and disseminate information on evidence-based health care guidelines. Kiscaden said the information is important in helping to contain health care costs. Ortman said the amendment is a mandate on state agencies to use evidence-based medicine. Kiscaden said the amendment only changes current law to encourage the use of evidence-based guidelines rather than the adoption of the guidelines. She said the amendment contains clarifying language about how the state would establish evidence-based guidelines. Senators adopted the amendment, 39-28.

Berglin offered an amendment to remove language requiring the Department of Health (MDH) to collect health information and post it on the department's website. She said the provision had a fiscal impact. The amendment was adopted.

Members also considered an amendment, offered by Sen. Warren Limmer (R-Maple Grove), to provide for adherence to state health information privacy protection standards over those established in the Health Information Portability and Privacy Act (HIPAA) with regard to a study included in the bill. Limmer said the state has more stringent privacy

protections. Sen. Don Betzold (DFL-Fridley) said the amendment is unnecessary because HIPAA specifies that if a state has a more stringent standard, that standard takes precedence. Lourey, who authored the section of the bill, said the department requested the language to ensure compliance with both federal and state law. The amendment failed, 32-33.

The Senate also considered an amendment, offered by Ortman, to delete provisions developing the public health information network (MnPHIN). She said many Minnesotans object to the type of information the network collects and tracks on a statewide basis. Lourey urged

Senators to oppose the amendment. She said MnPHIN benefits public health and does not expand the type of health information collected. Senators rejected the amendment, 25-38.

LeClair offered an amendment deleting a section of the bill allowing small employers to offer health insurance to their employees through Minnesota Care (MnCare). Berglin said she opposed the amendment because the provision is directed at struggling small employers, the employees of which represent 60 percent of all uninsured Minnesotans. LeClair said a better alternative is to conform state law to federal law on health savings accounts

(HSAs) or to help engage small employers in the private market. The amendment failed 29-35.

Sen. Cal Larson (R-Fergus Falls) offered an amendment to assist a nursing home in his district classify swing beds in acquiring a near-by but non-adjacent facility. The amendment was adopted. Members considered another amendment pertaining to swing beds as they relate to critical access hospitals (CAHs). Sen. Rod Skoe (DFL-Clearbrook) offered the amendment, which reduces an increase in the number of days a CAH may operate swing beds. Sen. Julie Rosen (R-Farmington), who authored the original

provision, said she opposed the amendment because it disturbs a compromise worked out by hospitals and nursing homes on the issue. Skoe said the change in the bill is a significant policy change and that the state should take a slower approach. He withdrew the amendment.

Sen. Sean Nienow (R-Cambridge) offered an amendment requiring the commissioner of human services to report residency information on new applicants to a variety of public health and human services programs. Berglin said she does not oppose the idea, but that she opposes the amendment because it has a fiscal cost not covered in the bill. The amendment failed, 30-35.

Sen. Linda Higgins (DFL-Mpls.) offered an amendment to



Senators Gen Olson (R-Minnetrissa) and LeRoy Stumpf (DFL-Plummer) confer on the floor of the Senate.

Photo by David J. Oakes

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adjust Medical Assistance (MA) special transportation assistance rates to reduce the cost of a related provision in the bill. The amendment was adopted. An amendment to codify current DHS practice with regard to liens applied to joint tenancy residencies was also adopted. Lourey, who offered the amendment, said the amendment is cost neutral.

Sen. Chris Gerlach (R-Apple Valley) offered an amendment prohibiting Minnesota Family Investment Program (MFIP) participants from using their monthly cash assistance payments, issued on electronic benefits transfer cards, to purchase tobacco or alcohol. Berglin asked how one would know if the participant was using the money to buy the products. While the provision is not water tight, said Gerlach, it establishes the idea that participants should not be using their payments to buy tobacco or alcohol. The amendment prevailed, 61-2.

The bill was granted final passage on a 38-29 vote.

Senators also adopted the conference committee report on and repassed S.F. 4, authored by Sen. Dallas Sams (DFL-Staples). The bill requires that gasoline sold in Minnesota after Jan. 1, 2012, contain at least 20 percent ethanol. Sams said Minnesota is the only state looking at a 20 percent mandate for ethanol. Members approved the measure, 57-8.

S.F. 633, authored by Sen. Steve Murphy (DFL-Red Wing) was granted concurrence and repassage on a unanimous 62-0 vote. The bill authorizes the commissioner of transportation to allow Metro Mobility buses to use freeway or expressway shoulders in the Metro Area.

The Senate also adopted S.R. 92, which designates Thurs., May 5, 2005, as a day of prayer. The resolution was offered by Sen. Michele Bachmann (R-Stillwater).

Thursday, May 5

Early childhood budget okayed

The first measure considered in a series of three education-related budgets, the early childhood omnibus bill, S.F. 2277, gained final passage when the full Senate met Thurs., May 5. Sen. John Hottinger (DFL-St. Peter) sponsored the bill. He said the measure empowers parents with the best available information to help them make informed deci-

sions for their children and restores cuts that reduced early childhood opportunities for families. The bill provides \$10.5 million for early childhood family education (ECFE), \$7.7 million for Head Start, \$3.7 million for school readiness programs and \$950,000 for school readiness assessments, said Hottinger. The measure also eliminates freezes to child care reimbursement rates, establishes the Minnesota Early Learning Foundation (MELF) and restores cuts to Adult Basic Education (ABE) and community education programs, he said.

Hottinger spoke on the importance of funding early childhood education programs. "For every dollar you invest in early childhood education, you save anywhere from \$13 to \$18," Hottinger said. He added that several states, including Iowa, Wisconsin, Oklahoma, Florida, North Carolina and Oregon, are already ahead of Minnesota in providing good early childhood options and opportunities to families. "The problem is not only that children are left behind, it is that they start behind," said Hottinger.

Sen. Betsy Wergin (R-Princeton) offered an amendment relating to psychotropic drugs as they relate to developmental screening and early childhood education. "Many parents are concerned about the overuse of psychotropic drugs as they relate to children," she said. Under the amendment, a parent's refusal to consent to the administering of psychotropic drugs to the parent's child is not grounds for prohibiting the child from participating in class or other activities. The amendment also specifies that refusing to administer the drug does not, by itself, constitute child abuse, child neglect or medical or educational neglect. Additionally, the amendment states that a school district must not recommend the use of psychotropic drugs or suggest other mental health diagnosis. "Many times, the people performing these tests are not mental health professionals," said Wergin, "so we don't want them suggesting drugs for children." Hottinger moved to divide the amendment and to vote separately on the provision relating to parental refusal of the drugs and on the provision relating to a school district's role in recommending the drugs.

Sen. Don Betzold (DFL-Fridley) spoke on the first part of the amendment. He said a child would only receive psychotropic medications if they were

prescribed by a physician and that it is not appropriate to prohibit administering of professionally prescribed medications. Sen. Ellen Anderson (DFL-St. Paul) said she is concerned with the section allowing parents to refuse screenings suggested by the school. Sen. Steve Kelley (DFL-Hopkins) pointed out that school districts do not usually bring charges related to child abuse or neglect. Wergin offered an amendment to the amendment to clarify that it refers to reports, rather than charges, of child abuse or neglect. The amendment to the amendment was adopted. Anderson offered an amendment to the amendment to remove language relating to child abuse and neglect. She said the topic is beyond the scope of debate on the bill. Anderson's amendment was adopted, 28-27. The first part of Wergin's amendment, as amended, was adopted, 55-9.

Sen. Linda Berglin (DFL-Mpls.) offered an amendment to the second portion of Wergin's amendment specifying that school districts must not recommend psychotropic drugs or suggest mental health diagnoses to children. Berglin's amendment removes language relating to school districts not suggesting mental health diagnoses. She said school districts should not recommend psychotropic drugs, but that it is appropriate if they suggest mental health diagnoses. "Prohibiting a school district from diagnosing a child is fine, but the amendment even prohibits suggestions. Using the word 'suggest' is tantamount to saying districts shouldn't even be able to talk about the issue," said Berglin. Wergin said she accepted the amendment because she wants teachers to be able to talk to parents about potential problems. Berglin's amendment was adopted. The second part of Wergin's amendment, as amended, was adopted.

Members also considered an amendment, offered by Sen. Sean Nienow (R-Cambridge), to prohibit state agencies from administering state or federal funds or initiating programs to implement federal mental health screenings, unless authorized by the Legislature. The amendment was not adopted.

The bill was granted final passage on a 59-8 vote.

Higher ed funding bill passed

The second major education bill, S.F. 2265, provides funding for higher educa-

tion. The measure, sponsored by Sen. Sandra Pappas (DFL-St. Paul), makes appropriations to the University of Minnesota, the Minnesota State Colleges and Universities and the Higher Education Service Office. The bill makes a strong commitment to higher education, said Pappas. She said tuition is rising rapidly and the participation rate in higher education has slipped. "That's not good for our state," Pappas said. "We need to have a strong commitment to keeping college affordable," she said.

For the Minnesota State Colleges and Universities, the bill appropriates \$18 million more than the governor, for the University, the bill appropriates \$15.9 million more than the governor, Pappas said. The bill makes a 9.2 percent increase over base funding, Pappas said. She said, "Most of our dollars went into increases for MnSCU and the University."

The bill provides total general fund appropriations of \$2.795 billion for higher education, which is \$35.1 million over the governor's recommendation, Pappas said.

The bill also contains language to set up a committee in Rochester to determine the kind of higher education needed for the city, she said. Pappas said the funding for the biotechnology and medical genomics partnership is contained in another bill. Pappas said the bill also contains provisions allowing illegal immigrants who have lived in the state for three years and graduated from a Minnesota high school to qualify for resident tuition.

Sen. Charles "Chuck" Wiger (DFL-North St. Paul) offered an amendment to limit tuition increases for the MnSCU system to 4 percent. Wiger said students are having increasing difficulty continuing their education because of rapid tuition increases. Hottinger said student organizations are not calling for limiting tuition. He said the organizations want to have the higher education institutions fully funded. Sen. Steve Dille (R-Dassel) echoed Hottinger's comments. He said the student organizations don't want programs cut. The amendment was adopted on a 34-30 roll call vote.

Sen. David Gaither (R-Plymouth) offered an amendment to specify that immigrants must be in the country legally before qualifying for resident tuition. Pappas said the students have been in the state for a long time and should qualify for resident tuition. Gaither argued that the

students aren't citizens of the state or of the country and do not qualify for resident tuition rates. Sen. Steve Kelley (DFL-Hopkins) said the bill does the right thing by being in support of providing opportunities to succeed, rather than being sentenced to low paying jobs. The students aren't responsible for decisions their parents made, Kelley said. Gaither countered that the amendment does not deny students the opportunity to attend a higher education institution, but just requires that they pay the nonresident rate. Sen. Bob Kierlin (R-Winona) also spoke in opposition to the amendment. He said the students want to make a contribution to society and should have the opportunity. The amendment failed on a 20-43 roll call vote.

Sen. Michele Bachmann (R-Stillwater) offered an amendment requiring higher education institutions to allow access to campuses and students for purposes of military recruiting by the armed forces that is equal to the access provided to any other employer. The amendment was adopted. An amendment to increase the appropriation for the Rochester University project from \$2.3 million to \$3 million was offered by Sen. David Senjem (R-Rochester). Sen. Sheila Kiscaden (IP-Rochester) spoke in support and said the community has long sought a university and is ready to move forward. Pappas said she supports Rochester, but spoke against the amendment. She said without fully funding the University of Minnesota it is difficult to increase funding for Rochester. The amendment failed on a 33-34 roll call vote.

Sen. David Tomassoni (DFL-Chisholm) extends a deadline for applying for a grant program. Tomassoni said the amendment had been in the bill, but was taken out when it was thought there was a fiscal impact. However, he said later study resulted in the decision that there was no fiscal impact and the amendment reinstates the language. The amendment was adopted.

Sen. Richard Cohen (DFL-St. Paul) said there is no institution that is more important to the future of the state than the University of Minnesota and that the bill makes great strides in reinstating funding for the University. Sen. Claire Robling (R-Jordan) also spoke in support of the bill. She said the work of the division resulted in a good product and urged members to support the bill.

The bill was granted final passage on a 63-3 roll call vote. The bill's language was then amended onto H.F. 1385 to facilitate the conference committee process.

Information Services

The Senate Information Office and the Office of the Secretary of the Senate are located in Room 231 of the Capitol. These offices distribute all public printed materials and handle inquiries about Senate committee meetings, Senate districts, Senate telephone numbers, bill reference numbers and status and bill sponsorship. Interested citizens may also request copies of bills. If you want to know the name of your Senator or have any other questions about the Minnesota Senate, call 651-296-0504 (tty 651-296-0250).

The Senate Information Office also has toll-free telephone numbers to enable citizens of Greater Minnesota to obtain general information about the Minnesota Senate. The telephone numbers are: 1-888-234-1112 (voice) and 1-888-234-1216 (tty). Staff members are available to answer questions about the Senate and the legislative process. For daily recorded updates on committee meetings, call the Senate Hotline at 651-296-8088.

Educational Videos Available

Three videos, "Discover the Capitol," "Power in the Process: The Anti-Hazing Law," and "Rules, Laws and the Process," can now be accessed through the Legislature's website at <http://www.leg.mn/leg/youth/video.htm>

These videos are excellent sources of information on the history of the State Capitol, how laws are made in Minnesota and how even the state's youngest citizens can get involved in the legislative process.

For more information contact Senate Media Services at (651) 296-0264.

MyBills system available

The MyBills personalized bill tracking system is now available. Users can add House and Senate bills to their lists by bill number, subject, or author, and view the legislative status of their bills, with items with significant current floor action highlighted. Users can modify their lists at any time. The MyBills system is available from the Legislature website at: <http://www.house.mn/leg/billsblog.asp>

Committee update

Commerce

Antibacterial soap ban heard

A proposal to ban the sale of antibacterial soaps was heard by members of the Commerce Committee, Mon., May 2. The panel, chaired by Sen. Linda Scheid (DFL-Brooklyn Park), took no action on the bill.

S.F. 1507, sponsored by Sen. Ellen Anderson (DFL-St. Paul), imposes the ban and provides exceptions for health care facilities, the homes of persons with compromised immune systems, businesses presenting risks of transmitted infections and compliance with federal, state or local law. Committee members heard from members of a St. Paul Girl Scout troop that researched the effectiveness and possible dangers of the use of antibacterial soap.

Crime Prevention and Public Safety

Conceal carry bill advances

A bill reinstating the conceal carry law provided the focal point of discussion for the Mon., May 2, meeting of the Crime Prevention and Public Safety Committee. The panel, chaired by Sen. Leo Foley (DFL-Coon Rapids), sent the bill to the Rules and Administration Committee without recommendation.

Sen. Pat Pariseau (R-Farmington) carried S.F. 2259, which reenacts the law with a few changes. Among the changes, said Pariseau, is a provision striking the requirement that private establishments both post a sign prohibiting firearms and personally inform individuals of the posted request. Pariseau said it is necessary to reinstate conceal carry because the law

was struck down by an appellate court. The court struck down the previous law because of the single subject provision in the state constitution.

Gene German, American Association of Certified Firearms Instructors (AACFI), said people who carry firearms are trained, responsible, trustworthy and law abiding citizens. He said being able to carry a gun allows individuals to have a tool to use as a last resort to protect one's self against threat. "I have a right to be my own first responder and so do you," said German. Joseph Olson, president, Conceal Carry Reform Now (CCRN), said the number of permits revoked under the law is .064 percent. "Permit holders are the kind of folks who stop at a stoplight at 4a.m. and wait because it's red. They don't get in trouble," said Olson. He said several states have implemented the law successfully. "These



Senators Jane Ranum (DFL-Mpls.) and Dave Kleis (R-St. Cloud) carefully study proposed legislation during a Crime Prevention and Public Safety Committee hearing, Mon., May 2.

Photo by David J. Oakes

laws works,” Olson said. John Caile, also of CCRN, said the issue is not about whether or not citizens are allowed to carry firearms. “This is about fair, unbiased issuance of carry permits,” said Caile.

Former Governor Arne Carlson spoke in opposition to the bill. The measure, he said, takes power away from local governments and consolidates authority in the state. As a result, said Carlson, the law shows a distrust of local government and a lack of recognition of the differences amongst various local communities. Carlson said that state institutions, such as jails, courts, police departments and government centers, ban firearms on their premises. “We’re passing policies that we ourselves are not willing to live by,” he said. Rev. Richard E. Pates, Minnesota Catholic Conference, also spoke in opposition to the measure. He said an individual who desires to carry a weapon in public should have a specific job or public safety related reason to do so. Pastor Pam Fickensher said allowing firearms on church property is contrary to the principles of several faiths. She said the bill infringes on religious freedom by allowing guns in areas near religious facilities, such as church parking lots. “Respect our right to control our religious properties,” said Fickensher. “Doors are a place to post religious messages, not state-sanctioned language,” she said.

Sen. Don Betzold (DFL-Fridley) offered an amendment to delete provisions specifying that an address is not required to obtain a permit. Senators also incorporated language allowing applicants to specify townships as part of the address. The amendment was adopted. Members also adopted an amendment, offered by Betzold, to conform Minnesota law to federal law with regard to individuals who are prohibited from possessing a handgun. Betzold said federal law prohibits individuals convicted of certain crimes from possessing a weapon. Sen. Thomas Neuville (R-Northfield) pointed out that it would not make sense to issue someone a handgun permit if the person cannot possess a gun under federal law anyway. Betzold offered another amendment specifying which organizations may provide training for permit applicants. The amendment was adopted. The committee also adopted an amendment, offered by Betzold, specifying that if a permit becomes void, officials do not need

to go through an official revocation process to nullify it.

Senators also adopted an amendment, offered by Sen. Wesley Skoglund (DFL-Mpls.), to prohibit guns on school and youth organization properties. The committee incorporated language specifying that the amendment applies to properties of youth organizations being used to provide services to minors. Skoglund offered another amendment making the permits invalid for individuals while they are consuming alcohol or drugs. The amendment was adopted. Skoglund offered a third amendment to allow government units, as well as private property owners, to prohibit firearms on their property, and to allow them to post a “guns welcome” sign. “Under the amendment, the presumption is that, unless a ‘guns welcome’ sign is posted, there will be no guns,” said Skoglund. Neuville said the adoption of the amendment guts the bill. “You won’t know which locations permit the weapons and which don’t. It renders the law meaningless,” he said. Sen. Dave Kleis (R-St. Cloud) said the amendment not only significantly changes the bill, but also makes the bill more strict than it was before the first conceal carry bill was passed. Skoglund withdrew the amendment and offered another one, which he said is similar, that takes out the state government, leaving only private property owners and local units of government. “The amendment still switches the presumption,” said Skoglund. “It means you don’t bring your gun to the store unless the sign says your gun is welcome,” he said. The amendment did not prevail, 1-7. The committee adopted an amendment, offered by Skoglund, allowing religious establishments to ban guns unless the establishments post “guns welcome” signs.

Sen. Linda Berglin (DFL-Mpls.) offered an amendment allowing local units of government to decide whether or not permit holders may bring guns onto local government property, including parks. She said the amendment will treat local units of government like other entities are treated in law. The amendment was adopted.

Sen. Jane Ranum (DFL-Mpls.) offered an amendment to require fingerprinting of the permit applicants. Sen. Carrie Ruud (R-Breezy Point) said requiring the finger prints treats permit applicants like they are criminals. Ranum

said finger prints are required for several activities, such as job background checks. The amendment was adopted.

Finance

Health budget revised

The Finance Committee met early Tues., May 3, to hear changes to the health and human services omnibus budget bill. The panel, chaired by Sen. Richard Cohen (DFL-St. Paul), approved the bill and sent it to the floor.

Sen. Linda Berglin (DFL-Mpls.) authored the measure, S.F. 2278. She said the target for health and human services spending has been lowered by \$21 million. Berglin said she is proposing four changes to reduce the budget by that amount: reducing expenditures for transitional housing from \$1.5 million to \$720,000, eliminating the repeal of public health program co-pays except for pharmacy and dental services for Medical Assistance (MA) and General Assistance Medical Care (GAMC), delaying the implementation of Healthmatch for one month and delaying the cost-of-living adjustment for long-term care providers for one month. The provisions save \$780,000, just under \$2.5 million, just under \$5.4 million and \$11.5 million respectively, said Berglin. She offered an amendment to incorporate the suggested changes to the bill. The amendment also includes technical changes resulting in \$1.67 million in savings, Berglin said. The amendment was adopted.

The committee also adopted an amendment, offered by Berglin, making a variety of other changes to the bill. The amendment authorizes the Department of Human Services (DHS) to conduct Medicare Part D appeals and other Medicare Part D activities required by federal law, modifies the HIV health care access program, clarifies changes to MA and to alternative care liens and makes changes to the performance reporting and quality performance program. Berglin offered a third amendment relating to the pass-through on the MA portion of the provider tax. The amendment was adopted.

Two more amendments, both offered by Sen. Michelle Fischbach (R-Paynesville), were also adopted. The first merges two grant programs for community clinics into one and also provides for

Committee update

priority to be given to small, rural hospitals in a grant program relating to electronic records improvements. Mark Schoenbaum, DHS, said the amendment will help safety net health care providers in implementing the technology. The second amendment removes a portion of the bill relating to plumbing. Fischbach, who authored the plumbing section of the bill, said the amendment removes inspection requirements, but leaves licensure requirements and the codification of fees already in place.

Variety of HHS bills gain

Members of the Finance Committee, chaired by Sen. Richard Cohen (DFL-St. Paul), met a second time, Tues., May 3, to hear a variety of bills related to health and human services.

S.F. 917, sponsored by Sen. Dallas Sams (DFL-Staples), establishes a grant program for organizations that encourage and assist women in carrying their pregnancies to term and provide early parenting support. "The bill offers options to young women who are pregnant in order to address their needs in having children," said Sen. LeRoy Stumpf (DFL-Thief River Falls). Stumpf offered an amendment clarifying the \$2.5 million appropriation for the program, including an additional \$50,000 to the commissioner of education for costs associated with administering the program. The amendment was adopted.

Sen. Sheila Kiscaden (IP-Rochester) asked if organizations, such as Lutheran Social Services, are eligible for the grants. Andrea Rau, Minnesota Citizens Concerned for Life (MCCL), said they will be. Members approved the bill, as amended, and sent it to the floor.

S.F. 1204 was authored by Kiscaden. The bill is essentially an omnibus licensing bill, she said. While the bill mostly authorizes the collection and expenditure of fees, said Kiscaden, there is a \$20,000 impact, due primarily to the Board of Behavioral Health issuing fewer licenses than anticipated. Kiscaden offered an amendment to reduce fees for the Board of Social Work temporarily. She said the board requested the amendment because it currently collects more revenue through fees than is necessary to support its operations. The amendment was adopted. The committee also adopted an amendment to delete a provision appropriating

\$205,000 from the special revenue fund for a board designated to provide administrative management. Senators approved the measure, as amended, and forwarded it to the full Senate.

Kiscaden also carried S.F. 1378. She said the bill makes minor technical changes to how the state awards medical education funding to clinical training sites. "There is no new money going into this," said Kiscaden, "because it just changes the distribution formula and the data collection system." Changes made to the system in 2003 resulted in lower funding to rural areas, said Kiscaden. She said the bill rectifies the situation by allowing clinical training sites to qualify, even if they have fewer than 2.5 full-time employees. The bill also requires less frequent submission of data within the program, Kiscaden said. The committee approved the measure and sent it to the floor.

Sen. Linda Berglin (DFL-Mpls.) sponsored two bills. The first, S.F. 540, requires the commissioners of human services and commerce to establish the Minnesota Partnership for Long-Term Care to finance long-term care through a combination of private insurance and Medical Assistance. Senators approved the measure and recommended it for placement on the Consent Calendar. Berglin's second bill, H.F. 1951, also relates to long-term care. The measure modifies provisions regarding individual care plan requirements, elderly waiver case management, care plan implementation and tribal management of elderly care waivers. The committee approved the bill and sent it to the floor.

Sen. Dean Johnson (DFL-Willmar) carried S.F. 538, which requires hospitals to make available to new parents a video on the dangers of shaking children. "We are attempting to provide education for new parents," said Johnson. The bill also requires the commissioner of health to establish a protocol for educating parents and primary caregivers about the dangers associated with shaking infants. The committee approved the bill and forwarded it to the full Senate.

Maple Grove hospital, child support measures advance

Members of the Finance Committee, chaired by Sen. Richard Cohen (DFL-St.

Paul), heard five bills at a late afternoon meeting, Wed., May 4.

Sen. Warren Limmer (R-Maple Grove) carried H.F. 1915, a bill providing an exception to the hospital construction moratorium for a new facility in Maple Grove. He said the growing population and changing demographics of the Maple Grove area create a significant need for a hospital, especially one that provides obstetrical, mental health, pediatric and emergency medical services. He outlined a review process that would take 6-7 months and provides a procedure for applicants to contest the process. Sen. Linda Berglin (DFL-Mpls.) said the bill authorizes fees paid by respective parties interested in competing for the moratorium exception. The fees, she said, are structured to offset the review costs incurred by the Department of Health (MDH) in evaluating the proposals, so the bill has no general fund appropriation. Representatives of Fairview Health Services Tri-care spoke in favor of the bill. David Cress, North Memorial Medical Center, said a criteria-based approach may cause expensive delays in the moratorium exception process. Berglin said the timeline in the bill lays out a schedule for a decision to be made next fall. She said without the process, there may be a lawsuit on the issue. The bill also lays out a possible model for future moratorium exceptions, if needed, said Berglin.

Limmer said the Senate proposal diverges from the House proposal because it focuses on how a new hospital will fit in with overall medical needs of the Metro Area. He offered an amendment specifying a points-scale weighting process for evaluating criteria associated with possible moratorium exceptions. He said the criteria were drafted to meet health care needs. The amendment was adopted. The committee approved the bill, as amended, and forwarded it to the full Senate.

S.F. 630 was authored by Sen. Thomas Neuville (R-Northfield). Neuville said the bill, a child support reform measure, moves the state to an income share approach with respect to child support. He said the cost of the bill is incurred largely due to computer redevelopment, employee training and form creation at the Department of Human Services. The provisions, which cost \$860,000 in FY 06, will be covered by two fee increases, said Neuville. The first

increase raises the divorce filing fee by \$50, and the second increase raises the filing fee for trying to modify child support, he said. Federal money will also help fund the program, Neuville said. The amendment was adopted. Senators approved the bill, as amended, and sent it to the floor.

Sen. Wesley Skoglund (DFL-Mpls.) sponsored S.F. 2160, a bill authorizing payment of claims against the state. Skoglund said the state faced 90 claims this year, totaling \$3 million. Of those, he said, the bill recommends payment for nine claims, the combined cost of which equals about \$45,000. Among the granted claims, said Skoglund, are two claims by individuals working in Minnesota prisons, one claim to reimburse a corrections officer whose glasses were broken by an inmate and six other service-related injury claims. He said the bill also raises the amount at which one must file a claim with the committee from \$250 to \$500. Senators approved the bill and forwarded it to the full Senate.

H.F. 847 was carried by Sen. Tom Saxhaug (DFL-Grand Rapids). The bill contains several modifications to game and fish laws. Sen. Pat Pariseau (R-Farmington) offered two amendments. The first removes provisions related to disputes between Minnesota and North Dakota on hunting and fishing issues, she said. "The provisions were attention-getters, and they got attention," said Pariseau, who added that North Dakota had revised its policies as a result of the provisions. The second amendment removed language allowing trappers to check their snares only once every third calendar day. Pariseau said trappers' organizations do not support the new language. Both amendments

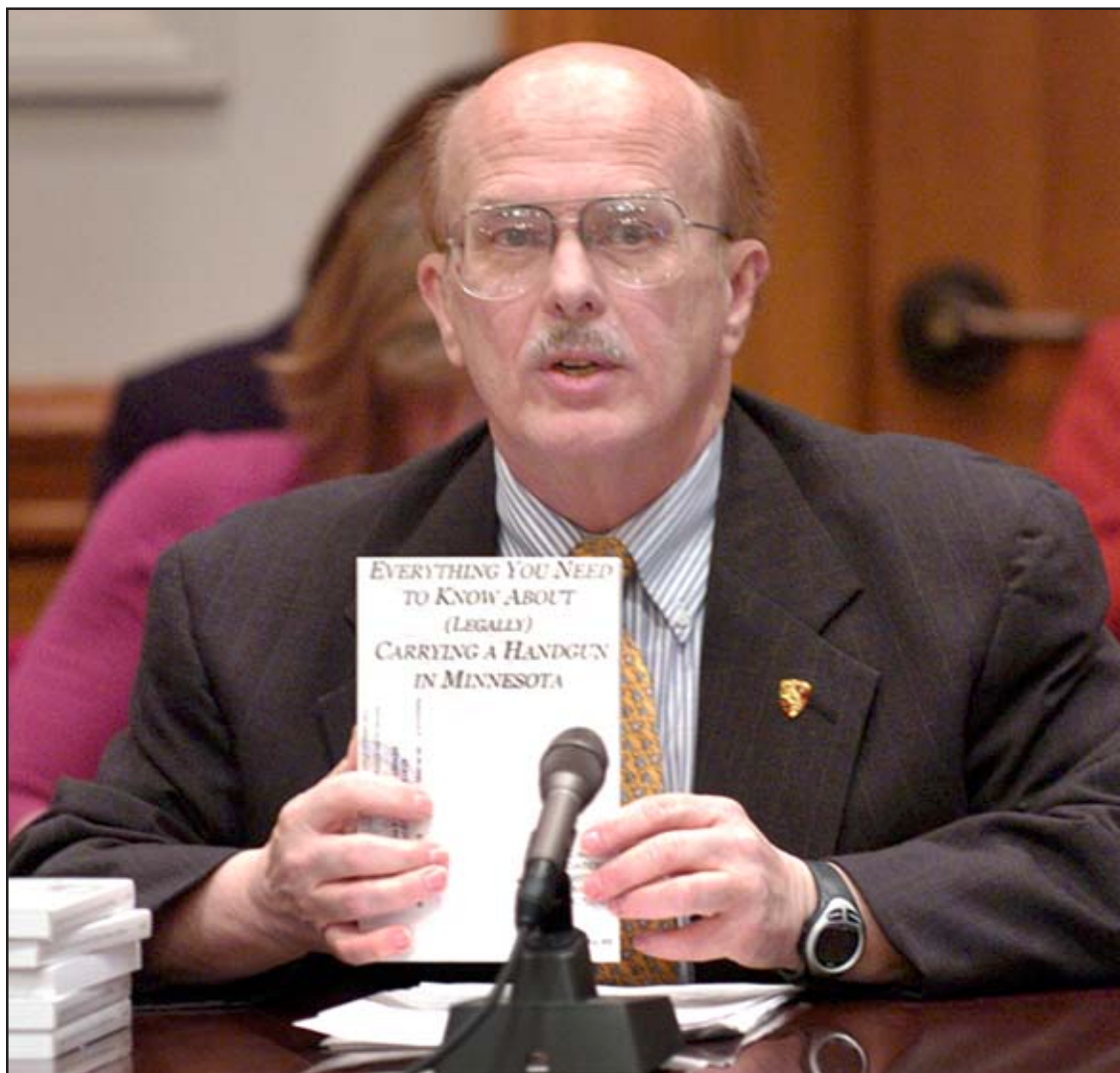
were adopted. The committee approved the bill, as amended, and sent it to the floor.

Sen. Don Betzold (DFL-Fridley) sponsored S.F. 1211, which requires social service agencies to conduct background checks on possible child custodians. The measure has a \$23,000 cost in FY 06, said Betzold, which was calculated on the number of children for whom background checks must be conducted. Sen. Jane Ranum (DFL-Mpls.) pointed out that, oftentimes, one family has custody of more than one child, a fact that would reduce the cost of the measure. The committee laid the bill over so that an appropriations section could be drafted for it.

Bills approved

Four measures were advanced by members of the Finance Committee at their Thurs., May 5, meeting. The panel, chaired by Sen. Richard Cohen (DFL-St. Paul), forwarded all the bills to the full Senate.

S.F. 1211, sponsored by Sen. Don Betzold (DFL-Fridley), provides for a background check of individuals considered as custodians. Betzold also carried S.F. 966 which establishes a maximum per-page fee of 25 cents for copies of public government documents if the request is for 300 or fewer copies. S.F. 1298, authored by Sen. Linda Higgins (DFL-Mpls.), provides for the recycling of consumer electronics. S.F. 1542, carried



Conceal Carry Reform Now President Joe Olson displays a handgun training manual to members of the Crime Prevention and Public Safety Committee, Mon., May 2, during discussion on the state's pistol permit law.

Photo by David J. Oakes

Committee update

by Sen. Tom Saxhaug (DFL-Grand Rapids), authorizes the issuance of permits for three-unit and two-unit vehicles between Grand Rapids and Duluth.

Judiciary

Shooting range bill gains

The Judiciary Committee held a rare, post-deadline hearing Wed., May 4, in order to consider the judiciary issues in S.F. 1908, the Shooting Range Protections Act. The bill, authored by Sen. Satveer Chaudhary (DFL-Fridley), requires the commissioner of natural resources to develop and adopt shooting range performance standards, requires compliance with applicable noise and safety standards and restricts development or construction in the area of an existing shooting range which would cause the range to be out of compliance with noise and safety standards.

Chaudhary said the bill is the product of several years of effort about the encroachment of development on hunting preserves and shooting ranges. The bill has come to a stage where we are able to balance the interests of preserving our open spaces, preserving the ability of people to hunt and fish in the state and providing the opportunity for people to learn gun safety, Chaudhary said. The industry, outdoor groups and local units of government have all come together in support of the bill, Chaudhary said.

Les Bensch, Viking Valley Hunt Club, spoke in support of the bill. He said the bill preserves a cornerstone of one of the largest industries of the state—hunting. He said all parties worked to come to agreement on the bill. The measure provides local governments with standards by which to judge shooting range compliance, Bensch said. Kent Sulem, Minnesota Association of Townships, said after many years of opposing similar legislation at this point, the association supports the bill.

Melinda Lopes, a homeowner, spoke against the bill. She said it was not very pleasant to listen to the constant barrage of gunfire. She said she objected to provisions protecting shooting ranges from nuisance law suits. Lopes said, "It is a local issue. We are trying to live peacefully in our neighborhood."

Members adopted two amendments. The first amendment related to mitigation

needed because of development. The second amendment specifies that the bill may not supersede more restrictive conditions imposed by ordinances and permits that are in effect prior to passage of the bill. The bill was approved and advanced to the Senate floor.

Rules and Administration

Resolutions, handgun bill advance

The full Rules and Administration Committee met Tues., May 3, to consider several procedural and housekeeping matters. The committee, chaired by Sen. Dean Johnson (DFL-Willmar), also approved two resolutions and advanced the measures to the Senate floor.

The first resolution, S.F. 834, authored by Sen. LeRoy Stumpf (DFL-Plummer), memorializes Congress to oppose the Central American Free Trade Agreement. S.R. 92, sponsored by Sen. Michele Bachmann (R-Stillwater), recognizes May 5, 2005 as a Day of Prayer in Minnesota.

The committee adopted two recommendations of the Bill Referral Subcommittee regarding the disposition of two bills. The subcommittee recommended, and the full committee endorsed, the advance of both measures to the Senate floor. S.F. 1298, sponsored by Sen. Linda Higgins, provides for electronics recycling and S.F. 631, sponsored by Sen. David Hann (R-Eden Prairie), limits liability of food manufacturers or sellers for obesity.

Members also advanced the bill to reenact the Minnesota Citizens Personal Protection Act of 2003 to the Senate floor. The measure, S.F. 2259, authored by Sen. Pat Pariseau (R-Farmington), was approved by a standing committee, but because the action was after the committee deadline, the bill was sent to the Rules and Administration Committee. The committee had to take action on the measure in order for the bill to be sent to the Senate floor.

In addition, the committee approved changes to the Senate roster and took action on other personnel matters.

Tax

K-12, early childhood bills heard

Members of the Tax Committee met Fri., Apr. 29, to consider two omnibus budget bills with property tax provisions.

The panel, chaired by Sen. Lawrence Pogemiller (DFL-Mpls.), laid both bills on the table.

S.F. 2277 is the omnibus early childhood budget bill. Sen. John Hottinger (DFL-St. Peter) described the bill for committee members. The measure was before the committee because it includes provisions relating to property taxes, though none of the provisions have a net impact on taxes. Sen. LeRoy Stumpf (DFL-Plummer) presented the omnibus K-12 education budget bill, S.F. 2267. The measure appropriates \$12.617 billion in FY 06-07 for education. The bill also includes levy provisions, including changes in individual levies, the consolidation of some levies into one levy, but no net impact on education levies in the aggregate, Stumpf said. The bill was laid on the table.

The committee also heard several other proposals for the third omnibus tax bill. S.F. 728, authored by Sen. Gary Kubly (DFL-Granite Falls), provides a \$4,000 credit against income tax to Greater Minnesota employers who create or retain jobs paying at least \$12 per hour or \$10 per hour with health benefits. The credit is limited to employers in the value-added manufacturing, forestry, energy, mining, agriprocessing, and tourism industries. The bill was placed on C list.

Sen. Mady Reiter (R-Shoreview) sponsored S.F. 527, which authorizes electric or utility special assessments to cover the cost of burying or altering an existing service distribution system on petition of all affected owners. The measure was advanced to the full Senate. S.F. 2246, carried by Sen. David Tomassoni (DFL-Chisholm), authorizes bonds to be issued by White Township to cover the costs of economic development related to an annexation agreement entered into between the township and the city of Biwabik. S.F. 1925, authored by Sen. Chris Gerlach (R-Apple Valley), allows municipalities to contract with the Metropolitan Council to join the Metropolitan Transit Taxing District. S.F. 2043, sponsored by Sen. Ann Rest (DFL-New Hope), provides that market value credit reductions be reflected in the credit amount shown on each property tax statement.

Senators completed their meeting by examining a draft of the third omnibus tax bill. Committee staff reviewed the provisions in the draft, many of which

were bills heard by the committee during the session.

Proposals heard

Members of the Tax Committee met Mon., May 2, to continue hearing items for inclusion in the third omnibus tax bill. Among the proposals was one relating to housing development attached to transit facilities and a clarification of the approved uses of revenue from St. Paul's additional half-cent sales tax.

Committee members, chaired by Sen. Lawrence Pogemiller (DFL-Mpls.), also heard from many interested parties on a proposal to permit a proposed Metro Area harness track to operate a card club when the facility opens. Current law requires racing facilities to operate 50 days of live racing before they may open card clubs. Sen. Linda Scheid (DFL-Brooklyn Park), chief sponsor of the proposal, said policymakers know that racing alone is not enough of a draw. Everyone involved knew that a card club was part of the facility from the beginning, she said, and a card club's revenues will help the race-track support horsemen's organizations. However, several residents of Columbus Township, where the harness track will be located, said they are opposed to having a for-profit gambling operation in their community. The harness track was accepted, they said, because the community supports horses. The harness track should have to stand on its own, they said, before a card club is allowed to open. No action was taken on the proposal.

Proposals heard

Several items were considered for inclusion in the third omnibus tax bill at the Tues., May 3, meeting of the Tax Committee. Among the items were provisions relating to local assessors and defining the term "tax."

S.F. 1986, authored by Sen. Michele Bachmann (R-Stillwater), requires a supermajority vote by a county to transfer local assessment responsibilities to the county. Representatives of local communities in Washington County spoke in support of the bill and emphasized the need for local control. Glen Mills, mayor of Marine-on-St.-Croix, said the communities have a good relationship with their local assessor and are nervous that the county could make them lose the relationship. However, John Kaul, representing

Washington County, said the county opposes the bill because the county is held accountable by the state for assessments. The county needs to be able to ensure equity and quality, Kaul said. The bill was placed on the C list.

Committee Chair Lawrence Pogemiller (DFL-Mpls.) sponsored S.F. 2206, which defines the term "tax" for purposes of state law. Members adopted an amendment expanding the scope of the Tax Incidence Study conducted by the Dept. of Revenue to include all fees and other revenue-raisers defined as taxes in the bill. An amendment providing that the definition does not expand or limit the scope of the section of the state constitution requiring revenue bills to originate in the House was also adopted. The bill was approved for inclusion in the omnibus bill.

Omnibus tax bill approved

A bill raising about \$1 billion in general fund revenue in FY06-07 was approved by members of the Tax Committee at their Thurs., May 5, meeting. The committee, chaired by Sen. Lawrence Pogemiller (DFL-Mpls.), completed its work on the omnibus tax package during meetings Wed., May 4, and Thurs., May 5.

To raise the revenue, Pogemiller presented committee members with three plans. One raises the sales tax rate to 7.25 percent, while another raises income taxes across the board, similar to a proposal, S.F. 1333, put forward by Sen. John Hottinger (DFL-St. Peter). The final plan creates a fourth income tax bracket for married persons filing jointly with incomes above \$250,000, single persons with incomes above \$166,665 and heads of households with incomes above \$208,330. The rate for the new bracket is 11 percent. All three plans were set to revert to current law after a series of state financial targets had been satisfied, including a buyback of the June accelerated sales tax. The third proposal was adopted at the Wed., May 4, meeting on a 7-5 vote.

Committee members also removed provisions they had adopted as part of the package. Among the items removed were credits for dairy investments, for elementary and secondary school tuition in border states and for higher education expenses. Provisions relating to expanded

card clubs and new card club taxes were also deleted. At the Thurs., May 5, meeting, committee members reduced the rate for the new income tax bracket from 11 percent to 10.5 percent. In addition, members adopted an amendment providing for a residential property tax freeze. Other amendments included reinstating the credits for dairy investments, expanding cities disclosure of costs and benefits of tax increment financing districts and providing for tax shelter and voluntary compliance initiatives. The bill, S.F. 2206, also includes \$2 million for the Rochester higher education committee, \$34.5 million for the clean water legacy initiative and \$30 million for county criminal justice aid. Pogemiller said the drop in the new tax bracket from 11 percent to 10.5 percent reduces the total revenue raised by the bill by about \$200 million. The omnibus tax bill was advanced to the full Senate.

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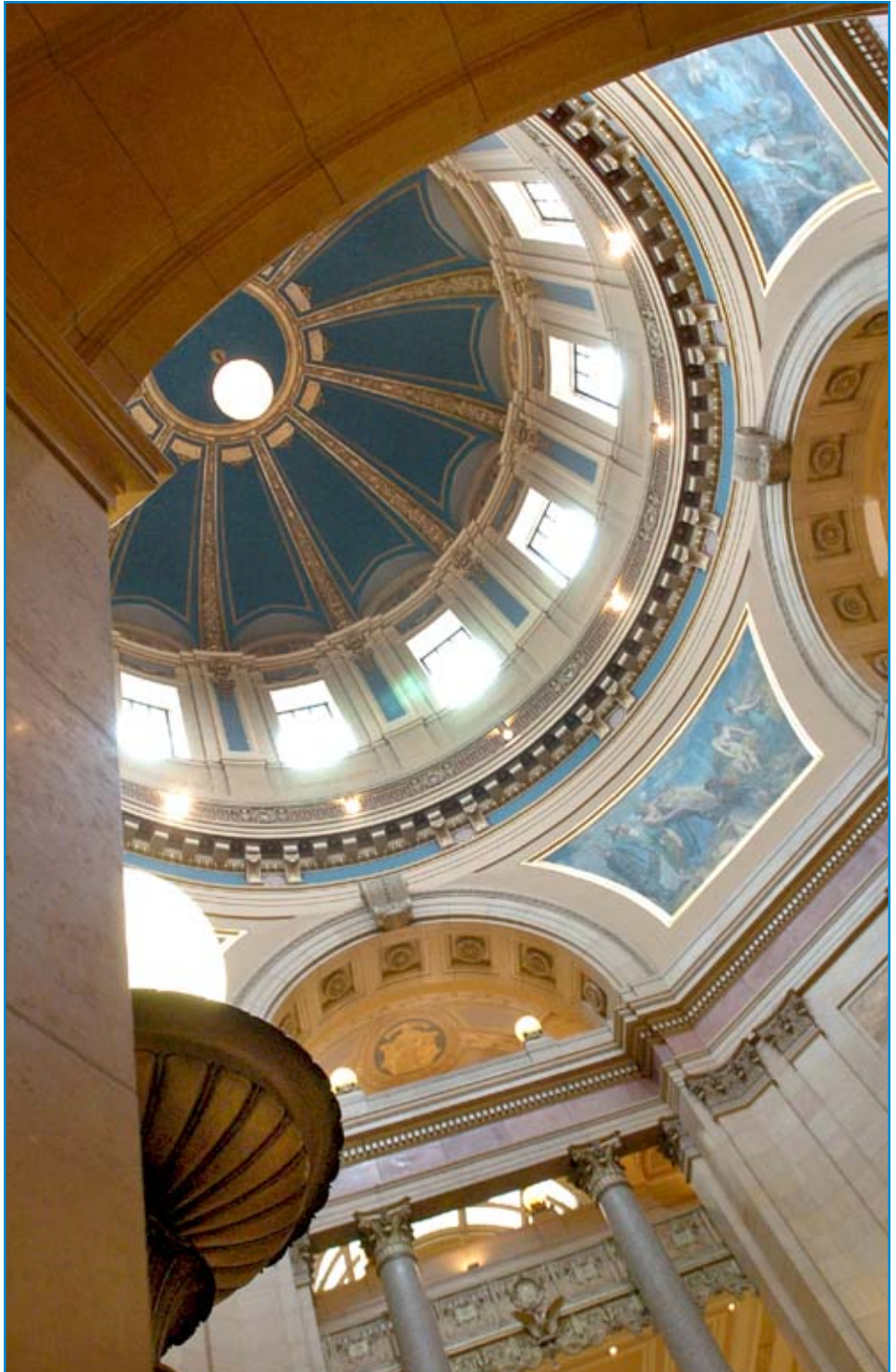
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*High above the Capitol Rotunda, the chandelier shines brightly in celebration of Statehood Day, Wed., May 11.
Photo by Shelley Hawes*



May 13, 2005

Senate Highlights

Positive alternatives bill passed

The Senate met Mon., May 9, to consider a number of bills on Special Orders. Bills on Special Orders may be debated and amended before receiving final passage. The bills processed ranged from HIV testing of sex offenders to compensation for watershed district managers.

One of the bills granted final passage was the positive abortion alternatives bill. S.F. 917, authored by Sen. Dallas Sams (DFL-Staples), provides grants to entities providing alternatives to abortion through programs to support, encourage and assist women in carrying pregnancies to term and in caring for babies after birth. Sen. LeRoy Stumpf (DFL-Plummer) presented the bill and offered three amendments. The first amendment reinstates the Dept. of Health, rather than the Dept. of Education, as the agency responsible for the provisions in the bill. A second amendment reinstates the definition of "unborn child" as a member of the species *Homo Sapiens* from fertilization until birth. The third amendment clarifies that no grantee may receive funding if the grantee refers a person for abortion, but that the grantee may provide non-directive counseling. Members amended the amendment to specify that a grantee may not refer a woman to an abortion provider. All three amendments were adopted and the bill was granted final passage.

Sen. Jane Ranum (DFL-Mpls.) sponsored a bill increasing the value of homesteads exempt from legal process for creditors' remedies purposes. S.F. 1563 raises the value for the exemption from \$200,000 to \$500,000 and if the homestead is used for agricultural purposes, from \$500,000 to \$1 million. S.F. 1371, sponsored by Sen. Rod Skoe (DFL-

Clearbrook), increases the compensation for watershed district managers and expands the authority to enter lands for survey and investigation purposes. Members also granted final passage to S.F. 1819. The bill, sponsored by Sen. Mee Moua (DFL-St. Paul), requires the commissioner of administration to establish competency and certification criteria for building construction code inspectors. S.F. 314, sponsored by Sen. Linda Scheid (DFL-Brooklyn Park), regulates property and liability coverage for Minnesota FAIR insurance plan policies. Scheid also sponsored a bill, S.F. 1379, excluding the cost of air bag repair or replacement from motor vehicle damage calculations. Scheid said the value of air bag repair or replacement would not need to be disclosed or calculated for the salvage title.

Ranum sponsored two additional bills. S.F. 1438 expands the protection against employer retaliation for crime victims who take time off work to attend criminal proceedings. S.F. 1525 clarifies the notification procedure when a crime victim requests an HIV test on an offender. S.F. 877, sponsored by Stumpf, reinstates the statutory language that establishes the Minnesota Humanities Commission and provides for the Minnesota Humanities Center. Sen. Scott Dibble (DFL-Mpls.) offered an amendment establishing a poet laureate for the state. The amendment was adopted and the bill granted final passage. S.F. 1025, authored by Sen. Bob Kierlin (R-Winona), authorizes programs for all-inclusive care for the elderly (PACE) under alternative integrated long term care services demonstration projects. S.F. 1479, sponsored by Sen. Becky Lourey (DFL-Kerrick), clarifies that the Dept. of

Human Services has the authority to collect spousal maintenance.

Sen. Don Betzold (DFL-Fridley) sponsored two bills. S.F. 1231 allows the display of the American flag on townhomes and condominiums. Members adopted an amendment, offered by Betzold, specifying that if the permission to fly the flags of the United States or the State of Minnesota, but not other flags, is determined by a court or government agency to violate federal, state or local human rights or fair housing laws, the bill has no effect. S.F. 483 includes chaplains in the state classified civil service. Sen. Claire Robling (R-Jordan) spoke in opposition to the bill. She said the placing of chaplains in the classified service could result in an imbalance in denominations represented. Betzold said there are not a lot of requests for specific denominations. Sen. Thomas Neuville (R-Northfield) said the current system encourages a balance of denominations. Betzold said if the chaplains are doing the work, they are entitled to the protections of the civil service system.

Transportation bill gains

The Tax Committee devoted much of the Tues., May 10, meeting to hearing public testimony on the two transportation bills before the panel. The panel, chaired by Sen. Lawrence Pogemiller (DFL-Mpls.), continued the discussion of S.F. 1980, the omnibus transportation appropriations bill, and S.F. 1703, a bill to increase funding for transit in the Metro Area. S.F. 1980, sponsored by Sen. Steve Murphy (DFL-Red Wing), includes an increase in the gasoline tax and S.F. 1703, sponsored by Sen. Sharon Marko (DFL-Cottage Grove), includes an increase in the sales tax in the Metro Area.

Brad Lehto, representing the AFL-CIO, said it is important to increase investment in transportation as soon as possible. He said working people believe the transportation system is in trouble and that it is important to invest in the future. James Wafler, Highway Construction Industry Council, also spoke in support of the bills. "The needs of the road system and the needs of transit are inseparable," Wafler said. Margaret Donahoe, Minnesota Transportation Alliance, said the alliance is hopeful that a full transportation funding package can be passed this year. Jim Bartholomew, Minnesota Business Partnership, said the partnership

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Sen. Jim Vickerman (DFL-Tracy), right, shakes hands with Gov. Tim Pawlenty, Tues., May 10, following the governor's signing of a bill that doubles the amount of ethanol required in gasoline by 2013. Also present at the bill signing, which occurred at a gas station on Grand Avenue in St. Paul, was Sen. Dallas Sams (DFL-Staples), chief author of the bill, far left. Photo by David J. Oakes

could not support a Metro Area sales tax increase and has no position on an increase in the gasoline tax. The Minnesota Chamber of Commerce supports a gasoline tax increase, said Carolyn Jones. She said the chamber also supports the use of bonding and toll roads to help fund transportation. Kent Sulem, Minnesota Association of Townships, spoke in support of both bills.

Members also discussed the County-State Aid Highway formula change contained in S.F. 1980. The formula is set by statute and currently is set at 10 percent, 10 percent, 30 percent and 50 percent. Under the bill, the formula will

change to 40 percent based upon the number of registered vehicles and 60 percent based upon the needs of the county.

Sen. Mike McGinn (R-Eagan) offered an amendment to S.F. 1980 containing two constitutional amendments. The amendment requires a constitutional amendment to raise the gasoline tax and a constitutional amendment specifying that all of the proceeds of the motor vehicle sales tax be used exclusively for surface transportation issues. McGinn said, "I have great faith in my constituents to approve the amendment." Murphy countered, "The electorate voted for us to

make the decisions. They trust us to keep their best interests in mind."

Murphy also said a constitutional amendment would mean a two year delay and that a delay increases costs exponentially. The amendment failed on a 5-7 roll call vote.

Sen. Debbie Johnson (R-Ham Lake) moved that the bill be recommended to pass and sent to the full Senate. The motion was adopted on a 7-5 roll call vote. No action was taken on S.F. 1703.

Clean Water Legacy legislation approved

The Clean Water Legacy Act, S.F. 762, was approved when the Environment, Agriculture and Economic Development Budget Division, chaired by Sen. Dallas Sams (DFL-Staples), met Tues., May 10.

"The purpose of the bill is to comply with the federal Clean Water Act of 1972," said Sen. Dennis Frederickson (R-New Ulm), who authored the measure. Frederickson said the bill, based on the recommendations of a

group, called the G16, composed of farmers, environmentalists and local government officials, will protect, preserve and restore the quality of Minnesota's surface water. "Minnesotans want to keep their water clean," said Frederickson. He added, "Without the bill, Minnesota could incur penalties from the Environmental Protection Agency (EPA)." Under the bill, individual citizens and non-government organizations monitor surface water quality, a Clean Water Council is established to recommend implementation procedures for the act and objective third-parties set total maximum daily loads (TMDLs). Two

Senate Highlights

somewhat controversial provisions in the bill, said Frederickson, include providing for public input on TMDL levels and requiring soil and water conservation district supervisors to be elected from districts of equal populations with boundaries coterminous with county commissioner districts. Overall, the bill appropriates \$80 million for the proposal. Frederickson noted that the tax bill provides roughly half of the necessary funding. The bill also specifies fees, such as a \$36 fee on home septic and sewer systems and a three-tiered fee systems for different sized businesses.

Sen. Thomas Bakk (DFL-Cook) offered an amendment to add a tribal member to the Clean Water Council. The amendment was adopted. Bakk offered another amendment to remove fees from the bill. He said he feels money for the act should come from the general fund. Taking the fees out, said Bakk, would make appropriations in the bill more closely matched to funding provided for the measure in the tax bill. Frederickson said he is pleased the tax bill contains at last some of the funding needed for the bill, and said he is committed to continuing work on the measure. "I think this is the prudent thing to do," he said. The

amendment was adopted. Frederickson offered a spreadsheet to align expenditures in the bill with funding in the tax bill. Members adopted the spreadsheet.

Senators also adopted an amendment, offered by Sen. Gary Kubly (DFL-Granite Falls), to remove the provision requiring soil and water conservation supervisors to be elected from districts of certain boundaries and equal populations. Kubly said the provision, which was added in the State and Local Government Operations Committee, is controversial in rural areas because rural communities need individuals with expertise to fill the position and may not be able to find enough individuals if the electoral restructuring takes effect. Judy Erickson, Association of Soil and Water Conservation Districts, spoke in support of the amendment. Sen. Scott Dibble (DFL-Mpls.) said the provision was attached because of concerns about uniformity and accountability relating to the supervisors.

Several members of the G16 spoke in support of S.F. 762, but said they had concerns about the measure not being fully funded. Craig Johnson, League of Minnesota Cities, said he was concerned that reduced funding will amount to an unfunded mandate on cities. Representing

the Farm Bureau, Chris Radatz said there is a need for \$15 million for farm-related costs in the bill. "I don't see that funding provided," he said. Marie Zeller, Clean Water Action, said there is an immediate need to start cleaning up Minnesota's water. The costs are real, said Zeller, and as lakes and rivers become more polluted every day, cleaning them up becomes more expensive. "It gets more complicated every single day," she said, "and more complicated means more expensive." She added that it is important to reach \$80 million in funding because that figure is required to leverage federal money on the issue. "People are willing to pay," said Zeller. "I hope that soon we'll be out there enjoying our waters instead of debating about how to clean them up," she said.

Mike Robertson, Minnesota Chamber of Commerce, said the chamber cannot support the bill in its current form. "We support the original funding mechanism," he said. "We have stated many times that this is an important issue for the economy of the state, for the businesses of the state, and we hope we can get to the point where we can support the final action of the Legislature," Robertson said.

Members approved the bill, as amended, and sent it to the full Finance Committee.

Information Services

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Standing beside a display of toy guns, preschool director and hunter Laura Johansson of Minneapolis expresses her opposition to handgun permit legislation during a press conference sponsored by Citizens for a Safer Minnesota in the Capitol Rotunda, Thurs., May 12.

Photo by David J. Oakes

Floor update

Tuesday, May 10

Eight bills approved

Senators met Tues., May 10, to approve six bills designated Special Orders.

H.F. 1692, carried by Sen. James Metzen (DFL-South St. Paul), provides that unclassified employees of the State Board of Investment who are not covered by a collective bargaining agreement are compensated under the terms of a compensation plan adopted by the board. Sen. Steve Murphy (DFL-Red Wing) sponsored H.F. 1333, which permits the city of Wabasha to establish a port authority commission. Members adopted an amendment, offered by Sen. Gary Kubly (DFL-Granite Falls), permitting the city of Ortonville to establish a port authority commission. S.F. 333, authored by Sen. Michelle Fischbach (R-Paynesville), exempts farm labor housing of no more than two units from regulation as manufactured home parks.

Sen. Steve Dille (R-Dassel) carried H.F. 68, creating a procedure for coaches to respond to the reasons for the non-renewal of their contracts. H.F. 487, sponsored by Sen. Sheila Kiscaden (IP-Rochester), updates statutory terminology relating to disabilities. Sen. John Marty (DFL-Roseville) carried H.F. 42, authorizing the use of silencers by wildlife control officers reducing cormorant populations.

In other action, Senators approved one item on the Consent Calendar. S.F. 540, carried by Sen. Linda Berglin (DFL-Mpls.), authorizes a long-term care partnership program. Members also granted concurrence and repassage to S.F. 1146, authored by Sen. Jim Vickerman (DFL-Tracy), clarifying the county agricultural society exemption from local zoning ordinances.

Wednesday, May 11

Statehood Day session held

Senators used the 147th anniversary of Minnesota's statehood, Wed., May 11, to approve two bills. Additionally, Senators adopted a resolution honoring a St. Paul police officer on the day of his funeral.

S.F. 1485, authored by Sen. Dan Sparks (DFL-Austin), provides for the certification and regulation of crane operators. H.F. 1761, carried by Sen. Gary

Kubly (DFL-Granite Falls), authorizes the reenrollment in MinnesotaCare of military personnel who disenrolled when called to active duty.

S.R. 98 honors and mourns the loss of St. Paul Police Sergeant Gerald Vick, who died last week in the line of duty. Senators observed a moment of silence in honor of Vick before adopting the resolution.

In other action, the Senate appointed its conferees on the early childhood and K-12 education bill, H.F. 872.

Thursday, May 12

Variety of bills pass

The full Senate met Thurs., May 12, to hear a variety of bills. Thirteen bills were granted final passage.

Sen. Brian LeClair (R-Woodbury) sponsored S.F. 1998. "The bill changes the way we regulate health plans in Minnesota," he said. LeClair outlined a few provisions in the bill, including funding for an anti-fraud unit to help stamp out insurance fraud and abuse, providing that health plans need not send out an explanation of benefits letter for certain accounts and requiring health providers to submit bills to health plans within a six month window. Sen. Linda Scheid (DFL-Brooklyn Park) offered an amendment that she described as comfort language on the prompt billing provision. She said the amendment also restores the repeal of a provision requiring total compensation to be reported to an advisory board. The amendment was adopted. S.F. 1998, as amended, passed on a 64-2 vote.

Another insurance-related proposal, H.F. 1669, also passed, 63-1. The measure was also authored by Scheid. The bill modifies a variety of provisions related to insurance fees, rates and policy, she said. "We were concerned when we saw insurance related jobs leaving Minnesota, because they are good jobs. We don't want to lose them, and this bill helps with that," said Scheid.

S.F. 1086 allows Minnesota citizens to vote at their convenience, including through early voting at satellite polling places or by absentee ballot, up to eight days before election day, said Sen. Linda Higgins (DFL-Mpls.), the bill's author. "Your constituents will love this bill," said Higgins. Twenty-three other states already allow early voting, she said. Higgins said the eight day period represents a moderate

period compared to other states' laws. Iowans are allowed to vote up to 40 days before an election, she said, while other states only allow early voting on the Friday and Saturday prior to the election. The bill provides for the establishment of satellite polling places and sets the procedures for early voting. Higgins said early voting, as opposed to absentee voting, prohibits the ability to change one's vote on election day. Sen. Dave Kleis (R-St. Cloud) said he opposes the bill because it does not allow people to change their votes if they change their minds. He said many candidates focus their resources on the last week of the race, significantly altering campaigns in the week before an election. The bill failed, 28-39.

Sen. Sheila Kiscaden (IP-Rochester) sponsored H.F. 1164. She said the bill clarifies an existing law requiring drivers to move into lanes farthest from those in which emergency vehicles are parked. The measure also authorizes peace officers to issue citations to violators. Members adopted an amendment, offered by Sen. John Marty (DFL-Roseville), to clarify that drivers must only move over if it is safe to do so. Senators passed the bill, as amended, 66-0. Kiscaden also authored S.F. 1378, which changes the way in which medical research funds are allocated to clinical training site providers. The bill restores a pre-2003 provision allowing all clinical training sites to be eligible for funds, based on the training they provide, said Kiscaden. Removing the provision had hurt sites in rural Minnesota, she said. Members granted the bill final passage on a 67-0 vote.

H.F. 947 gained final passage as well. Carried by Sen. Ellen Anderson (DFL-St. Paul), the bill allows parents of stillborn children to obtain a birth certificate for their baby. The bill passed on a 58-0 vote. Anderson also carried S.F. 1943. She said the bill is a correctional officers' bill of rights that also establishes discipline procedures for the officers. The bill was approved, 65-0.

Sen. Linda Berglin (DFL-Mpls.) sponsored a measure, S.F. 885, requiring the commissioner of public safety to appoint an additional deputy registrar of motor vehicles to operate a new, full service office in Minneapolis. Berglin offered an amendment to add a driver's license agent to the center, too. Sen. Julianne Ortman (R-Chanhassen) offered

Floor update



From left, Senators Mike McGinn (R-Eagan), David Tomassoni (DFL-Chisholm) and Sheila Kiscaden (IP-Rochester) work on an amendment to a bill on the Senate floor.

Photo by David J. Oakes

an amendment to authorize Carver County's deputy registrar to add an additional licensing center in Carver County. Both amendments were adopted. The bill, as amended, gained final passage, 61-1.

S.F. 1135, authored by Sen. Dennis Frederickson (R-New Ulm), allows Brown County to appoint a county recorder instead of holding an election for the position. Frederickson said the position is for technical and administrative, not policy, work. The bill passed, 60-6.

Sen. Gary Kubly (DFL-Granite Falls) moved to reconsider S.F. 1761, which the Senate passed previously. He offered an amendment to align the bill's language with House language. This way, said Kubly, there is no need for a conference committee. The bill allows active military personnel to return to MinnesotaCare (MnCare) upon arrival home from duty. The measure, as amended, was approved, 59-0.

H.F. 732, authored by Sen. Mady Reiter (R-Shoreview), authorizes electric or utility special assessments if all affected

citizens agree to the assessment under petition. Reiter said the bill, which was brought to her by constituents, will allow citizens to bury power lines in their neighborhoods. The bill gained final passage, 60-0.

The claims bill, S.F. 2160, also passed. Sen. Wesley Skoglund (DFL-Mpls.) carried the bill, which grants claims made against the state. Skoglund said 92 claims were filed against the state this year, and S.F. 2160 grants eight of them. Most of the claims, he said, represent medical injuries. On a vote of 59-0, the bill was granted final passage.

Sen. Steve Kelley (DFL-Hopkins) sponsored S.F. 1846, which allows state agencies to participate in Minnesota's energy savings plan. "The bill will make it easier for our state agencies to engage in energy saving contracts," said Kelley. The bill was approved, 64-0.

S.F. 1738 authorizes the commissioner of natural resources to issue a once through water use permit. Sen. Dick Day (R-Owatonna) authored the measure, which passed 64-0.

Senators also voted to remove agriculture and economic development provisions from the omnibus agriculture, environment and economic development bill. Sen. Thomas Bakk (DFL-Cook) said the action helps to align related measures with House bills for conference committee.

MyBills system available

The MyBills personalized bill tracking system is now available. Users can add House and Senate bills to their lists by bill number, subject, or author, and view the legislative status of their bills, with items with significant current floor action highlighted. Users can modify their lists at any time. The MyBills system is available from the Legislative website at: <http://www.house.mn/leg/billslogin.asp>

Schedule available online

Next week's schedule is available online at: <http://www.senate.mn/schedule/2005/0411.htm>

Committee update

Conference Committees

Education

E-12 education conferees meet

The E-12 education budget conference committee, chaired by Sen. LeRoy Stumpf (DFL-Plummer) and Rep. Barb Sykora (R-Excelsior), held an initial meeting Thurs., May 12, to begin discussions on resolving differences in the two versions of H.F. 872. The measure, which funds education activities from early childhood through high school, contains provisions relating to excellence in education, special programs, facilities and technology, nutrition and accounting, libraries, early education, self-sufficiency and lifelong learning and state agencies.

Under the Senate version of the bill, a total of \$12.811 billion is appropriated from the general fund. The House version of the bill appropriates \$12.742 billion from the general fund. The Senate version is 8.7 percent more than last biennium and the House version is 7.3 percent more than last biennium.

The initial meeting of the conferees was devoted to a line-by-line comparison of a spreadsheet detailing the appropriations and a side-by-side comparison of the language in each version of the bill.

Health and human services

HHS budgets compared

Members of the conference committee on H.F. 1422, the health and human services omnibus budget bill, met both Mon., May 9, and Tues., May 10, to review differences between the Senate and House proposals. The committee was chaired by Rep. Fran Bradley (R-Rochester) and Sen. Linda Berglin (DFL-Mpls.) respectively.

Overall, the House appropriates \$406.3 million less from the general fund and \$535.1 million less from the state government special revenue fund over the next biennium than the Senate does. One major discrepancy accounting for the differences between the two proposals is that the House measure adopts a restructuring of public health program eligibility, at a savings of \$91.4 million over the next two years, while the Senate does not. Additionally, the House maintains a freeze on child care assistance rates to eliminate \$68.1 million. Under

the Senate proposal, the \$5,000 cap on benefits for MinnesotaCare (MnCare) participants is repealed, costing \$66.2 million. The two bills also reflect funding differences on hospital and pharmacy reimbursements, cost-of-living adjustments for long-term care workers, enrollment of small business employees in MnCare and the positive abortion alternatives proposal.

Work continues on HHS bill

The conference committee on H.F. 1422 met Thurs., May 12, to review differences between the House and Senate health and human services budget proposals. The committee, chaired by Rep. Fran Bradley (R-Rochester) and Sen. Linda Berglin (DFL-Mpls.), also adopted various sections from both the House and Senate bills for the final committee report.

With regard to health policy, the committee adopted Senate language relating to the implementation of a statewide health information structure, several aspects of trauma care, issues in connection with critical access hospitals (CAHs) and education on post-partum depression. The conferees also incorporated a cervical cancer elimination study and a report to the Legislature on swing bed issues. The committee agreed to fund a rural pharmacy grant program through the state's special revenue fund instead of increased fees as well. Bradley said that, apparently, there are adequate special revenue funds to cover the proposal. The committee also adopted Senate language on lead risk assessment and House language on educating parents on the dangers of shaking infants and young children. In the field of mental and chemical health, conferees adopted identical language relating to foster care. They also adopted identical language expanding Medical Assistance (MA), General Assistance Medical Care (GAMC) and MinnesotaCare (MnCare) programs to include mental health telemedicine and mental health consultations via phone, email, facsimile or other means of communication to primary care givers. Language expanding MA to cover treatment foster care and intensive rehabilitative mental health services was also adopted, though conferees removed an effective date from the latter provision. The committee also heard an overview of

differences between the two proposals on long-term and continuing care policy.

Higher education

Higher ed proposals reviewed

Negotiations over the higher education budget bill, H.F. 1385, began Tues., May 10, as conferees from the Senate and House met to compare their proposals. The conference committee is led by Sen. Sandra Pappas (DFL-St. Paul) and Rep. Bud Nornes (R-Fergus Falls).

The Senate proposal provides over \$2.839 billion in FY 06-07. The plan appropriates \$348.529 million to the Higher Education Services Office (HESO), \$2.782 million to the Mayo Medical Foundation, \$1.221 billion to the Minnesota State Colleges and Universities (MnSCU) and \$1.267 billion to the University of Minnesota. The House version appropriates over \$2.796 billion. Of that amount, \$347.614 million is for HESO, \$2.782 million is for the Mayo Medical Foundation, \$1.198 billion is for MnSCU and \$1.248 billion is for the University of Minnesota.

Both proposals include numerous policy provisions, including an evaluation of the higher education needs in Rochester and the possibility of a four-year university in the community and a reform of the process by which members of the University of Minnesota's Board of Regents are selected.

Credit card marketing discussed

Several policy provisions in the omnibus higher education proposals were considered by members of the conference committee on H.F. 1385, chaired by Sen. Sandra Pappas (DFL-St. Paul) and Rep. Bud Nornes (R-Fergus Falls), at their Thurs., May 12, meeting.

Among the provisions was a prohibition on the marketing of credit cards by higher education institutions to students. The ban was included in the Senate version of the bill. Dr. Edward Ehlinger, director of Boynton Health Service at the University of Minnesota, discussed the many negative effects of large debt loads on students, including higher stress levels and lower grades. Students choose expensive lifestyles, he said, often without making the connection between lifestyle and debt. Many students do not understand they have control over their debt,

Committee update

Ehlinger said. The University has done a lot of work to help students by prohibiting the payment of tuition via credit card, eliminating promotional tables, removing credit card applications from bookstore bags and not selling lists of students to credit card companies, he said. Ehlinger said Boynton assesses students for financial stress and offers stress and credit counseling. He said the University's efforts have had dramatic effects and that the bill will help students statewide.

Pat Martin, representing credit card issuer MBNA, said most students pay their credit card bills on time. About 59 percent, he said, pay the full amount due every month. Martin noted that over 40 percent of high school students carry credit cards, and about two-thirds of college students have at least one card. Data indicates that there is almost no difference between students and their non-student peers in delinquency or other credit behaviors, he said. Martin said creditors scrutinize students as severely as they do any other potential cardholder and offer them far lower credit limits, \$773 on average compared to thousands of dollars for adults.

Parents have an obligation to teach their children responsibility, including financial responsibility, said Nornes. He said he had difficulty taking away the convenience of on-campus credit card marketing based on the irresponsibility of some students. I am not sold that this provision will accomplish much, Nornes said.

Members of the conference committee also discussed sections providing tuition benefits to deaf students, providing educational benefits for disabled veterans and relating to the Intervention for College Attendance Program, which is designed to assist underserved populations in entering the higher education system.

Public safety

Omnibus bill reviewed

Members of the Conference Committee on H.F. 1, the omnibus public safety appropriations bill, met Tues., May 10, for the first time. The panel, chaired by Rep. Steve Smith (R-Mound) and Sen. Jane Ranum (DFL-Mpls.), compared spreadsheets containing the appropriations in each version and the side-by-side comparison of language in each body's version of the bill.

The total general fund appropriations in the House version of the bill are \$1.655 billion for the biennium, while the Senate version appropriates \$1.699 billion. Both measures contain and increase in the 911 fee, with the House raising \$23.882 million and the Senate raising \$34.13 million. Both measures also increase the criminal fine surcharge and the real estate recording fee.

The bill funds the courts, the Public Defense Board, the Dept. of Public Safety, the Bureau of Criminal Apprehension, the State Fire Marshal, the Peace Officers Standards and Training Board, the Dept. of Human Rights, the Office of the Attorney General and the Dept. of Corrections.

The measure also contains a number of policy differences. One of the major differences relates to the sentencing of sex offenders. The House version of the bill provides for mandatory life without release sentences for egregious first-time, first or second degree criminal sexual conduct offenders. The Senate version provides for mandatory indeterminate life sentences for egregious first-time, first or second degree criminal sexual offenders. Both bills also contain changes for emergency telecommunications and general criminal provisions, including new penalties for identify theft. The House version requires mandatory DNA collection when an individual is booked, but the Senate does not contain any provisions for mandatory DNA collection. Both bills also contain provisions dealing with methamphetamine crimes. In addition, both versions of the bill contain a number for changes to DWI and traffic safety policy.

Sex offender provisions discussed

The conference committee on H.F. 1, the omnibus public safety appropriations bill met Thurs., May 12, and focused primarily on provisions relating to sex offender sentencing. The panel, chaired by Sen. Jane Ranum (DFL-Mpls.) and Rep. Steve Smith (R-Mound), also discussed a proposal in the Senate version providing for early conditional release for controlled substance offenders who complete treatment, a House proposal to reintegrate short term prisoners through county jails, provisions containing the legislative auditor's recommendations regarding sex offender supervisions and provisions relating to State Fire Marshal

funding issues. Other areas discussed included criminal penalties for strangulation and public defender representation in CHIPS cases.

Most of the discussion centered on sex offender sentencing. The House version of the bill provides for life sentences without the possibility of release for egregious sex offenses in the first and second degree. The Senate version also provides for life sentences, but does include the possibility for conditional release.

State government

Budget proposals compared

Members of the Conference Committee on H.F. 1481, chaired by Rep. Marty Seifert (R-Marshall) and Sen. Sheila Kiscaden (IP-Rochester), met Fri., May 6. The group reviewed differences between the Senate and House approaches to funding state government.

The bills reflect a spending difference of roughly \$15.1 million. The House appropriates \$476 million over the next biennium, while the Senate appropriates \$491.1 million. The bills have further differences in funding for the Attorney General's Office, the Secretary of State's Office, the Minnesota Amateur Sports Commission and salary increases for executive branch employees. The Senate measure reflects the transfer of fiscal jurisdiction over the Attorney General's Office to the Public Safety Budget Division and does not provide Help America Vote Act (HAVA) funding to the Secretary of State's Office, because the policy bill is still in committee. Under the House proposal, the Attorney General's Office receives roughly \$49.4 million, and the Secretary of State's Office is appropriated \$38.5 million for HAVA. While the House eliminates funding for the Minnesota Amateur Sports Commission, the Senate funds the commission at \$300,000 in each of the next two fiscal years. The Senate bill also provides a 1 percent salary increase, amounting to \$21 million, to executive branch employees. Additionally, the Senate proposal includes a \$1.8 million transfer from the Department of Administration to create the Office of Enterprise Technology, an initiative from the governor's Drive to Excellence; the related policy proposal in the House is still in committee and thus is not funded.

The bills also contain minor funding differences on the Legislative Coordinating Commission, public radio and various state councils.

Members also reviewed policy discrepancies between the House and Senate proposals. Prohibiting the Legislature from meeting before April 1 in even-numbered biennial years, directing the governor to designate an employee to oversee faith-based initiatives and requiring Legislative approval for more expensive rules imposed by state agencies are some of the policy changes under the House bill. Policy changes in the Senate proposal include allowing the Legislative Auditor to capture fees charged to metropolitan agencies, requiring the state auditor to use electronic reports when possible, requiring retention of records of involuntarily terminated employees in the executive branch and establishing the

creation of the Office of Enterprise Technology. Both proposals also included a variety of changes to election law. The House measure modifies the number of hours one must spend at the Capitol to be considered a lobbyist, specifies the requirements for classification as a major party and allows Legislators to use funds from their principal campaign committees to pay for session housing expenses. The Senate bill authorizes certain gifts, such as funeral gifts, to be counted as campaign expenditures.

Conference committee continues

Members of the conference committee on H.F. 1481, the state government budget bill, continued their consideration of the measure, Mon., May 9. The panel is chaired by Sen. Sheila Kiscaden (IP-Rochester) and Rep. Marty Seifert (R-Marshall). Members focused their

attention on appropriation and election law provisions, reviewing differences between the Senate and House proposals on absentee voting, voter identification and registration, voting stations, adopting the Help America Vote Act (HAVA) and election judges. Unique to the Senate measure is a provision to allow the secretary of state to develop voting instructions in a language other than English, while only the House bill contains a provision allowing campaigns to request to use public lists electronically instead of in writing. The House measure also limits to 15 the number of proof of residency oaths an individual may provide for an election.

State gov conferees meet

The conference committee on H.F. 1481, chaired by Rep. Marty Seifert (R-Marshall) and Sen. Sheila Kiscaden (IP-



Minnesota Historical Society tour guide Dick Klein—appearing in the role of one of Minnesota's first U.S. Senators, Henry Rice—gives a presentation to sixth-graders from Wadena's Parkwood Elementary School, Wed., May 11, as part of Statehood Week.

Photo by Shelley Hawes

Committee update

Rochester), met Thurs., May 12. Conferencees discussed several proposals, including a House measure on the Minneapolis teachers' pension plan, a Senate measure on whistleblowers in state agencies and another Senate measure on a one percent salary supplement for executive branch employees. The committee also adopted identical House and Senate language on rule and law waiver requests relating to the state auditor as well as several identical provisions relating to the Department of Employee Relations (DOER).

Standing committees

Education

'U' prexy outlines restructuring

Robert Bruininks, president of the University of Minnesota, addressed members of the Education Committee, Mon., May 9, to present the University's plan to reorganize itself to become one of the top three public research universities in the world.

The plan includes reducing by three the number of colleges on the University's Twin Cities Campus by merging programs into existing or new colleges. The proposal also includes improving administrative efficiency, establishing a center for transfer and international admissions, working to improve the process for students transferring from the Minnesota State Colleges and Universities, developing a baccalaureate writing program and a campus-wide honors program and expanding international learning opportunities. The plan must be approved by the University's Board of Regents. Bruininks met with the committee for informational purposes.

More information about the plan is available from the University's website: http://www.umn.edu/systemwide/strategic_positioning/

Finance

Bills gain

Members of the Finance Committee met Mon., May 9, to consider several bills dealing with diverse topics. All of the bills were advanced to the full Senate.

S.F. 1710, sponsored by Sen. Becky Lourey (DFL-Kerrick), is the Dept. of Human Services' children's policy bill.

The measure modifies provisions relating to child protection, child care and child and family support. S.F. 1629, authored by Sen. Steve Dille (R-Dassel), requires the Rural Finance Authority to establish a livestock equipment pilot loan program, changes livestock zoning regulations and changes procedures for adopting or amending county feedlot ordinances. S.F. 1555, carried by Sen. Ann Rest (DFL-New Hope), implements the recommendations of the legislative auditor regarding lawful gambling oversight.

Committee Chair Richard Cohen (DFL-St. Paul) carried S.F. 1468, which establishes a panel to determine the eligibility of peace officers or firefighters for duty-related disability pensions. S.F. 290, sponsored by Sen. Linda Higgins, appropriates \$38.5 million from the state HAVA account to purchase voting equipment that permits people with disabilities to vote in private without assistance and to purchase and operate optical scan voting equipment. An amendment, suggested by Higgins, includes numerous provisions, include one delaying the requirement for the use of assisted voting technology for local elections until 2007. The amendment was adopted. S.F. 2289, authored by Cohen, eliminates several unclassified positions. The measure limits each department to one deputy commissioner and eliminates all assistant commissioner positions from the unclassified service. The bill also reduces state agency budgets by the savings realized from eliminating the positions.

Clean water bill advances to floor

The Finance Committee met Fri., May 13, to consider two bills. Members approved the Clean Water Legacy Act and a measure relating to the regulation of state timber lands and sent both to the floor.

S.F. 762, sponsored by Sen. Dennis Frederickson (R-New Ulm), provides for Minnesota to comply with the Federal Clean Water Act of 1972 by restoring and protecting Minnesota's waters. Frederickson said one of the most controversial parts of the bill, a section requiring fees to fund the proposal, has now been removed. Funding for the bill is now contained in the tax bill, he said. Frederickson also noted that the measure contains two new programs, a phosphorous reduction grant program and the

small community wastewater treatment program, which helps to provide loans to small communities to help residents install individual septic systems. Several representatives from the G16, the group of environmentalist, farmer and local government organizations that helped craft the legislation, spoke on the measure's behalf.

Sen. Thomas Bakk (DFL-Cook) carried H.F. 823. The bill modifies a variety of provisions relating to state timber lands, including the procedure for designating forest roads, the terms of selling tax-forfeited timber lands, modifications for standard wood measurements and the State Timber Act.

Health and Family Security

Child care proposals heard

A variety of proposals relating to licensure for care of vulnerable populations were heard at the Health and Family Security Committee's Mon., May 9, meeting. Chair Sen. Becky Lourey (DFL-Kerrick) said the proposals are in response to a series of recent articles pointing out issues with child care. The panel reviewed a potential amendment to S.F. 1722, a bill on human services licensing that Lourey authored, and heard a measure to improve child care programs.

Senators first considered an amendment to S.F. 1722. Lourey said she wanted to discuss the amendment first, before possibly offering it on the floor. She said the amendment incorporates various provisions already contained in the House bill into the Senate's Department of Human Services (DHS) licensing bill. The amendment specifies how various criminal offenses disqualify individuals to care for children or other vulnerable people. Eric Lipman, the state sex offender policy coordinator, said the amendment has two foci. The first, he said, is to narrow the discretion of commissioners to grant individuals with a history of serious crime to work with these populations. The second increases transparency in the system, so that the public has more information about this type of worker, said Lipman.

Representing ARRM, a community-based services organization dedicated to supporting individuals with disabilities, Bruce Nelson said the amendment is unnecessary. "While it seems right, the proposal is not based on evidence of the real world," he said. Nelson said employ-



University of Minnesota President Robert Bruininks discusses proposed restructuring of the University with members of the Education Committee, Mon., May 9.

Photo by David J. Oakes

ees with a criminal history are often the best employees. Out of more than 1,600 set-asides (cases in which disqualifying factors are set-aside to allow the individual to work), there have only been 32 instances of maltreatment, amounting to a 99.81 percent success rate, said Nelson. He said a system in which the Legislature has oversight of set-aside cases through annual reports and in which background checks play a significant role in managing employees is preferable. Dan Cain, Minnesota Association of Resources for Recovery and Chemical Health, said he supports measures to keep sex offenders from working with children, but that widening the net of disqualification with regard both to types of criminal offense and to other vulnerable groups is unnecessary given the success of current workers.

The amendment may also make it harder to provide kinship foster care, especially in communities of color, said Paula Maccabee, Our Children, Our Future. Maccabee said the amendment excludes children, particularly children of color, from living with extended family that may have, for example, drug offenses from decades ago.

The committee also heard S.F. 2282, sponsored by Sen. Mike McGinn (R-Eagan). McGinn said the bill is a direct response to the articles on problems with child care in the state. "We are hoping to reassure parents that their kids will be safe in a licensed facility," he said. Under the bill, daycare facilities are required to notify parents if an employee has a previous record as a criminal offender and provides no exceptions to allow violent or

sexual criminal offenders to work with children. The bill also requires workers in family daycare facilities to undergo 12 hours of educational training relating to child care, six hours more than is currently required, and specifies violations and fines relating to child care. Members considered an amendment to S.F. 2282 outlining various violations and subsequent fines as well as disclosure and notification procedures. No action was taken on the amendment or the bill.

Tax

Transportation bill heard

The Tax Committee met Mon., May 9, to consider the Senate's transportation funding proposal. A key portion of the bill, said chief sponsor Sen. Steve Murphy

Committee update



Senators Geoff Michel (R-Edina), left, and David Gaither (R-Plymouth) consult in the Senate Chamber.

Photo by David J. Oakes

(DFL-Red Wing), is an increase in the gasoline tax. Minnesota's current tax of 20 cents per gallon has not been raised since 1988, Murphy said. The proposal increases the tax by 4 cents per gallon from July 1, 2005 and by 3 cents from July 1, 2007, Murphy said. He said the tax is indexed for inflation in future years. The bill also changes the depreciation sched-

ule for the passenger vehicle registration tax, he said.

Murphy said the proposal has broad support from business groups and citizens in order to begin adequately funding the state's transportation needs. He said the bill has been scaled back from an original proposal that raised more than \$1 billion.

The committee, chaired by Sen. Lawrence Pogemiller (DFL-Mpls.),

reviewed the bill's tax and fee provisions on a section by section basis. Members adopted several amendments before laying the bill over for further consideration.

Members also reviewed a bill, S.F. 1703, dealing with funding for transit. Sen. Sharon Marko (DFL-Cottage Grove) said transit always seems to be the "also ran" in talks about transportation funding. She said the bill deals with funding the transit side of the transportation funding problem by imposing a half cent Metropolitan Area sales tax for transit purposes. The measure was also laid over for further consideration.

Schedule available online

Next week's schedule is available online at: <http://www.senate.mn/schedule/2005/0516.htm>

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Senate Briefly

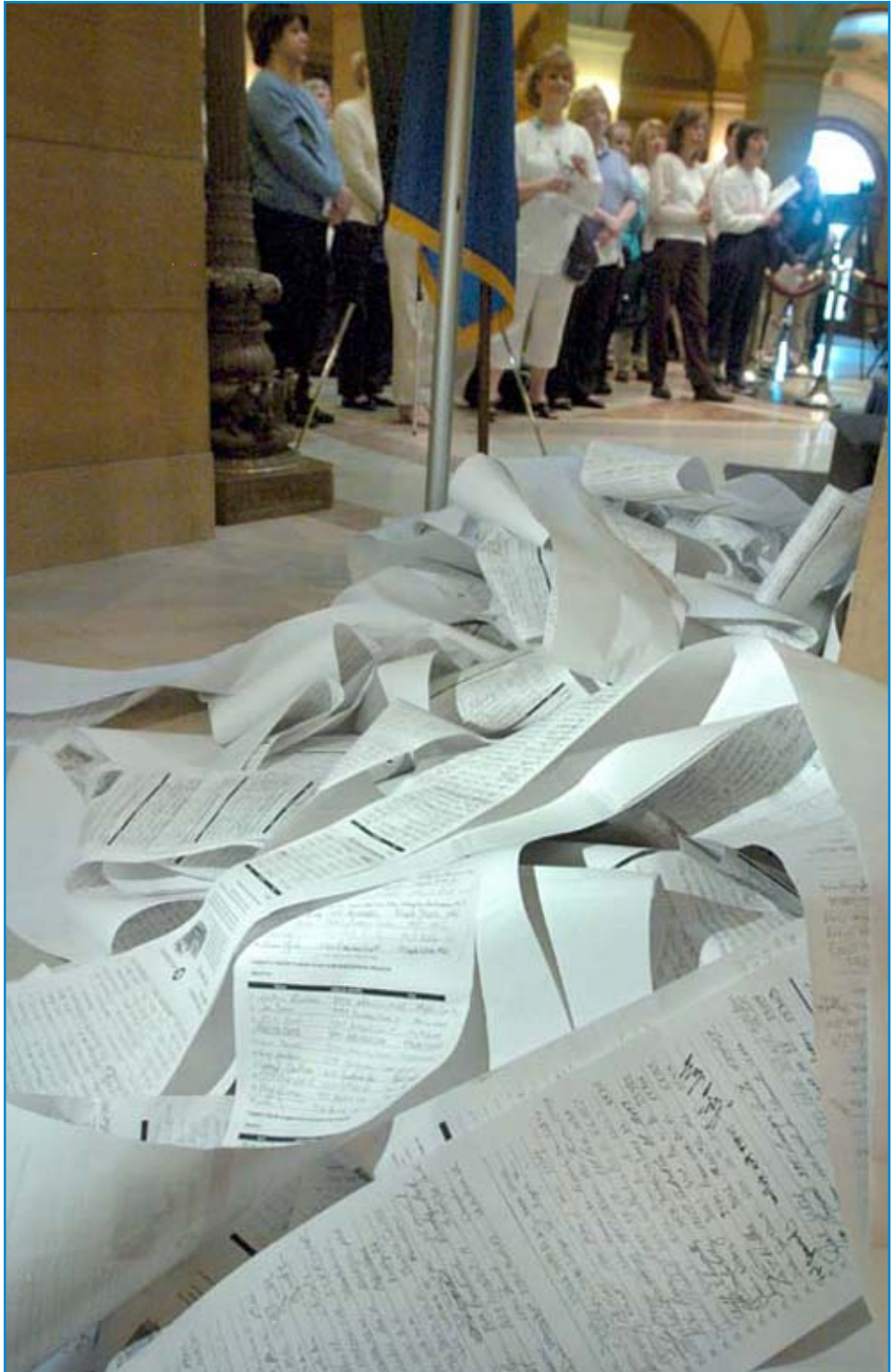
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Petitions containing the signatures of over 10,000 residents are piled on the floor of the Capitol Rotunda to demonstrate support for a proposed new hospital in Maple Grove during a rally, Fri., May 20.

Photo by David J. Oakes



May 20, 2005

Senate Highlights

Electronics recycling okayed

A bill establishing a framework for the recycling of video display devices was approved by Senators during the early afternoon hours of their Thurs., May 19, floor session.

Sen. Linda Higgins (DFL-Mpls.) said the measure, S.F. 1298, establishes a product stewardship requirement for manufacturers. Computer monitors, televisions and other display devices contain enough metals to qualify as hazardous waste, she said. The bill requires manufacturers to register with the Office of Environmental Assistance and certify their compliance with the recycling requirements, she said, while imposing few requirements on consumers. Higgins said the need for increased electronics recycling is great, especially with the impending changeover to digital television. She offered, and members adopted, an amendment expanding the bill's scope to include keyboards, mice and desktop computers. The amendment also shifts the enforcement power from the OEA to the Pollution Control Agency and changes the fee charged manufacturers from a pro rata schedule to a flat \$5,000.

An amendment replacing the framework in the bill with an advanced recycling fee approach was offered by Sen. Sheila Kiscaden (IP-Rochester). There is no consensus about the best way to encourage recycling, Kiscaden said. The advanced recycling fee (ARF) approach was approved by the Environment and Natural Resources Committee, she said, and offers more incentive for consumers to recycle. The producer responsibility model is inconvenient and expensive for consumers, especially because it includes a drop-off fee, she said. The ARF approach charges a \$10 fee at the time of purchase

to cover the costs of recycling, Kiscaden said. She said a producer responsibility model allows manufacturers who have gone out of business to avoid their duties, while the ARF model gets the support up front.

Sen. John Marty (DFL-Roseville) spoke in support of the amendment. End-of-life fees encourage people to make the wrong choice, to just dump the product instead of recycling it, he said. There is no bigger force that can convince manufacturers to change their products than consumer and retailers who demand change and see what hazardous materials cost them, said Sen. John Hottinger (DFL-St. Peter). Sen. David Senjem (R-Rochester) said consumers are used to paying in advance for the recycling of some products, such as car batteries and tires. The ARF approach appeals to our common sense, said Sen. David Gaither (R-Plymouth).

However, Higgins said the fee is essentially a tax on these devices. Collection of the funds imposes a burden on retailers and puts them at a competitive disadvantage with retailers in border states and online vendors, she said. The amendment eliminates manufacturers' responsibility to deal with hazardous waste, Higgins said, and provides no incentive to innovate and reduce the environmental threat. If manufacturers are required to bear the costs and take back these products, they will find ways to reduce the environmental harm, said Sen. Dennis Frederickson (R-New Ulm).

The amendment was not adopted on a 24-36 roll call vote.

Sen. Betsy Wergin (R-Princeton) offered an amendment delaying the prohibition on disposing of cathode-ray tubes in landfills from June 1, 2005 to June 1, 2007. The amendment was not

adopted. Wergin also offered an amendment replacing the bill's provisions with a requirement for waste haulers to collect cathode-ray tubes and take them to recycling centers. The amendment allows the waste hauler to charge consumers a \$10 fee. This approach is real convenience for consumers, said Wergin, said the burden on consumers, in the bill, is driving to the recycling center to drop off a single television. Marty offered an amendment to the amendment removing the \$10 fee. Garbage hauling rates will go up, but everyone will be paying for the costs, not just honest persons, and there will be no disincentive to recycling, he said. The amendment to the amendment was adopted; however, the Wergin amendment was defeated, 32-33.

Two final amendments were adopted. The first, offered by Sen. Gary Kubly (DFL-Granite Falls), requires recyclers to provide clear evidence of compliance with federal and state occupational health regulations and to engage in routine health monitoring of their employees. The other, offered by Marty, removes the \$5 per device end-of-life fee charged to consumers and imposes a similar fee on manufacturers, when they collect the products.

S.F. 1298 was granted final passage, 44-22.

Maple Grove hospital bill passes

Senators began the Thurs., May 19, floor session by discussing the construction of a new hospital in Maple Grove. H.F. 1915 grants an exception to the current hospital construction moratorium. Sen. Warren Limmer (R-Maple Grove), chief author, reviewed the history of the hospital moratorium, the demographic boom in the Northwest suburbs necessitating the construction of a new hospital and the proposals of the three competing providers who want to build the facility. The three competing providers are North Memorial Hospital, Fairview Health Systems and Tri-Care partnership, an alliance of Allina Medical Clinic, Park Nicollet Health Services and Children's Hospital, said Limmer.

"The bill is intentionally designed to depoliticize a crucial decision by the Legislature," said Limmer. "Instead of recognizing a corporation first, the bill is designed to recognize the health care needs of our citizens first," he said. The bill, said Limmer, does not designate one

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of the corporate entities to build the hospital, but rather establishes a selection process to be conducted by the Department of Health (MDH). "We should recognize the needs of the community and pass recognition of those needs to MDH, the health experts in the state, to help best meet those needs," he said. Under the bill, all three providers undergo a three to seven month review process in which they are evaluated on a scale of weighted criteria. The corporations pay for the process, said Limmer, so there is no cost to the taxpayer. The bill also provides for public comment and an appeal process, he said.

Sen. Linda Scheid (DFL-Brooklyn Park) said the bill is duplicative because MDH has already looked at all three

proposals and found all three adequate. She said the department has returned the decision to the Legislature and that Legislators should take responsibility by making the decision. Sen. Michael Jungbauer (R-East Bethel) said he has concerns about the bill. "The measure re-politicizes the process through a point system that is arbitrary and capricious," said Jungbauer of the weighted criteria put forth in the bill. "None of the criteria favors one or another of the three applicants. They can all respond equally," said Sen. Becky Lourey (DFL-Kerrick).

Sen. Dave Kleis (R-St. Cloud) offered an amendment to lift the moratorium altogether. "If an exception to the moratorium is good for one area, why shouldn't we allow other areas to do it?"

he asked. Sen. Linda Berglin (DFL-Mpls.) said the moratorium is a good law because it means Minnesota does not pay for unnecessary health care costs incurred through expensive construction, equipment and medical technology. "We should only build hospitals when they are really needed," she said. Sen. Carrie Ruud (R-Breezy Point) spoke in favor of the amendment. "In greater Minnesota, we have health access issues," she said. "We would like to build health facilities, but it is too difficult because of the moratorium," said Ruud. Sen. Sheila Kiscaden (IP-Rochester) said overbuilding in the health care system is something for which every consumer pays. However, while the moratorium may be outdated, she said, members should not rush to judgment in



From left, Senators Don Betzold (DFL-Fridley), Steve Dille (R-Dassel) and Wesley Skoglund (DFL-Mpls.) confer in the Senate Chamber during a recent floor session.

Photo by David J. Oakes

Senate Highlights



Lobbyists gather in front of a television outside the Senate chamber as they closely monitor a floor debate.

Photo by David J. Oakes

adopting the Kleis amendment. Senators rejected the amendment, 24-42.

The Senate also rejected an amendment, offered by Sen. Linda Higgins (DFL-Mpls.), that puts the criteria established for the Maple Grove process into statute. Under the amendment, the criteria will become the standard for future moratorium exceptions, said Higgins. She said the amendment will make the application process for future exceptions more efficient by using the same criteria to determine which projects are important to the state's health care needs. Limmer said the amendment is unnecessary. The health care needs of other parts of the state may not be the same as the health care needs in the Northwest suburbs, he said. Higgins pointed out that emergency room and trauma care is weighted lightly in the criteria, despite the fact that the Maple Grove project is to be located near one of the deadliest stretches of highway in the state. Thus it seems, she said, the criteria are crafted more generally with regard to

the state's overall health needs. The amendment failed, 6-60.

Higgins offered another amendment to require that the commissioner ask the opinion of Legislators and government officials from the service area of the proposal. "This does not mean the commissioner has to use our opinions," said Higgins, "but I'm just asking that we get asked." Limmer said the bill already provides for public input, so the amendment is unnecessary. Members rejected the amendment on a 26-38 vote.

The bill gained final passage, 62-4.

Higher ed funding deal approved

An agreement on the total funding for higher education was reached by members of the conference committee on H.F. 1385 at their Wed., May 18, meeting. Conferees, chaired by Sen. Sandra Pappas (DFL-St. Paul) and Rep. Bud Nornes (R-Fergus Falls), approved total funding of \$2.806 billion from all funds, including \$2.761 billion from the general fund.

The package provides \$349.31 million to the Higher Education Services Office, including \$281.15 million for financial aid to students. The agreement also includes \$2.782 million to the Mayo Medical Foundation, \$1.203 billion to the Minnesota State Colleges and Universities and \$1.251 billion to the University of Minnesota.

Final agreement signed

Conferees on the omnibus higher education bill held a ceremonial meeting, Fri., May 20, to sign their report to the House and Senate on an agreement regarding H.F. 1385. The members, led by Sen. Sandra Pappas (DFL-St. Paul) and Rep. Bud Nornes (Fergus Falls), congratulated each other on completing the first of the major budget bills at the end of the Legislative Session. Pappas said the final product holds down tuition and "reverses the trend of cutting our higher education institutions." I look forward to taking this bill the rest of the way to final enactment, Nornes said.

Floor update

Friday, May 13

Gun law reauthorized

A bill reinstating a law that provides for the issuance of handgun permits to Minnesotans who acquire handgun training and safety certification was granted final passage by members of the Senate at their Fri., May 13, meeting.

S.F. 2259, sponsored by Sen. Pat Pariseau (R-Farmington), reenacts the Personal Protection Act of 2003. The law was struck down last year for violating the single-subject requirement of the state constitution by a District Court in Ramsey County; the decision was affirmed in April by the Court of Appeals.

The bill, as amended by committee, also changes the underlying law. Pariseau offered an amendment to the bill requiring the Dept. of Public Safety to adopt standards to be met by organizations seeking to certify firearm instructors, removing a requirement for the fingerprinting of applicants and removing the ability of local governments to prohibit firearms in public buildings or parks. The amendment also removes a requirement that applicants provide their complete addresses for the previous five years; the amendment instead requires only the disclosure of the municipality and state of residences for the previous five years.

Sen. Wesley Skoglund (DFL-Mpls.) spoke against the amendment. We need specific addresses for applicants, so that we know to whom we are issuing permits, he said. Skoglund noted that applicants for other licenses, such as nurses and peace officers, must provide fingerprints. Local units of government and religious organizations should be able to control their property, he said, but the control is removed in the amendment. He said the amendment also loosens up the standards for drinking while carrying, replacing a zero-tolerance standard with an allowed blood-alcohol content of 0.04.

The amendment was divided, thereby requiring separate votes on three areas of the amendment and a vote on the balance of the amendment. The first area considered was the fingerprint provisions. Sen. Jane Ranum (DFL-Mpls.) said fingerprinting allows for a full background check of applicants, even if someone has changed names to hide a violent past. We have a constitutional right to bear arms, said Sen. David Gaither (R-Plymouth). There would be public outrage if we tried to

require clearance of a background check, payment of a fee and an age higher than majority for people to exercise other constitutional rights, such as voting, he said. There is no reason to further limit the right to carry with a fingerprinting requirement, Gaither said. Sen. Steve Kelley (DFL-Hopkins) countered that persons with criminal histories do not enjoy fully the rights to vote and to bear arms. Fingerprinting is one of the ways we determine if someone has committed a crime, he said, and the fingerprint requirement is a matter of practicality and accuracy. The sections of the amendment eliminating the fingerprint requirement were adopted, 38-27.

Senators next turned to the portions of the Pariseau amendment dealing with past addresses. The amendment reduces the look-back provisions of the law from all residences in the past 10 years to residences in the past 5 years and requires disclosure only of municipality and state, not the complete address. Pariseau said few people remember every address they have had over the past 10 years. Even during a five-year period, she said, people might not remember their exact address. Sen. John Marty (DFL-Roseville) said there is no reason applicants should not be giving law enforcement as much information as they can. Why should they hide where they have lived, he asked. The address provisions of the amendment were adopted, 36-28.

The third portion of the amendment divided out removed provisions in the bill giving local units of government the ability to prohibit guns on public property. Sen. Linda Berglin (DFL-Mpls.) said cities and counties want to have the same ability to post buildings as off limits for guns the way any private property can be posted. Hennepin County has expended a lot of resources to install metal detectors in its government center, she said. The amendment makes all of that a waste, Berglin said, because guns would be permitted. The third portion of the Pariseau amendment was adopted on a 34-31 roll call vote.

Sen. Leo Foley (DFL-Coon Rapids) offered an amendment to the remaining provisions of the Pariseau amendment. The amendment removes provisions relating to places of worship. Pariseau opposed the Foley amendment, saying it overreaches and makes many volunteer gun safety programs impossible to con-

duct. The Foley amendment to the Pariseau amendment was not adopted, 31-34.

Skoglund offered another amendment to Pariseau's amendment. The amendment maintains the inclusion of schools, school grounds and youth organizations in the list of places where guns are banned. "Basically, the amendment says you can't bring your gun to school," he said. There has been no explanation of why not to protect these places, said Skoglund. Kelley said the amendment tells people that if they carry their gun on school property, it is a felony. The amendment to the amendment was not adopted, 28-35.

Finally, Senators voted 39-26 to adopt the remainder of Pariseau's amendment.

Sen. Ann Rest (DFL-New Hope) offered an amendment relating to guns in places of worship. She said the amendment is narrower than previous amendments on the same topic. Under the amendment, firearms are banned from religious establishments, but not other property owned by the religious establishment or contiguous property, she said. Violations will be regarded as a violation of the firearm law rather than trespassing, said Rest. "It only applies to a place of worship and only gives a petty misdemeanor for violation," she said. The amendment also provides for religious establishment to post signs announcing that guns are permitted. Skoglund said the amendment is problematic because it is not clear on penalties, does not subject the gun to forfeiture and does not clearly define affected religious establishments. "While the intent is good, the words are not there to do the job," he said. On a 25-41 vote, the amendment did not prevail.

Senators also considered an amendment offered by Kelley. He said the amendment provides a sheriff with discretion to issue a permit to an applicant who has been convicted of a crime involving force or violence when the crime does not fit into specifically enumerated criminal categories. Pariseau said the bill already provides discretion to sheriffs. Members rejected the amendment, 31-35. The next amendment Kelley offered would allow businesses to post a notice banning guns only at their primary public entrance. He said the amendment was brought to him by members of the business community. "What we're really trying to do here is give a property owner

Floor update

a cost-effective way to notify people that they don't want guns on their property," said Kelley. Sen. Dave Kleis (R-St. Cloud) said if a business owner wanted to make sure guns were prohibited on the property, the owner would post at every entrance. Senators rejected the amendment on a 31-33 vote. Kelley offered a third amendment to allow business owners to ban guns from their parking lots. If businesses may exclude guns from the interior of their buildings, they should be able to exclude them from parking lots, too, said Kelley. The Senate did not approve the amendment, 20-45.

Skoglund offered two amendments. The first makes possession of an illegal controlled substance in conjunction with a permit a gross misdemeanor. "You can have your drugs, or you can have your permit, but you can't have both," he said. Pariseau said the amendment is redundant. The amendment was not adopted, 31-33. Skoglund said the second amendment contains other provisions that will help sheriffs do their job in issuing permits. Kleis questioned whether or not the amendment was germane; he said it is too broad for the scope of the bill. The amendment was ruled germane, but upon challenge of the ruling, Skoglund withdrew the amendment. He re-offered a portion of the amendment which only contained direct changes to the bill's language. The reduced amendment, he said, still strikes language allowing applicants only to report crimes they have committed "to the best of their knowledge," and allows sheriffs to consider charges for which applicants have been acquitted in the evaluation process. Sen. Thomas Neuville (R-Northfield) requested a division of the amendment. He said he supported the part allowing sheriffs to evaluate charges on which an applicant was acquitted. "In order to be charged with a crime," said Neuville, "there must be probable cause that a person committed it." He added that the idea is to allow use only of documented information in denial hearings. Currently, he said, the bill allows a police complaint for which no charges were brought to be admitted to a hearing, but does not allow acquittals. The portion of the amendment was adopted, 60-0. The remainder of the amendment failed, 19-41.

Marty offered three amendments. The first makes it a misdemeanor to carry a pistol, whether or not someone has a

permit, if a person is under an order for protection or a restraining order. Sen. Thomas Neuville (R-Northfield) pointed out that the situation is an appropriate grounds for denial of a permit in the first place and that a court could discontinue or modify the permit should the situation arise. The amendment failed 26-39. Senators also rejected Marty's next amendment on a 19-47 vote. He said the amendment prohibited guns in retail establishments unless the owner posts a sign reading that guns are welcome. Marty's third amendment makes it a misdemeanor for a person required to register as a predatory offender to carry a gun, whether or not the person has been issued a permit. The amendment prevailed, 64-0.

Senators also accepted an amendment, offered by Sen. John Hottinger (DFL-St. Peter), allowing peace officers to ask permit holders whether or not they are currently carrying a fire arm. "We need this to protect our police," said Hottinger. The amendment prevailed, 42-23.

Ranum offered an amendment increasing fees associated with processing the permits. She said the bill has been a mandate on local governments in the past. Sen. Becky Lourey (DFL-Kerrick) said local government officials have told her they lose \$40 on each permit issued. No organization requested an increase in funding for the program, said Pariseau, who urged members to oppose the amendment. Members rejected the amendment, 22-42. Members rejected a second amendment, offered by Ranum, to increase the penalty for persons carrying weapons on private property over the objection of the owner. The amendment raised the penalty from a petty misdemeanor to a misdemeanor and allowed for the application of trespass penalties and arrest. The amendment failed, 22-40.

Senators also rejected an amendment, offered by Sen. Ellen Anderson (DFL-St. Paul). The amendment allowed an employer to make the decision about whether employees may carry a gun to work, said Anderson. "An employer needs to have that authority to ensure safety and security of the workplace," she said. Pariseau said employers already have the right to establish a policy and notify people in any way they choose. Skoglund said if businesses already have the ability to establish their own policies, it is helpful

to clarify that ability by adopting the amendment. The amendment failed on a 24-42 vote.

Neuville offered an amendment requiring sheriffs to notify the chief of police when they issue a permit. Neuville said the reason for the amendment is to provide some comparability between the treatment of hand-guns at the Capitol complex and local government complexes. The amendment was adopted on a voice vote.

Sen. Mee Moua (DFL-St. Paul) offered an amendment requiring that a permit holder's photograph appear on the permit card. Sen. Carrie Ruud (R-Breezy Point) asked how the amendment would affect current permit-holders. Moua said the measure would not be retroactive, so it would not be a problem. Sen. Mady Reiter (R-Shoreview) said the amendment would likely have a fiscal impact that has not been evaluated properly. The amendment failed, 23-43.

Sen. Yvonne Prettner Solon (DFL-Duluth) offered an amendment banning guns from hospitals, nursing homes and residential health care facilities, unless the guns are carried by law enforcement officers. Solon said health care providers are having a difficult time recruiting physicians because of the impression signs banning guns create on potential employees. The amendment failed, 25-40.

The bill, as amended, was granted final passage on a 44-21 vote.

Senators also approved numerous other bills. H.F. 2110, carried by Neuville, provides that a court is not required to make written findings of best interest factors when making temporary custody decisions in a domestic abuse proceeding. The bill directs courts to examine primary safety considerations, with the option of considering best interest factors. Sen. Dean Johnson (DFL-Willmar) carried H.F. 2028, providing for the appointment of the recorder and auditor-treasurer in Pope County. Members adopted amendments permitting Lac Qui Parle and Nobles Counties to make the same offices appointive. S.F. 778, authored by Foley, modifies provisions relating to driving while impaired. The bill authorizes the Bureau of Criminal Apprehension to directly certify chemical test results for drivers license revocations and expands requirements for judicial review of orders for administrative impoundment of license plates.



Senators Richard Cohen (DFL-St. Paul), left, and Dean Johnson (DFL-Willmar) exchange ideas on the Senate floor.

Photo by David J. Oakes

Kleis sponsored S.F. 87, which expands the crime of trespass to include persons who return to the property of another within one year after being told to leave. Current law prohibits return within 30 days. S.F. 834, authored by Sen. LeRoy Stumpf (DFL-Plummer), expresses the Legislature's opposition to the Central American Free Trade Agreement. Sen. Claire Robling (R-Jordan) carried a bill, H.F. 1461, modifying and simplifying provisions related to parking for persons with disabilities. S.F. 181, sponsored by Lourey, permits the dedication the Biauswah Bridge over the St. Louis River and Roussain Cemetery in St. Louis County. H.F. 1922, carried by Sen. Brian LeClair (R-Woodbury), authorizes the commissioner of administration to transfer state surplus computers to Minnesota Computers for Schools for refurbishing and distribution to any school, school system, college or university in Minnesota.

In other action, H.F. 785, the omnibus tax bill, was amended to include the language from the three major Senate tax bills—S.F. 1209, S.F. 1683 and S.F. 2206—in order to facilitate the conference committee process. The bill was passed on a 34-30 roll call vote.

Monday, May 16

Wedding jewelry protection ok'd

A bill protecting wedding rings and other symbols of marriage from actions by creditors against debtors was among the 11 measures granted final passage by Senators at their Mon., May 16, session.

H.F. 473, carried by Sen. Betsy Wergin (R-Princeton), exempts a debtor's interest, up to \$1,225, in wedding rings and other religious or culturally recognized wedding symbols from attachment, garnishment or sale by creditors. Sen. Becky Lourey (DFL-Kerrick) authored S.F. 1720, the Dept. of Human Services

technical bill relating to children and family services and health and continuing care programs. H.F. 1951, sponsored by Sen. Linda Berglin (DFL-Mpls.), is another DHS technical bill relating to long-term care. S.F. 1326, carried by Sen. John Marty (DFL-Roseville), permits the Dept. of Natural Resources to create an official map of state forest roads.

Sen. Cal Larson (R-Fergus Falls) carried S.F. 1815, which contains recommendations from the Dept. of Commerce relating to licensing requirements. S.F. 538, sponsored by Sen. Dean Johnson (DFL-Willmar), provides for the education of parents, primary

caregivers and child care providers on the dangers associated with shaking infants and young children. Sen. Chris Gerlach (R-Apple Valley) carried H.F. 1583, which regulates membership travel contracts to provide consumers with a right of cancellation up to midnight of the tenth day after the date of consummation and requires written notice of the right to cancel prior to extending additional contract offerings.

S.F. 1716, authored by Sen. Thomas Bakk (DFL-Cook), adopts the recommendations of the Workers' Compensation Advisory Council. S.F. 1207, sponsored by Sen. Leo Foley (DFL-Coon Rapids), prohibits petitions for postconviction relief when the basis for the petition could have been raised on direct appeal of the conviction or sentence. Wergin carried H.F. 128, which authorizes the recovery of attorney fees by funeral providers in actions to recover costs of services. S.F. 1984, authored by Sen. Ellen Anderson

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(DFL-St. Paul), increases the penalties for failure to pay migratory workers.

Tuesday, May 17

Child support, liquor bills passed

Members granted final passage both to a bill changing Minnesota's child support system and the omnibus liquor bill when the Senate met Tues., May 17. The Senate also passed several other bills.

Sen. Thomas Neuville (R-Northfield) authored S.F. 630, which shifts Minnesota's child support system from a model based on the net income of a non-custodial parent to an income shares model in which the income of both parents is taken into consideration.

Thirty-seven other states have already adopted similar income shares systems in which support payments are based off of the gross income of each parent and non-custodial parents receive credits if they spend up to 10 percent and less than equal time with their child, he said. The purpose of the bill, said Neuville, is two-fold. First, he said, it is intended to encourage custodial parents to allow non-custodial parents to spend more time with their children, because custodial parents will not lose money proportionate to the time a non-custodial parent spends with a child. Second, said Neuville, the bill recognizes that non-custodial parents have costs when they are caring for their children, too. The measure also apportions childcare expenses based on parents' respective incomes and specifies that children may qualify for public health programs through non-custodial parents. The cost of the bill, said Neuville, is covered by a \$50 fee increase to file for divorce and a \$35 fee increase to file to modify child support. The money will be used to provide money to the Department of Human Services (DHS) for family courts, training for employees on the new system and the creation of a web-based child support calculator, he said.

Senators approved several technical amendments, offered by Neuville, to the bill and passed the bill, as amended, on a 60-2 vote.

Sen. Sandra Pappas (DFL-St. Paul) sponsored the omnibus liquor bill, S.F. 664. The bill allows the issuance of on-sale liquor licenses to several facilities throughout the state, such as the Guthrie Theater, and allows wine-tasting to take place for longer than four hours. The bill also modifies provisions related to the use of wort and off-sale restrictions on brewpubs.

Sen. Steve Kelley (DFL-Hopkins) offered an amendment that he said is based on a recent Supreme Court ruling that found bans on interstate wine sales to be unconstitutional. Kelley said the amendment fixes any potential constitutional problems associated with the recent ruling. Senators adopted the amendment. Members also adopted an amendment, offered by Sen. Keith Langseth (DFL-Glyndon), to add another location to which an on-sale liquor license may be issued. Sen. Dave Kleis (R-St. Cloud) offered an amendment to allow issuance of off-sale liquor licenses in communities with a municipal liquor store. Sen. Dennis Frederickson (R-New Ulm) said the amendment could have a significant impact on rural communities, where several city councils have decided to have a municipal liquor store. Kleis said the market, not the city council, should dictate competition and consumer choice. "The cities have a monopoly on liquor stores," he said. The amendment was not adopted, 15-48. Senators adopted an amendment, offered by Sen. Rod Skoe (DFL-Clearbrook), to delay a person's turning 21 for the purposes of purchasing alcohol until 8 a.m. on the person's birthday. Pappas said the measure had already received support in the Commerce Committee. The amendment was adopted. Sen. Mee Moua (DFL-St. Paul) offered an amendment deleting a section that extends closing time of liquor stores to 10 p.m. Sen. Mark Ourada (R-Buffalo) urged Senators to vote to keep the provision in the bill. He said it creates a uniform closing time for the state's liquor stores. Currently, first-class cities (Minneapolis, St. Paul and Duluth) have different closing times, he said. Members rejected the amendment, 17-46.

Senators gave the bill final passage on a 48-15 vote.

The Senate also granted final passage to several other bills. S.F. 1555, authored by Sen. Ann Rest (DFL-New Hope), makes a variety of modifications to lawful gambling provisions. Among the bill's provisions, said Rest, are a new definition of rules relating to raffles, a new definition of bingo, a revision in the definition of lawful purpose, limits on certain prizes, a requirement to stamp certain gambling equipment and a requirement to add more reporting on the activities and amounts spent on gambling by various organizations. The bill also increases from 55 to 60 percent the maximum percentage of gross profits an organization may spend on forms of gambling other than bingo.

Sen. David Senjem (R-Rochester) sponsored H.F. 2156. The bill allows conservators working on behalf of a protected person to accrue a beneficial interest, if allowed to do so by a court. Senjem offered, and members adopted, an amendment limiting conservators who may accrue beneficial interests to parents, children and siblings of the protected person.

The Department of Commerce's banking bill, S.F. 1636, also gained final passage. Sen. Dan Sparks (DFL-Austin) carried the bill, which he said contains good consumer protections and is supported by several banking and credit organizations. Sen. William Belanger (R-Bloomington) carried S.F. 1360, the department's unclaimed property bill. He said the measure articulates how the department handles unclaimed property such as utilities and bank accounts and how the department goes about notifying affected property owners. Neuville offered an amendment regarding how to deal with tangible property that has been abandoned. "We don't have a statute in Minnesota regarding tangible property," he said. The amendment specifies that if tangible personal property has been sitting for six months or more, it may be considered, after a 30 day notice is issued, abandoned. The amendment was adopted. Senators also adopted an amendment, offered by Belanger, to continue the current regulatory system for money orders and travelers checks.

S.F. 1675, a bill recodifying provisions related to the Department of Revenue, also gained final passage on a 64-0 vote. Sen. Lawrence Pogemiller (DFL-Mpls.), the measure's author, said the bill had been vetted extensively by departmental and legislative staff as well as industry professionals.

Senators also concurred with the House amendments to S.F. 735. The bill, carried by Sen. Carrie Ruud (R-Breezy Point), designates a portion of trunk highway #6 as the Bradley Waage "Brainerd Brad" memorial bridge. The bill, as amended, was repassed.

Wednesday, May 18

Family law bill approved

A bill making numerous modifications to the state's family-related laws gained the approval of Senators at the Wed., May 18, floor session.

S.F. 644, carried by Sen. Thomas Neuville (R-Northfield), is the omnibus family law bill. It contains provisions dealing with the use of blood tests to establish paternity, the ability of a custodial parent to move a child out of state, notices required if a predatory offender resides in a home with children and the use of contact agreements between adoptive parents and birth families in adoption decrees and.

Members adopted an amendment, offered by Sen. Betzold (DFL-Fridley), containing the contents of S.F. 1211. The provisions tighten the procedures for dealing with adoptive placements and require background checks of potential custodians, Betzold said. Sen. Sheila Kiscaden (IP-Rochester) offered an amendment clarifying that parents can work together with a parenting plan, but allowing the use of other terminology when necessary to enforce an order in other states that require a determination of physical and legal custody. The amendment was adopted.

An amendment requiring divorcing parties to participate in at least two hours of mediation within 60 days of starting the divorce process, unless a divorce agreement is entered within that time was offered by Sen. David Hann (R-Eden Prairie). The amendment does not alter the existing excuse from mediation in cases of domestic abuse. Before adopting the Hann amendment, Senators adopted an amendment to the amendment, offered by Sen. Linda Berglin (DFL-Mpls.), excusing parties from mediation if they cannot afford it.

Sen. Becky Lourey (DFL-Kerrick) offered an amendment authorizing the collection of spousal maintenance payments by the Dept. of Human Services. The amendment was adopted. An amendment adding married couples to the list of entities given special consideration when an agency is placing a child, offered by Sen. Pat Pariseau (R-Farmington), was not adopted. Sen. Steve Dille (R-Dassel) offered two amendments. One allows parties, if they all agree, to omit a contact agreement from an adoption decree. The other allows a court to determine what the contact agreement's terms are if the agreement is broken at any time by any party. Both amendments were adopted.

S.F. 644 was granted final passage, 56-9.

H.F. 847, sponsored by Sen. Tom Saxhaug (DFL-Grand Rapids), is the

omnibus game and fish bill. Members adopted several amendments to the bill. An amendment offered by Saxhaug changes the walleye limit from one fish over 20 inches per day to one fish over 20 inches in possession. Another amendment, offered by Pariseau, makes violation of a prohibition on Internet hunting a misdemeanor. Sen. Satveer Chaudhary (DFL-Fridley) offered an amendment containing provisions from a DNR technical bill. Sen. Thomas Bakk (DFL-Cook) offered an amendment removing language prohibiting children under age eight from trapping certain animals. Bakk said the provisions needed further work. The final amendment adopted was offered by Sen. David Tomassoni (DFL-Chisholm). The amendment requires insurers to offer a reduced premium to snowmobile drivers who install auxiliary hazard warning lights. The bill was granted final passage on a 65-0 vote.

The Dept. of Health technical bill, S.F. 1579, was carried by Sen. Betsy Wergin (R-Princeton). Sen. Paul Koering (R-Fort Ripley) carried H.F. 466, which modifies warehouse storage, maintenance, operation and safety laws. Both bills were granted final passage without opposition.

S.F. 1908, authored by Chaudhary, provides protection for shooting ranges. Chaudhary said shooting ranges are become endangered in Minnesota as development encroaches on them. The measure requires the commissioner of natural resources to develop and adopt shooting range performance standards, requires shooting ranges to comply with applicable noise and safety standards, restricts changes in use, development or construction of structures in the area surrounding a shooting range that cause the preexisting outdoor shooting range to become out of compliance with standards and exempts shooting ranges in compliance with performance standards from nuisance actions.

Chaudhary offered an amendment restricting a grandfather provision in the bill to agreements already reached between local communities and shooting ranges relating to the days and times of operation. Sen. John Marty (DFL-Roseville) spoke against the amendment, saying a broader provision allows enforcement of agreements relating to terms other than days and hours of operation, such as the size of shooting range club. The amendment was adopted on a 34-26 roll call vote.

An amendment providing that noise level standards established in the bill apply in communities located across a river from a shooting range was offered by Sen. Sharon Marko (DFL-Cottage Grove). Chaudhary said the bill as written should already cover the concerns expressed in the amendment. The amendment was not adopted.

Marty said the bill came out of committee as an attempt to work out a compromise on a very controversial subject. The bill is supposed to be aimed at getting peace in the valley, he said. We should not be overriding existing agreements between local residents and shooting ranges, Marty said, as the bill does after the adoption of the Chaudhary amendment. The bill offers predictable standards for shooting ranges for the first time, Chaudhary said. We also provide significant rights to neighboring landowners, he said. S.F. 1908 was granted final passage, 54-10.

Sen. Linda Scheid (DFL-Brooklyn Park) sponsored H.F. 1809, the omnibus insurance bill. Scheid offered an amendment permitting health carriers to offer, sell, issue and renew flexible-benefits health plans to small employers. Flexible benefits plans allow small employers to offer health insurance coverage in the same way large employers do, Scheid said, because the plans do not offer all of the required coverage, such as maternity coverage. The ability to offer a plan excluding maternity coverage, she said, is limited to very narrow situations where the employees would not need maternity coverage. Many businesses do not offer health insurance because they cannot afford it, Scheid said.

Berglin offered an amendment to the amendment limiting the ability to offer the flexible benefits plans to employers who had not offered health benefits in the previous year. We should not allow employers to strip down their benefits, she said, if the goal is to increase the number of insured Minnesotans. Scheid spoke against the amendment, saying we should help employers who are being forced to drop coverage because of affordability issues. The amendment to the amendment was not adopted.

Nothing in the amendment makes health care cost less, said Berglin. As we reduce coverage, the system gets closer to falling apart, she said. The amendment is not designed to lower health care costs,

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Senators Dick Day (R-Owatonna), left, and David Gaither (R-Plymouth) gather around a laptop computer during a recent floor session.

Photo by David J. Oakes

but to get more people some sort of coverage, Scheid said. The amendment was adopted.

Saxhaug offered an amendment clarifying how new insurance provisions affect a coalition of employers and non-profit organizations in four northern counties that offer group insurance benefits. The amendment was adopted. Members also adopted two other amendments. The first, offered by Sen. Brian LeClair (R-Woodbury), allows active military personnel to retain occupied rates on their homeowner's insurance while they are away on duty. The second amendment, offered by Tomassoni, requires at least a five percent discount on snowmobile insurance policies by owners who display an auxiliary hazard warning light on their snowmobiles.

Senators approved H.F. 1809, 53-10.

In other action, members also granted concurrence and repassage to one bill. S.F. 1064, authored by Sen. James Metzen (DFL-South St. Paul), provides for electronic information access for deaf and blind individuals.

Transportation funding passed

Members began the afternoon portion of the floor session with discussion of H.F. 2461, the transportation finance bill passed by the House. Sen. Steve Murphy (DFL-Red Wing) compared the measure to the Senate proposal for transportation funding. The House measure raises \$7.3 billion, while the Senate's bill raises \$5.65 billion, Murphy said. He said the House measure raises the gasoline tax 10 cents over the course of two years and the Senate version raises

the gasoline tax 7 cents. Both measures alter the license tab depreciation schedule and both bills authorize \$100 billion in trunk highway bonds over a 10 year period, he said. In addition, Murphy said, the House measure provides more for transit. The House version also has a wheelage tax, while the Senate bill does not, he said. The County State Aid Highway formula is the same in both measures, Murphy added. The House measure also imposes a one quarter of one percent sales tax, he said. Both bills increase a variety of fees, he said.

This bill is very critical, Murphy said. He said the House

has not voted for a gasoline tax increase since 1988, but this year that body beat the Senate to the punch. He said the unmet transportation needs amount to over \$1.8 billion each year. The bill means millions upon millions of dollars for Minnesota's economy, he said. Minnesota's congestion problem is the fastest growing in the nation, Murphy said. He said the funding for transit, along with the other funding, will make transportation a lot better in the state. The bill will also allow the state to start putting safety measures in place that have been needed for years, he said. "Rural two lane roads are the site of over two-thirds of all traffic fatalities," Murphy said. He said the number of fatalities is unacceptable.

Sen. Mark Ourada (R-Buffalo) said he had joined with Murphy to put together a transportation proposal.

Ourada said, "We put together a bill we thought accomplished the task, but the House has put together a bill that provides even more money for transportation." The House bill does have an unfunded liability of \$2.5 million, which is of concern, Ourada said. He also said there are errors in the bill, one of which is an unconstitutional transfer of dollars to the general fund.

"This is a huge tax on the poor and middle class in Minnesota," said Sen. Dave Kleis (R-St. Cloud). He said it is a 50 percent increase in the gasoline tax. With a 10 cent gasoline tax increase we will be the highest in the nation, Kleis said. He said the cost of gasoline has finally fallen under \$2 per gallon, but the gasoline tax increase would raise it over \$2 again. "The governor has been very clear that he will veto the bill," Kleis said.

However, Sen. Sharon Marko (DFL-Cottage Grove) spoke in support of the bill. She said, "I wanted to thank the members of the other body who had the political courage to pass the bill." She said the bill provides funding for transit both in the Metro Area and in Greater Minnesota. "This is truly a historic opportunity to fund the infrastructure of the state," Marko said.

Sen. Julianne Ortman (R-Chanhassen) said the tax increase was too large. She said the bill not only increases existing taxes, but initiates new taxes in the form of wheelage taxes. "There is no moderation in this plan," Ortman said. Sen. Dick Day (R-Owatonna) said the Senate's transportation plan was a better bill. "The reason I'm going to vote no is that this is not a moderate bill. The bill provides millions for transit, but 96 percent of all Minnesotans use their cars," Day said. Most of the transit funding comes by robbing the general fund of nearly \$3 billion over the next decade, he said. Sen. Dean Johnson (DFL-Willmar) said, "We are about to take a vote that will be historic and will benefit all our citizens." The people of Minnesota are ready to make an investment in our infrastructure that has been too long neglected, Johnson said. We have an opportunity to make a difference in a positive way, he said. Johnson said the bill had broad support throughout Minnesota. He urged support for the bill and said, "This is not an easy vote, but it is the right vote."

The bill was granted final passage on a 36-31 roll call vote.

Transportation policy bill passed

Members also considered the Senate's transportation policy bill. S.F. 1089, sponsored by Murphy, contains numerous other bills relating to transportation policy. The measure prohibits the use of traffic signal override devices, establishes a school speed zone, prohibits young drivers with provisional licenses from using cell phones, requires booster seats for children, allows local authorities to set residential speed limits, regulates motorized scooters, provides for aviation planning, specifies the deactivation of some ramp meters, requires license suspension and double the fine for driving more than 100 miles per hour, specifies that not using a seatbelt is a primary offense, specifies safety zones at the end of airport runways and prohibits the retention of data scanned from drivers' licenses. Murphy offered, and members adopted, a series of noncontroversial amendments.

One of the more substantive amendments Murphy offered suspends the program for verification of insurance. He said the amendment had been agreed to by the department and the other body. Murphy said the random verification process did not work. The amendment requires all licenses suspended under the program be reinstated, requires reimbursement of drivers whose licenses were wrongly suspended and suspends the program. The amendment was adopted. Sen. Gen Olson (R-Minnetrista) offered an amendment reinstating the right of single occupant automobiles to use HOV lanes in non-peak hours. Olson said restricting the lanes during non-peak hours increases congestion. The amendment requires the commissioner to designate non-peak hours and to not require a toll. The amendment was adopted.

Sen. Michael Jungbauer (R-East Bethel) offered two amendments. The first amendment provides for aviation planning and the disclosure of airport safety zones in real estate transactions. The second amendment conforms state law regarding commercial drivers' licenses to federal law. In addition, the amendment repeals the "Dimmler amendment." Jungbauer explained that the Dimmler amendment is a provision specifying a speeding violation within 10 miles per hour in a 55 mile per hour zone need not be reported to the driver's insurance company. Sen. David Tomassoni (DFL-

Chisholm) spoke against the amendment. He said the Dimmler amendment does not encourage speeding and is a protection for Minnesota drivers. Murphy said the amendment also complies with federal laws and without the repeal of the Dimmler provision, some commercial drivers may not be able to renew their licenses. Ortman offered an amendment to the amendment deleting the repeal. She said most Minnesotans understand the law to be that if they get a ticket for speeding between 55 and 65 miles per hour they must pay the fine, but there would not be adverse insurance consequences. Ortman said her amendment also specifies that the Dimmler amendment does not apply to commercial drivers. The amendment to the amendment was adopted 51-14. The entire amendment was also adopted.

Tomassoni offered an amendment authorizing a concession at the Floodwood rest stop. Members adopted the amendment. An amendment, offered by Sen. Yvonne Prettnier Solon (DFL-Duluth), authorizing a changeable message sign on U.S. Highway 2 on the approach to the Richard I. Bong Bridge in the city of Duluth, was also adopted. Marko offered, and members adopted, an amendment that sets an 80,000 pound limit within one mile of a 10 ton road. Later, the amendment was reconsidered and withdrawn by the author.

Sen. Jane Ranum (DFL-Mpls.) offered an amendment requiring the Metropolitan Airports Commission to provide the insulation package to homes as provided in a previous agreement. Ranum said the MAC had made the commitment to providing sound remediation packages, but recently the pledge was broken. Sen. Linda Berglin (DFL-Mpls.) said homeowners were promised the insulating packages, but the MAC reneged on the promise. She said within two months, though, of breaking their promise, the MAC came forward with a new airport expansion program. The amendment was adopted.

Sen. Ann Rest (DFL-New Hope) brought forth an amendment that authorizes the placement of toll transponders on passenger car windows. She said current law does not allow for anything to be placed on the front windshield. The amendment was adopted. Sen. Mady Reiter (R-Shoreview) offered an amendment prohibiting driver's license examina-

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tions to be given in any language other than English. Reiter said it is a matter of safety. She said signs are in English and non-English speaking drivers do not have the ability to understand the signs. Murphy argued against the amendment. "We heard testimony in committee that there is empirical evidence that the amendment is not needed," Murphy said. We provide translators for people who do not speak English, Murphy said. He said, "If the amendment is adopted we exclude a host of people who are competent drivers. For those people who are here for the American dream, the amendment just shoots that dream down." The amendment failed on a 14-47 roll call vote.

Berglin offered an amendment adding a driver's license agent to the deputy registrar in Hennepin County. An amendment, offered by Ortman, authorizing a deputy registrar and drivers license agent in Carver County was adopted. Ortman offered another amendment relating to construction of a trail around Lake Benton. Sen. Thomas Saxhaug (DFL-Grand Rapids) offered an amendment allowing three-unit vehicles for use in hauling paper products materials on highways between Grand Rapids and the port of Duluth and on highways between Virginia and Duluth. Wergin offered an amendment extending a deadline of June 1, 2007 for a milk weight exemption. All four amendments were adopted.

Jungbauer offered a third amendment relating to auto liens. Under the amendment if an automobile lien is not reinstated, it automatically expires after seven years. Jungbauer said many people attempt to sell their cars after paying off the lien, but find they have lost the lien release card. The amendment makes auto liens similar to personal property liens, he said. The amendment was adopted.

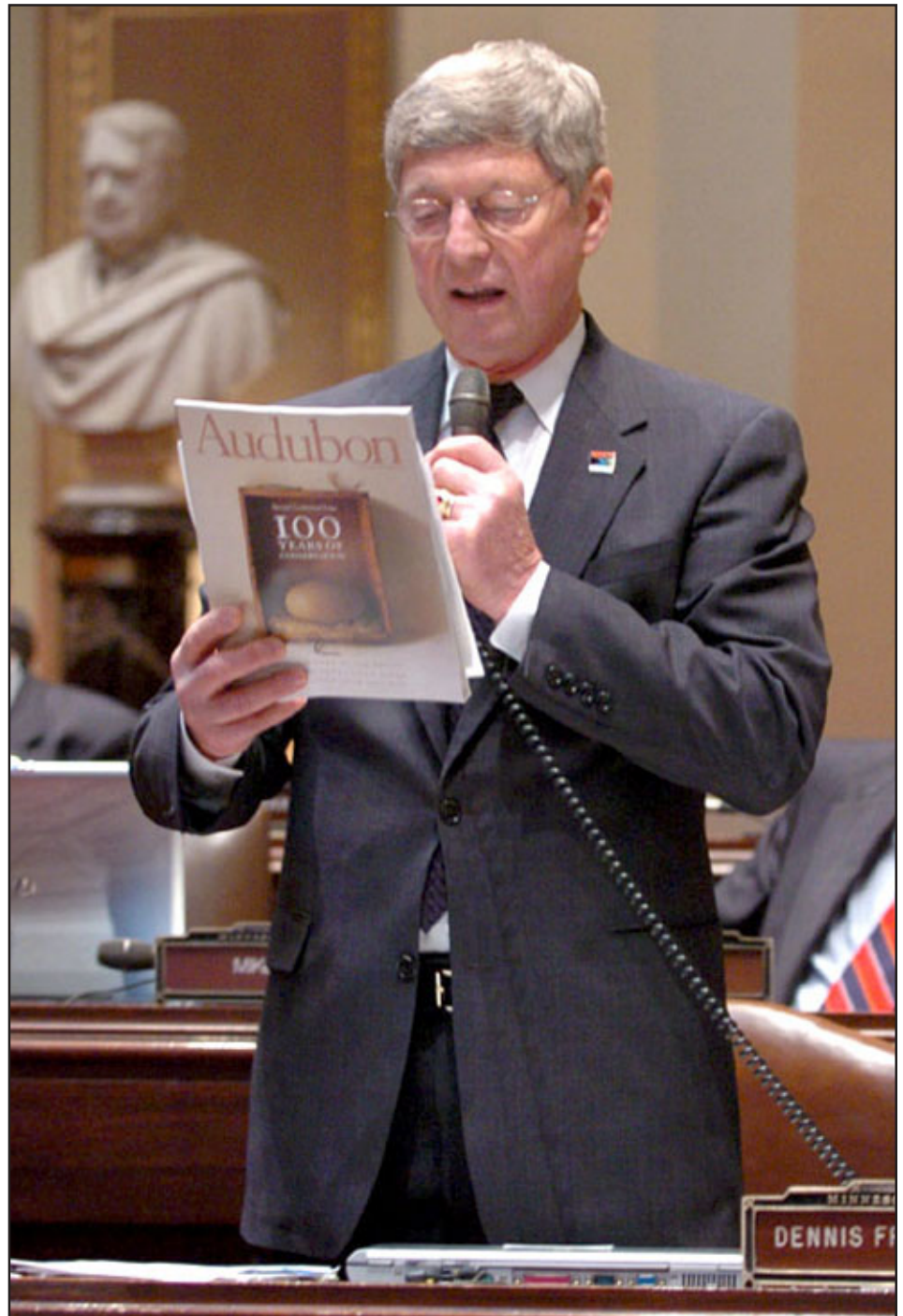
Sen. Charles "Chuck" Wiger (DFL-North St. Paul) offered an amendment repealing the gasoline minimum pricing requirement. Sen. Claire Robling (R-Jordan) said enacting the minimum gasoline pricing law was a mistake. She said it was time to let the market work.

Sen. Steve Dille (R-Dassel) spoke against the amendment. He said large operations can drive out smaller gasoline stations. Kleis spoke for the amendment and said, "Let the market work. This is a practice that we do not need." Murphy also spoke against the amendment. He said the state already sets minimum prices for two other commodities—milk and

cigarettes. He said the current law is aimed at blocking large retailers from grabbing the entire gasoline market. "We need to protect the mom and pop operations in the state," Murphy said. The amendment was adopted on a 35-30 roll call vote.

An amendment, offered by Sen. Chris Gerlach (R-Apple Valley), provides

for additions to transit taxing districts. The amendment was adopted. Sen. Geoff Michel (R-Edina) offered an amendment requiring the MAC to purchase a property at the end of the new runway in safety zone A. Day said many jurisdictions participated in the safety zone agreement. He said the amendment would force the MAC to spend \$25 to \$30 million to



Sen. Dennis Frederickson (R-New Ulm) reads a resolution commemorating the centenary of the National Audubon Society during the Thurs., May 19, floor session.

Photo by David J. Oakes

purchase the property. Ortman also spoke against the amendment and said the Senate should not do an end-run around the agreement reached by the state and the other jurisdictions. Murphy argued for the amendment and said that other entities in the same area had been purchased and eliminated from the zone. The amendment was approved on a 36-30 roll call vote.

Sen. David Hann (R-Eden Prairie) offered an amendment adding a member to an advisory council on aviation planning. Under the amendment a representative of reliever airports would be added. The amendment was adopted.

Tomassoni offered an amendment deleting the provision making seatbelt violations a primary offense. Dille said having violations be a primary offense increases compliance by as much as 10 percent. Murphy also spoke against the amendment. He said seatbelts save lives. "In the state of Minnesota, we lose one teenager a week in traffic accidents—a majority because they are not using their seatbelts," he said. He said increased seatbelt use could save 30 to 40 lives a year. The amendment failed on a 26-37 roll call vote.

An amendment, offered by Sen. John Hottinger (DFL-St. Peter), provides a temporary exemption from the wheelchair securement requirement for enrolled participants in the National Veterans Wheelchair Games to be held in June. The amendment was adopted.

Robling offered an amendment to codify practices the Division of Vehicle Services has been using to comply with federal law relating to the privacy of personnel information relating to vehicle registration. The amendment was adopted. Members also adopted an amendment, offered by Sen. Satveer Chaudhary (DFL-Fridley), providing that the instruction permit a new driver gets may be valid for up to two years. Sen. Scott Dibble (DFL-Mpls.) offered an amendment setting forth procedures the Dept. of Transportation must use for acquiring property. The amendment was adopted.

Finally, Murphy offered an amendment making corrections in the omnibus transportation funding bill passed earlier in the day. The amendment was adopted.

The bill was granted final passage on a 46-16 roll call vote.

Thursday, May 19

Emergency Health Powers Act alterations gain final approval

The late afternoon floor session was marked by debate on a bill making modifications to the Emergency Health Powers Act. Sen. Becky Lourey (DFL-Kerrick) sponsored H.F. 1507. Lourey said the bill modifies provisions relating to quarantine and isolation for persons exposed to or infected with communicable diseases. The bill deletes a number of provisions enacted in 2002 in the Emergency Health Powers Act. Lourey said the bill provides more protection for individuals in quarantine and sets forth judicial procedures.

Sen. Julianne Ortman (DFL-Chanhassen) offered an amendment deleting provisions specifying that a peace officer must carry out an order for quarantine issued by the commissioner of health. She said other provisions in the bill allow for the court to issue orders and for peace officers to carry out court orders. She said, "It is not appropriate for peace officers to be using deadly force in carrying out an order issued by a commissioner." Lourey said the bill offers protections, but there is a need to be able to use police officers to protect public safety. The amendment was adopted. Sen. Warren Limmer (R-Maple Grove) offered an amendment to prohibit peace officers from using deadly force when enforcing the court orders for containing or apprehending an individual subject to quarantine. Sen. Dave Kleis (R-St. Cloud) spoke in opposition to the amendment. He said peace officers use discretion in whether to use deadly force, but the amendment ties the hands of law enforcement officers. Sen. Mike McGinn (R-Eagan) also spoke against the amendment. "I think it is a dangerous path to follow—to change the standards for the use of force from one law to another," he said. The amendment failed on a 10-50 roll call vote. The bill was granted final passage on a 50-12 roll call vote.

Lourey also sponsored a bill, H.F. 1555, making additional changes to the Minnesota Emergency Health Powers Act. The bill eliminates the term public health emergency and provides for declarations of peacetime emergencies. The bill also provides for legislative emergency authority and sets forth data practices procedures. The bill was granted final passage without discussion.

Several additional bills were granted final passage during the late afternoon floor session. Sen. Betsy Wergin (R-Princeton) sponsored a bill, H.F. 478, providing for alternative filing for county surveys. S.F. 1772, authored by Sen. Julie Rosen (R-Fairmont), modifies provisions relating to plant pest, nursery stock and wildflower provisions. Lourey offered an amendment extending the Minnesota Organic Advisory Task Force until 2011. The amendment was adopted.

Sen. Thomas Neuville (R-Northfield) sponsored S.F. 367. He said the bill, which was brought forward by the Real Estate Section of the state bar association, provides for defeasible estates, modifies residential purchase agreement cancellations, requires sellers to provide notice of material defects to buyers and amends the foreclosure advice notice. Members adopted an amendment, offered by Sen. Mark Ourada (R-Buffalo), that deletes some parcels from the Mississippi Recreational River Land Use District. The measure was granted final passage on a unanimous roll call vote.

Senators also discussed a bill, S.F. 1204, making numerous changes in health occupations licensing provisions. Sen. Sheila Kiscaden (IP-Rochester), chief author of the measure, said the bill combines about 10 separate bills relating to health occupations. The measure makes changes in the areas of social work, physical therapy, audiology, dentistry, respiratory therapy and mental health. The bill also creates the Office of Mental Health Practice. Kiscaden offered two technical amendments, both of which were adopted, before the bill gained final passage. H.F. 436, sponsored by Sen. Dennis Frederickson (R-New Ulm), requires a commissioner of natural resources evaluation before vacating abandoned roads adjacent to public waters. Sen. John Hottinger (DFL-St. Peter) offered, and members adopted, an amendment suspending wheelchair securement requirements during the National Veterans Wheelchair Games. The bill was granted final passage on a unanimous vote.

Members also granted concurrence and repassage to a bill, S.F. 1720, sponsored by Lourey, making technical changes in health and human service provisions.

Committee update

Conference committees

Education

Funding, early childhood provisions discussed

The conference committee on H.F. 872, chaired by Sen. LeRoy Stumpf (DFL-Plummer) and Rep. Barb Sykora (R-Excelsior), met throughout the day, Mon., May 16, to review various provisions of the omnibus E-12 bill.

Conferees initiated their meeting by discussing discrepancies between the two bills on property tax issues. The issue is one of the main points of differences between the two proposals, Stumpf said. Senate fiscal analyst Eric Nauman outlined various levy shifts and buy backs associated with the bill's financing. The House bill proposes to buy back \$45.3 million worth of levy shift, while the Senate's measure proposes to buy back \$263 million, said Nauman. The governor's proposal recommends buying back \$166 million, he said.

Two superintendents came to speak to the committee on how the issue affects school districts. Ben Kanninen, superintendent of Burnsville-Eagan-Savage school district, said that, despite one successful operating levy referendum, the district had to impose \$14 million worth of program reductions. He added that the district is near its total levy authority. Sauk Rapids Superintendent Greg Vandal said his district has to operate solely on what the state provides because of bonding indebtedness on building projects. He said relying solely on property taxes and borrowing puts certain districts at a significant disadvantage.

Several representatives of education organizations spoke on funding issues in the bill. Vernae Hasbargen, Minnesota Rural Education Association, asked conferees to make the formula their top priority. She also said that if the state uses property taxes to fund education that it should try to be as fair in funding as possible across districts. "If we're going to use property tax, it has to be fully equalized," said Hasbargen, "but the formula is the most important thing." Charlie Kyte, Minnesota Association of School Administrators (MASA), also said funding the formula is central to education finance.

In the evening, the committee discussed differences between the two bills on early childhood education.

Environment, agriculture and economic development

Side-by-side compared

The members of the conference committees named to reconcile the various bills dealing with appropriations for environment, agriculture and economic development agencies and projects met Mon., May 16, to review spread sheets and side-by-side bill comparisons.

The Senate passed two bills, S.F. 2276 and S.F. 1879, containing appropriations for all three subject areas. The House, on the other hand, passed three bills with each bill dealing with a single subject area. H.F. 902 provides appropriations for environmental agencies and projects, H.F. 1420 provides appropriations for agricultural agencies and projects and H.F. 1976 provides appropriations for economic development. The Senate divided the Senate bills to align with the House versions. As a result, three conference committees were named, but all three consist of the same members. Sen. Thomas Bakk (DFL-Cook) and Rep. Dennis Ozment (R-Rosemount) chair the conference committees.

The first meeting was devoted to reviewing the appropriations for agriculture, environment and economic development made in each body. In addition, members reviewed the differences in language in the different versions of the bills.

Conferees continue to meet

Members of the conference committee on the omnibus environment, agriculture and economic development bills used their Tues., May 17, meeting to review and adopt identical provisions in the bills. The conferees—chaired by Sen. Thomas Bakk (DFL-Cook) and Rep. Dennis Ozment (R-Rosemount)—also reviewed provisions in each bill that are similar between the bodies' versions. Members chose language to adopt on the similar provisions at the suggestion of legislative staff.

Health and human services

Conferees continue work

Members of the conference committee on H.F. 1422, chaired by Sen. Linda Berglin (DFL-Mpls.) and Rep. Fran

Bradley (R-Rochester), held an afternoon meeting, Mon., May 16. Conferees continued their consideration of the health and human services budget and adopted several identical provisions between the House and Senate proposals.

The committee also incorporated House proposals to facilitate the state's ability to initiate administrative hearings on wrongfully obtained benefits, to extend a committee on traumatic brain injury, to require state agency notification of monetary claims and to authorize a drug utilization review board. Senate measures directing the commissioner of human services to use reasonable methods in calculating income and provisions related to case management were also adopted. The committee also approved a provision covering medication therapy management care. Conferees adopted parts of a House bill to educate families and child care providers on the dangers of shaking infants and incorporated a provision from the companion Senate bill to allow others to obtain the video on the topic

Health policy discussed

Several health policy proposals spurred discussion when the conference committee on H.F. 1422 met Tues., May 17. The panel was chaired by Sen. Linda Berglin (DFL-Mpls.) and Rep. Fran Bradley (R-Rochester).

Conferees adopted a proposal establishing a cancer drug repository program. Sen. Yvonne Prettner Solon (DFL-Duluth), who sponsored the measure, said the proposal contains aspects of both the House and Senate bills. She offered an amendment further defining donors to the program and modifying language on liability. The amendment was adopted. The committee also approved moving the donated dental program from the Board of Dentistry to the Department of Health (MDH) and incorporating language to clarify Medical Assistance (MA) eligibility requirements.

Members discussed a grant program for rural medical facilities, too. Under both the House and Senate proposal, the use of electronic medical records (EMRs) is one of the criteria on which the grants are awarded, however, the Senate measure gives priority to projects including the records. Berglin said EMRs provide higher quality care at a lower cost. The committee agreed to return to the issue later.

Conferees also decided to delay decisions on health professional loan forgiveness. While Bradley said the House may be amenable to accepting Senate proposals to forgive pharmacist and child psychiatrist loans, he said the loan forgiveness for dentists is a sticking point. The committee discussed a possible bed shift between Metro Area hospitals and a proposal to help Minnesota leverage federal funding for hospitals, as well.

The committee also adopted all identical appropriations regarding health care expenditures.

HHS policy discussion continues

Members of the Conference Committee on H.F. 1422, the health and human services appropriations bill, held an evening meeting, Thurs., May 19. Chaired by Sen. Linda Berglin (DFL-Mpls.) and Rep. Fran Bradley (R-Rochester), the committee continued its work on adopting various policy provisions.

Members adopted several similar items that are in both the House and Senate proposals. A provision directing

the commissioner of health and a working group on electronic medical records (EMRs) to put together a plan for incorporating EMRs into all hospital and physician groups by 2015 was also adopted. "It just establishes a plan on how to get there," said Berglin, who added that there is no cost to the measure. Bradley said the House will accept the provision in order to balance out dropping separate language that gives higher priority in a grant process to rural clinics with EMRs. Provisions to obtain federal funding for Medicare Part D and to place discharged inmates in public programs were also adopted.

Conferees also discussed a provision to develop a statewide health care data network. Patricia Coldwell, Association of Minnesota Cities, said the system will help to identify gaps in health care throughout the state by allowing examination of health care trends in various regions and populations. The provision will have no cost to the state, said Doug Stang, Department of Health (MDH). The committee adopted an amendment

requiring the commissioner of health to submit to the Legislature a status report on the progress of the information network as well as the E-health initiative and Conferees adopted the section, as amended.

Public safety

Conferees continue work

Members of the conference committee on H.F. 1, the omnibus public safety bill, met Mon., May 16, to consider a lengthy list of policy provisions included in each body's version. Conferees, chaired by Sen. Jane Ranum (DFL-Mpls.) and Rep. Steve Smith (R-Mound), worked their way through an agenda that included House proposals to provide reparations to Minnesotans who are victims of crimes in other states, to require sex offenders to use special vehicle license plates and carry a special designation on their driver's licenses or identification cards and to permit chemical castration of sex offenders and Senate proposals to criminalize e-mail spam, to



House and Senate conferees begin to iron out the differences in their respective omnibus health and human services appropriations bills at a conference committee meeting, Tues., May 17.

Photo by David J. Oakes

Committee update

prohibit video voyeurism and to require the Dept. of Public Safety to review the list of persons with hunting licenses to determine if any licensees are prohibited from possessing firearms.

Testimony, discussion continues

Consideration of policy proposals suggested by the House and Senate continued Fri., May 20, as members of the omnibus public safety bill worked toward a final agreement on H.F. 1. The conference committee, chaired by Sen. Jane Ranum (DFL-Mpls.) and Rep. Steve Smith (R-Mound), heard from interested parties on numerous provisions—such as electronic arrest records or homelessness grants—where either side's conferees felt they needed more information.

State government

Election law provisions adopted

The conference committee on H.F. 1481 met Mon., May 16, to work on the state government omnibus bill. Chaired by Sen. Sheila Kiscaden (IP-Rochester) and Rep. Marty Seifert (R-Marshall), conferees devoted the entire meeting to adopting several identical as well as various House and Senate provisions relating to election laws.

Talks continue

The Conference Committee on S.F. 1481, the omnibus state government appropriations bill, met Wed., May 18, to continue resolving outstanding differences in House and Senate versions of the bill. Discussion centered on policy issues, particularly those relating to elections. The panel, chaired by Sen. Marty Siefert (R-Marshall) and Sen. Sheila Kiscaden (IP-Rochester), is continuing work on other policy issues in the bill.

Tax

Tax conferees begin

Members of the Conference Committee on H.F. 785, the omnibus tax bill, began meeting Wed., May 18. The panel, chaired by Sen. Lawrence Pogemiller (DFL-Mpls.) and Rep. Philip Krinkie (R-Shoreview), devoted the initial meeting to reviewing the side-by-side comparison of House and Senate versions of the bill. There are significant differences in the two versions with the Senate version

providing a revenue increase of about \$1 billion. The Senate bill provides for a fourth income tax bracket of 10.65 percent for high income taxpayers. In addition, the Senate bill contains provisions for capturing revenue from foreign operating corporations, a property tax freeze and provides for local government aids. The House version does not contain the new income tax bracket, does not impose a property tax freeze and does not contain the provisions relating to foreign corporations. The House bill includes a taxpayer satisfaction survey, changes a variety of taxes and authorizes local governments to impose additional sales taxes.

Side-by-side review continues

Comparison of the proposals put forth by each body was the focus of the Thurs., May 19, meeting of the conference committee on H.F. 785, the omnibus tax bill. The panel, chaired by Sen. Lawrence Pogemiller (DFL-Mpls.) and Rep. Philip Krinkie (R-Shoreview), continued its examination of a side-by-side review of the bill. Conferees also heard a presentation on corporate foreign source income from Debra Anderson, a former assistant revenue commissioner hired by the Senate as a nonpartisan consultant.

Standing committees

Finance

Pension bill gains

The Finance Committee, chaired by Sen. Richard Cohen (DFL-St. Paul), met Mon., May 16, to take action on the omnibus pension bill. The bill, S.F. 1057, sponsored by Sen. Lawrence Pogemiller (DFL-Mpls.), contains numerous provisions relating to public employee retirement and pensions. The bill was advanced to the full Senate.

Rules and Administration

Late bills to floor

The Rules and Administration Committee, chaired by Sen. Dean Johnson (DFL-Willmar), met Mon., May 16, and advanced two bills that had been sent to the panel because they did not meet the deadlines. S.F. 1218, authored by Sen. Steve Dille (R-Dassel), is a

memorial resolution asking the residents of Minnesota for tolerance of different views on animal agriculture production practices. Dille said the resolution calls for an end to disagreements about feedlots and a new era for Minnesota livestock farmers. S.F. 1908, carried by Sen. Satveer Chaudhary (DFL-Fridley), establishes the Shooting Range Protection Act and sets forth interim standards for shooting ranges. Both bills were sent to the Senate floor.

Tax

Lands bill okayed

The Tax Committee, chaired by Sen. Lawrence Pogemiller (DFL-Mpls.), met Tues., May 17, to hear the omnibus state lands bill. S.F. 896, sponsored by Sen. Thomas Bakk (DFL-Cook), modifies the requirements for designation of scientific and natural areas, authorizes the private sale of surplus state lands and authorizes the public and private sale of tax-forfeited lands bordering public waters. Bakk said the bill had been heard in another committee and was referred to the Tax Committee even though there were no tax issues in the bill. Members added an amendment authorizing the sale of tax-forfeited lands in St. Louis County before approving the bill and advancing the measure to the full Senate.

MyBills system available

The MyBills personalized bill tracking system is now available. Users can add House and Senate bills to their lists by bill number, subject, or author, and view the legislative status of their bills, with items with significant current floor action highlighted. Users can modify their lists at any time. The MyBills system is available from the Legislative website at: <http://www.house.mn/leg/billslogin.asp>

Educational Videos Available

Three videos, "Discover the Capitol," "Power in the Process: The Anti-Hazing Law," and "Rules, Laws and the Process," can now be accessed through the Legislature's website at <http://www.leg.mn/leg/youth/video.htm>

These videos are excellent sources of information on the history of the State Capitol, how laws are made in Minnesota and how even the state's youngest citizens can get involved in the legislative process.

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*School groups and lobbyists inhabit the first and second floors of the Capitol Rotunda during the closing days of the Regular Legislative Session.
Photo by David J. Oakes*



May 24, 2005

Senate Highlights

Session adjourns

The first half of the 84th Legislative Session ended at midnight, Mon., May 23, but moments later Legislators convened a Special Session. In the final days of the regular session, leaders of the House and Senate were unable to come to agreement on an overarching budget proposal. As a result, several major spending bills, as well as an omnibus tax bill were not completed before the constitutional deadline for adjournment. After the Senate completed business necessary for the organization of the body, members adjourned until later in the week in order to let a variety of working groups continue negotiations.

Higher ed report adopted

The first of the major appropriations conference committee reports was adopted Fri., May 20. The higher education appropriations bill, H.F. 1385, sponsored by Sen. Sandra Pappas (DFL-St. Paul), was repassed on a 49-18 roll call vote.

Pappas said, "We had a very cooperative working arrangement and though we would like to have done better, we feel this is a decent bill." Pappas said funding for Minnesota State Colleges and Universities (MnSCU) was increased by almost 9 percent and funding for the University of Minnesota was increased by almost 10 percent. Pappas said the conferees were not able to eliminate tuition increases, but the tuition increase for the MnSCU system will be held at about 4 percent and for the University at about 6 percent. The bill also has increased funding for child care grants, both individual and overall, Pappas said. She said the bill includes full funding for the Rochester Higher Education Development Committee to research and make recommendations about a four-year university in Rochester.

We had a bipartisan compromise to streamline the regent selection process, Pappas said. In addition, changes at the federal level generated some savings and we were able to increase the state grants through the Higher Education Services Office, she said. We acceded to the House request to have HESO set up an accountability report, Pappas said. In addition, Pappas said, "We are fully funding the recurring enrollment adjustment for MnSCU and the University. However, there is a sunset on the enrollment adjustment formula." The bill also increases the regulation and fees for career schools, she said. The bill sets up eight Centers for Excellence, provides for intervention grants for underserved populations to foster secondary school attendance and provides tuition assistance for deaf students.

Pappas said, "The biggest disappointment was that, even though all ten conferees supported it, there is a lack of a provision on defining residency. We heard that the governor would veto the entire bill if the provisions allowing undocumented young people to pay resident tuition." Sen. Mee Moua said, "The governor has turned a blind eye and a deaf ear to the dreams of immigrant children with the threat to veto the bill if a provision allowing undocumented workers resident tuition was allowed to stay."

Sen. Richard Cohen (DFL-St. Paul) said, "The bill is a disappointment because we were not able to make significant steps in rectifying the slippage that has occurred in higher education over the last few years." It was evident that higher education was not a priority for the governor or the other body, Cohen said.

Sen. Bob Kierlin (R-Winona) said, "This bill is an example of what the

people of Minnesota expect from us in the final days of the session—the spirit of compromise. We have the best bill we could get for the session and we have it on time." Kierlin said, "We would all like to see more for higher education, but other areas also have great needs." Sen. Claire Robling (R-Jordan) said, "It takes compromise to get the job done. I hope the bill can serve as a model for the other omnibus bills. We have reversed the trend of cuts for higher education, we have some good policy in the bill and we funded some good smaller programs."

Sen. David Tomassoni (DFL-Chisholm) said, "I did not sign the conference committee report and I will not be voting for the bill because we failed to eliminate tuition increases." He said there have been double digit tuition increases in the last few years. The bill doesn't even come close to making up for the cuts of the last few years, Tomassoni said.

Pappas said, "We all know the greatness of the state depends on education and higher education. I hope next year we will be able come to you with a great bill."

Public safety budget okayed

Senators used the mid-afternoon hours of the Mon., May 23, session to approve several conference committee reports, including the recommended public safety budget bill.

H.F. 1 contains appropriations of \$1.785 billion for FY 06-07 and funds the operations of the judiciary, the Dept. of Public Safety, the Peace Officer Standards and Training Board, the Dept. of Human Rights, the Dept. of Corrections, the Sentencing Guidelines Commission and other public safety agencies. It also raises \$37.831 million in general fund revenue by increasing several fees, including the criminal fine surcharge, the real estate recording fee, the parking citation surcharge, the civil court filing fee and the liquor wholesaler/manufacturer license fee.

Sen. Jane Ranum (DFL-Mpls.), chief sponsor and lead negotiator, said the bill is "a true example of a public safety bill that is tough, fiscally responsible, balanced and truly a bipartisan initiative." The measure keeps our communities safe, she said. The bill provides for sentences of life without release for a limited group of sex offenders and for persons who commit

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The lead negotiators on the omnibus tax bill, Sen. Lawrence Pogemiller (DFL-Mpls.), facing camera, and Rep. Philip Krinkie (R-Shoreview), square off during a Tax Conference Committee meeting, Sat., May 21.

Photo by David J. Oakes

premeditated first-degree murder. It also includes indeterminate life sentences for many repeat sex offenders. This is truly what the public has in mind when we talk about putting away, for good, the worst of the worst, Ranum said. She said the bill also recognizes that an effective justice system requires providing adequate resources to prosecutors, judges, public defenders, probation officers, civil legal services and law enforcement. The 911 fee will be increased, she said, to pay for building out the 800 MHz communication system to St. Cloud and Rochester. Ranum said the bill also makes great strides in the area of victims' services by restoring lost funding and prohibiting employer retaliation against persons attending court proceedings.

The bill also includes many other policy provisions. Sen. Thomas Neville

(R-Northfield) said the bill includes provisions putting the emphasis on treatment at the front end of the system for nonviolent drug offenders. This bill offers a one-time opportunity for addicts in the correctional system to get their lives in order, he said. In 20 years, we will reap the benefits of today's action, Neville said, in savings and safety. Sen. Julie Rosen (R-Fairmont) discussed provisions relating to methamphetamine. She said the final bill closely resembles the Senate language and carefully restricts, but does not ban, sales of pseudoephedrine. The bill includes grants for meth treatment programs and funds for additional enforcement and awareness efforts.

The bill was repassed, 62-4.

The Senate also adopted four additional conference committee reports.

H.F. 473, carried by Sen. Betsy Wergin (R-Princeton), protects wedding rings and other symbols of marriage exchanged at the time of marriage from creditor actions against a debtor. The bill was repassed unanimously. H.F. 894, sponsored by Sen. Dennis Frederickson (R-New Ulm), contains several provisions relating to Dept. of Natural Resources public waters inventories; it was repassed on a 58-4 roll call vote. H.F. 987, carried by Sen. Ellen Anderson (DFL-St. Paul), regulating cribs, was repassed, 58-3. S.F. 1555, authored by Sen. Ann Rest (DFL-New Hope), makes numerous reforms to lawful gambling provisions. The bill was repassed, 56-2.

Senators concurred in the House amendments to S.F. 808. Sen. Steve Murphy (DFL-Red Wing), chief author, said the other body cleaned up the

Senate Highlights

definition of motorized foot scooters, which the bill regulates. S.F. 808 was repealed without opposition.

Under a suspension of the rules, Senators granted final passage to three measures. H.F. 1528, carried by Sen. Dan Sparks (DFL-Austin), requires insurers to inform consumers of their legal rights to select repair shops when making auto claims. H.F. 2279, sponsored by Sen. Julianne Ortman (R-Chanhassen), exempts a proposed trail around Lake Benton in Cologne from wetland replacement requirements. Both bills were approved on unanimous votes. H.F. 2228, carried by Sen. Lawrence Pogemiller (DFL-Mpls.), recodifies the powers of the Dept. of Revenue. Members adopted an amendment, offered by Pogemiller, attaching language from the omnibus tax bills. Pogemiller said conferees on the tax bills considered the language the same or similar and had agreed to attach the language to H.F. 2228 to speed the conference committee process. The bill was granted final passage, 44-19.

In other action, numerous bills were considered as Special Orders as the Senate moved into the early evening hours.

H.F. 974, carried by Murphy, allows peace officers to move, when necessary, vehicles normally requiring a commercial driver's license to operate. S.F. 2093, authored by Sparks, regulates employee payroll cards. H.F. 2133, sponsored by Sen. Mady Reiter (R-Shoreview), permits the state to execute a 10-year lease on a building near the Capitol Complex for a child care facility. H.F. 986, carried by Sen. Linda Scheid (DFL-Brooklyn Park), expands the definition of low-income area for the purposes of an urban initiative loan program operated by the Dept. of Employment and Economic Development. Sen. Claire Robling (R-Jordan) sponsored H.F. 973, which modifies state employment provisions. All five bills were unopposed on final passage.

Murphy sponsored S.F. 2121, modifying provisions relating to commercial motor vehicle regulations. Members adopted an amendment, offered by Murphy, attaching provisions from the transportation policy bill previously approved by the Senate. Murphy said the amendment contains only the noncontroversial items from the earlier bill, except for a provision permitting, instead of requiring, the commissioner of transportation to set toll rates for off-peak hours on

the high-occupancy vehicle lanes of I-394. S.F. 2121 was granted final passage, 59-3.

S.F. 200 prohibits expiration dates and service fees on gift certificates and gift cards. Sen. Wesley Skoglund (DFL-Mpls.), chief author, said the bill ensures that gift cards are worth what people pay for them and that recipients get the intended, full enjoyment of the gift. The measure, he said, does not regulate donations or other non-commercial certificates. Members adopted an amendment, offered by Skoglund, clarifying definitional differences between gift cards and bank-issued stored value cards, which are not regulated by the bill. Scheid offered, and Senators adopted, an amendment excluding prepaid telephone cards from regulation. Sen. David Gaither (R-Plymouth) offered an amendment permitting expiration dates and service fees if the terms are disclosed on the card or certificate. Skoglund said the amendment defeats the purpose of the bill and that the disclosure notices are often too small to read. The amendment was not adopted, 29-34. S.F. 200 was approved, 45-19.

Reiter carried H.F. 221, expanding the limited liability of landowners for recreational uses of their land to include rock climbing and planned cave exploration. Sen. David Hann (R-Eden Prairie) offered an amendment limiting the liability of food suppliers for weight gain; the amendment was ruled not germane to the bill. Rosen said the bill goes too far, because cave exploration and rock climbing are more dangerous than the activities protected under current law. Reiter said the bill is needed to encourage more landowners to allow their land to be used for these recreational purposes. H.F. 221 failed to gain approval on a 32-26 vote.

Closing resolution adopted

The Rules and Administration Committee met twice Mon., May 23. The first hearing, chaired by Sen. Dean Johnson (DFL-Willmar), was held in order to advance two bills to the Senate floor. The first measure, S.F. 2286, sponsored by Sen. Don Betzold (DFL-Fridley), is the annual revisor's bill that makes technical corrections in the bills passed by the Legislature over the course of the session. The second bill, S.F. 2085, provides an exemption to wetland

replacement requirements due to the construction of a trail in or near the city of Cologne. Chief author, Sen. Julianne Ortman (R-Chanhassen), said the completion of the trail is a necessary improvement for safety in the area. Both bills advanced to the Senate floor.

The panel reconvened late in the evening to adopt a closing resolution allowing the Secretary of the Senate to perform duties relating to the operation of the Senate during the interim. In addition, members discussed a resolution setting the day for the start of the 2006 Legislative Session. Johnson said there is a disagreement with the other body over the start date. He said the other body wanted the start date to be March 14. However, several members of the committee said the late start date does not allow enough time for the Legislature to complete its work. The panel adopted a resolution setting Feb. 28, 2006, to be the first date of the 2006 session.

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Floor update

Friday, May 20

Data practices bill discussed

During its Fri., May 20, floor session, the Senate also considered the omnibus data practices bill, H.F. 225. Sen. Wesley Skoglund (DFL-Mpls.) carried the proposal. "The bill makes most information about institutions public and provides protections for people that need information protected," he said. The bill includes a variety of provisions, such as clarifying that the Legislator Auditor has the ability to examine all state information, making information public about claims experiences, giving parents of disabled children unlimited access to their child's educational records, making information public on appointed as well as elected public officials and addressing federal mandates on keeping driver's license information private.

Sen. Warren Limmer (R-Maple Grove) offered an amendment to remove a provision allowing government entities to disclose government information to assist in public safety. Sen. Julianne

Ortman (R-Chanhassen), speaking in support of the amendment, said there is no justification for allowing government entities to make the disclosures. She said the language in the bill removes broad protections inserted previously to protect government information. Skoglund said the provision is appropriate. "Without this, the police department couldn't give you a block map of your own block," he said. He also noted that the bill does not require, but merely allows, local governments to disclose the information. The amendment failed 30-34. Sen. Don Betzold (DFL-Fridley) offered an amendment to narrow the application of the provision only to information described in the data practices bill. "The amendment tightens up concerns members have on the section," he said. The amendment was adopted.

Sen. Becky Lourey (DFL-Kerrick) offered an amendment providing for disclosure of pesticide applicator records. "Currently, pesticide applicators must keep records, but the public can't find out what is used, sprayed or kept near them

and their families," she said. "If this information was public, I believe it would lead to safer application practices," said Lourey. She said the amendment allows public access as well as access for researchers and doctors. Pesticide applicators would only have to file once a year, Lourey said. Sen. Steve Dille (R-Dassel) said the amendment causes difficulty for farmers. He said pesticides provide an array of benefits to the state through agriculture and conservation usages and to people through sanitation usages. Lourey responded that the bill only asks commercial and non-commercial applicators to report, excluding farmers from having to report. "Restricting access to information is not how society should deal with the decisions that we make," she said. "There are a number of reasons we need this data to be public information," said Lourey. Sen. Betsy Wergin (R-Princeton) said the records are already kept on-hand, but do not need to be public data. She also said the bill will not change application processes because farmers already use the pesticides, which are expensive, as



From left, Senators Mee Moua (DFL-St. Paul), Ellen Anderson (DFL-St. Paul) and Ann Rest (DFL-New Hope) enjoy a lighter moment during a recent floor session.

Photo by David J. Oakes

Floor update



From left, Senators Geoff Michel (R-Edina), Brian LeClair (R-Woodbury) and Chris Gerlach (R-Apple Valley) congregate near the front desk in the Senate Chamber.

Photo by David J. Oakes

sparingly as possible. Skoglund spoke in favor of the amendment, calling it a reasonable request to make available to the public information that is already collected. The amendment failed on a tie vote of 33-33.

Sen. Scott Dibble (DFL-Mpls.) offered an amendment requiring the

commissioner of public safety to contract with an entity outside the department to look into what kind of constituent data might have been compromised as a result of the department's failure to enact adequate protective measures regarding license data. Dibble said the amendment is in response to an extremely troubling

report that revealed serious security weaknesses in the system. Members unanimously adopted the amendment.

Sen. Satveer Chaudhary (DFL-Fridley) offered an amendment permitting retail establishments to retain various driver's license information, if the information is used for the purposes of detecting fraud and abuse. Sen. Warren Limmer (R-Maple Grove) asked if there are restrictions on how companies may share the information. Chaudhary said the amendment amends a provision that prevents uses about which one might be concerned. The amendment was not adopted.

Senators also adopted an amendment, offered by Sen. Steve Kelley (DFL-Hopkins), enumerating the lawful uses of social security numbers. An amendment, offered by Sen. Sheila Kiscaden (IP-Rochester), to allow the Department of Finance to release non-identifying sales tax return information to help forecast budgets more accurately was also adopted. Betzold offered an amendment, which members adopted, specifying the copying costs associated with copying public information. The amendment affects black and white copy jobs of up to 100 pages. He said the amendment will prevent exorbitant costs to those trying to obtain public information. Ortman offered an amendment relating to transportation data. The amendment keeps some Department of Transportation (MnDOT) bid information private until the bid is awarded, said Ortman. The amendment also protects information related to transportation passes issued by the state, she said. Members adopted the amendment.

The bill was laid on the table.

Saturday, May 21

Data practices bill approved

Senators began their Sat., May 21, floor session by resuming work on the omnibus data practices bill. The measure, H.F. 225, carried by Sen. Wesley Skoglund (DFL-Mpls.), covers a variety of information protection areas.

Sen. Don Betzold (DFL-Fridley) offered an amendment specifying what information on appointed and elected and government officials is required for disclosure. Under the amendment, the information will include name, city of residence, education and training,

employment history, volunteer work, awards and honors and prior government service or experience. The amendment was adopted. An amendment, offered by Sen. Scott Dibble (DFL-Mpls.), requiring cell phone providers to obtain a person's permission before placing the person's number in a directory was also adopted. The bill, as amended, was granted unanimous final passage.

In other action, Sen. Jane Ranum (DFL-Mpls.) sponsored S.F. 1084. The bill requires local governments to file pay equity reports every three years instead of every five years. Ranum said the requirement used to specify reporting every three years, but that in 2003 the period was increased to five years. "We made a mistake, but now we have the opportunity to correct it," she said. Ranum responded that more frequent reporting helps local units of government make sure they are paying attention to pay equity issues. Sen. Claire Robling (R-Jordan) added that the bill may help prevent bigger back payments associated with pay equity. Senators approved the measure, 54-11.

A departmental bill relating to mental health services also gained final passage. H.F. 1816, authored by Sen. Linda Berglin (DFL-Mpls.), extends mental health services coverage and modifies children's mental health services and civil commitment processes. Senators adopted an amendment offered by Berglin. The amendment reinstates a provision allowing counties to provide case management to homeless adults. Berglin said the provision requires no state funding, but helps counties to be eligible for federal matching funds. The amendment also strikes a section dealing with penalties for inmates who assault correctional facility workers. Berglin said the section is already included in the omnibus crime prevention bill. They also unanimously passed H.F. 742, sponsored by Sen. Thomas Bakk (DFL-Cook). The bill prohibits employers from charging fees to candidates placed with search firms and outlines exemptions for employment agency licensing requirements. Sen. LeRoy Stumpf (DFL-Plummer) offered an amendment to extend a pilot project at the Occupational Development Center in Thief River Falls for one more year. The amendment was adopted.

S.F. 1218, carried by Sen. Steve Dille (R-Dassel), is a resolution asking the residents of Minnesota for tolerance of

different views on animal agriculture production practices. The bill was granted final passage, 57-1.

The following bills were granted unanimous final passage. Sen. Steve Murphy (DFL-Red Wing) carried S.F. 1272, which extends ex officio membership on the Indian affairs council to the commissioner of transportation. H.F. 1109, authored by Sen. Linda Higgins (DFL-Mpls.), reenacts the firefighting training and education board. The board is funded, said Higgins, by a \$5,000 private donation being held for its operations in the state treasury. Higgins also carried H.F. 675, a bill modifying the hospice care bill of rights and clarifying death reporting requirements. Sen. Ellen Anderson (DFL-St. Paul) sponsored H.F. 898. She said the bill is a housekeeping measure for unemployment insurance provisions and is a product of the council composed of business, labor and legislative leaders. Another housekeeping measure, H.F. 1748, was carried by Sen. Betsy Wergin (R-Princeton). Wergin said the bill, brought by the Department of Employee Relations (DOER), switches the right of appeal from the department of administrative hearings to the bureau of mediation services. The bill will prevent the current situation in which administrative law judges hear their own appeals, said Wergin. She said the bill also eliminates a requirement that corrections workers over 55 must undergo a physical. The section could be considered age discrimination, Wergin said. H.F. 400, a bill that makes an unemployment insurance eligibility exception for school food workers permanent, authored by Sen. Dan Sparks (DFL-Austin), and H.F. 823, the omnibus forestry bill, authored by Bakk, were also both granted final passage.

Senators concurred with House amendments and granted final passage to three bills. S.F. 1636, carried by Sparks, allows the Minnesota Bankers Association to continue sponsoring a fraud alert website. In addition, members adopted the conference committee report and repassed H.F. 1164, sponsored by Sen. Sheila Kiscaden (IP-Rochester). The bill requires drivers to drive slowly and, if possible, at least one lane away from parked emergency vehicles. Kiscaden said the bill now contains the "Caribou Coffee" amendment, which allows coffee shops to post their presence on roadside

exit signs. S.F. 629, carried by Higgins, modifies the aviation planning requirements of the Metropolitan Airports Commission. Higgins said the bill, as amended by the other body, also includes an agreement between the MAC and airport cab drivers on cab license policy. Robling said the agreement is acceptable, but Legislators should not encourage running to the Capitol when the MAC is perfectly capable of resolving problems. S.F. 629 was repassed, 59-3.

The Senate also adopted the conference committee report on S.F. 917, the Positive Alternatives Act, carried by Sen. Dallas Sams (DFL-Staples). The measure was granted final passage, 53-11.

Monday, May 23

Clean water bill, video game restriction measures approved

The last day of the regular Legislative Session, Mon., May 23, began with consideration and final passage of bills on Special Orders.

S.F. 785, sponsored by Sen. Sandra Pappas (DFL-St. Paul), restricts the sale or rental of violent video games to persons under 17 years of age. Pappas said, "Ultra violent video and computer games are harmful to some children." Sen. Mady Reiter (R-Shoreview) said the bill could be challenged as a restriction of free speech. However, Sen. Julianne Ortman (R-Chanhassen) said the bill recognizes the danger of extensive exposure to violence. The bill was granted final passage on a 51-10 roll call vote.

Sen. Dennis Frederickson (R-New Ulm) sponsored S.F. 762, the Clean Water Legacy Act. The purpose of the bill is to bring the state into compliance with the federal Clean Water Act, Frederickson said. Sen. Sharon Marko (DFL-Cottage Grove) offered an amendment requiring the election of supervisors of Soil and Watershed Districts. Frederickson questioned the germaneness of the amendment. The presiding officer ruled the amendment not germane. Sen. David Senjem (R-Rochester) offered an amendment specifying that the Pollution Control Agency may not require phosphorus reductions beyond the current annual phosphorus mass load discharged by the facility until the total maximum daily load has been completed and approved by the Environmental Protec-

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tion Agency. Frederickson opposed the amendment. "If there is impairment in our waters, the citizens of the state would want us to work for improvement," he said. He said there is a program to assist cities in meeting the one milligram per liter standard. The amendment failed. The bill was granted final passage on a unanimous roll call vote.

Other bills granted final passage included H.F. 2187, authored by Sen. Linda Berglin (DFL-Mpls.). The bill creates a county subsidiary corporation to provide health care and related services and provides for governance of Hennepin County Medical Center. H.F. 1925, authored by Sen. Becky Lourey (DFL-Kerrick), modifies human services licensing and predatory offender data access provisions. Members adopted an amendment, jointly sponsored by Sen.

Claire Robling (R-Jordan) and Sen. Mike McGinn (R-Eagan), requiring legal, nonlicensed child care providers to be trained in CPR and first aid. In addition, the amendment provides for unannounced inspections and requires the posting of correction orders. The amendment also requires licensed family child care providers and child care centers to provide a written notification to parents considering enrollment of a child or parents of a child attending the day care or child care center if the program employs or has living in the home any person who is the subject of either a set-aside or variance.

H.F. 2121, sponsored by Sen. Satveer Chaudhary (DFL-Fridley), requires businesses that possess personal data to notify persons whose personal information has been disclosed to unauthorized

persons. The bill language was contained in S.F. 1307, but needed to be added to H.F. 2121 in order to have the bills in each body match up with one another. Chaudhary said identity theft is a growing problem and that companies that have security breaches must notify individuals of the breach. Members adopted an amendment, offered by Sen. Ann Rest (DFL-New Hope), requiring government agencies to also notify individuals when there has been a breach in the security system. Sen. Linda Scheid (DFL-Brooklyn Park) offered, and members adopted, an amendment exempting entities subject to the federal privacy and security regulations adopted under the federal Health Insurance Portability and Accountability Act.

H.F. 814, sponsored by Sen. Thomas Bakk (DFL-Cook), is the omnibus lands



Senators Pat Pariseau (R-Farmington), left, and Julie Rosen (R-Fairmont) converse in the Senate Chamber prior to a floor session.

Photo by David J. Oakes



Senate conferees, from left, Senators Jim Vickerman (DFL-Tracy), Sheila Kiscaden (IP-Rochester), Linda Higgins (DFL-Mpls.) and Cal Larson (R-Fergus Falls) strategize during the final meeting of the State Government Conference Committee, Mon., May 23.

Photo by David J. Oakes

sale bill. The measure modifies the acquisition, use and designation provisions for scientific and natural areas and authorizes the public and private sales and conveyances of specific state lands.

H.F. 2192, sponsored by Rest, provides for data collection and best practice guidelines for conducting postadoption search services. H.F. 1889, sponsored by Lourey, is a department bill that makes numerous changes in child protection, child care and child and family support provisions. H.F. 460, carried by Sen. John Marty (DFL-Roseville), makes technical changes in provisions relating to off highway vehicle operations. H.F. 423, carried by Bakk, exempts hot tubs on rental houseboats from regulation as public pools.

The conference committee report on S.F. 664, authored by Pappas, was adopted

and repassed. The bill is the omnibus liquor bill and modifies brewpub regulations, regulates wine tastings, provides for uniform off-sale hours statewide, regulates Sunday on-sales and authorizes on-sale liquor licenses for specific entities.

Members also adopted and repassed the conference committee report on H.F. 1809. The bill, sponsored by Scheid, is an omnibus insurance bill. Scheid said the conference committee report contains provisions for flexible benefit plans for small employers and provides for regulation of agency terminations, coverages, fees, forms and premiums.

State government budget passed

In the last floor meeting of the regular session, Senators gathered late in the evening, Mon., May 23, to grant final passage to a variety of bills and conference

committee reports, including the state government omnibus budget bill. Near the end of the night, the Senate adopted a number of concurrent resolutions to end the regular session for the year, including one to adjourn the Senate until Feb. 28, 2006.

H.F. 1481, sponsored by Sen. Sheila Kiscaden (IP-Rochester), appropriates \$468 million for the operations of state government. The bill provides funding for the Legislature, constitutional officers and several state agencies. "The bill has changed a great deal from the time it left the Senate floor," she said. One addition to the bill, said Kiscaden, is a section on monitoring the security of state websites. The bill also contains spending initiatives, such as full funding for tuition reimbursement and reenlistment bonuses for National Guard personnel. Kiscaden said

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the measure creates the Office of Enterprise Technology and alters several elements of election law. Senators approved the conference committee report and passed the bill, 67-0.

Kiscaden also carried S.F. 1204, the omnibus health and social work licensing bill. She said the House amendment clarifies accreditation for chemical dependency counselors, allows health related boards to obtain health insurance fraud information under certain circumstances, requires health care providers to provide information about the cost of their 20 most commonly performed procedures and allows providers to discount payments as long as the payments are not below the Medicare prepayment rate. Sen. Linda Berglin (DFL-Mpls.) said she had concerns with aspects of the bill, particularly on one provision to charge patients at no higher a rate than is charged to health plans. Members concurred with House amendments and granted the bill final passage, 53-11.

The conference committee report on H.F. 1507, carried by Sen. Becky Lourey (DFL-Kerrick), was also adopted. Lourey said the conference committee report represents a compromise between drastically different original versions of the measure. The report strengthens several parts of the bill, said Lourey, by including more defining language on peace officers' use of force, employee protections and the effect of commissioner directives. Lourey said the bill now places an Aug. 1, 2009 sunset on three provisions that give more power to the commissioner of health. The new sunset provisions include a section on the issuance of ex parte orders, a section on the authority to temporarily hold a person upon the commissioner's directive and a section on vaccinations. The bill was granted final passage, 63-2.

H.F. 1555, a bill modifying the Minnesota Emergency Health Powers Act, was also sponsored by Lourey. She said the conference committee report takes a more narrow definition of employee than it originally did and also extends the list of individuals whom the governor shall notify upon declaring a peacetime emergency. Senators approved the conference committee report and repassed the bill unanimously.

Berglin carried H.F. 1816, which extends mental health care coverage and articulates aspects of the civil commitment process. The conference committee

report, which Senators approved, removes a provision on counties providing case management to homeless people, said Berglin. Senators unanimously repassed the bill.

Senators also approved the conference committee report on S.F. 630, authored by Sen. Thomas Neuville (R-Northfield). The bill now includes a six month period in which either party in a divorce hearing may request a review before the court as well as a provision presuming that each parent has 25 percent of the parenting time with each child. On a 60-4 vote, Senators repassed the bill.

H.F. 2448, a bill making human services forecast adjustments also gained final passage. Sen. Richard Cohen (DFL-St. Paul) offered an amendment to the bill altering some of the forecast projections in it. Berglin offered an amendment to Cohen's amendment that contains nine provisions from the health and human services omnibus bill. She said the provisions, which save \$62 million dollars, will help the Department of Human Services (DHS) conduct its work more effectively if adopted sooner. The amendment to the amendment was adopted. Senators adopted Cohen's amendment, as amended, and granted the bill unanimous final passage.

Sen. Lawrence Pogemiller (DFL-Mpls.) carried H.F. 2498. The bill contains several measures related to public financing. Members adopted an amendment, offered by Pogemiller, modifying several areas of the bill, such as data practices for St. Paul non-profit organizations and the construction of road and street improvements outside municipal boundaries. The bill passed, 60-4.

H.F. 2121 was sponsored by Sen. Satveer Chaudhary (DFL-Fridley). The conference committee report requires businesses to notify affected individuals if a security breach puts personal information on the individuals at risk of exposure. "It is a good balanced bill," said Chaudhary. Senators approved the conference committee report and repassed the bill unanimously.

Senators adopted the conference committee on H.F. 874, which appropriates Help America Vote Act (HAVA) funds to state and local government. Members repassed the bill unanimously. They also adopted the conference committee report and repassed H.F. 225,

the omnibus data practices bill, sponsored by Sen. Wesley Skoglund (DFL-Mpls.). He said it is largely the same bill that passed the Senate previously and still includes provisions on social security provisions and provisions on cell phone directories. Skoglund said the bill reflects the advice of Minnesota's director of homeland security. The bill gained final passage, 60-5.

Members also approved the conference committee report on H.F. 847, a bill modifying various game and fish provisions. Sen. Tom Saxhaug (DFL-Grand Rapids), who authored the bill, said the conference committee report includes only minor differences, such as allowing decoys to stay out for four instead of two days. The bill was unanimously repassed. The Senate also unanimously passed H.F. 1271, authored by Sen. Dick Day (R-Owatonna). The bill defines professional services associated with marriage and family therapy. H.F. 1176, which allows special education teachers to receive a variance from their service cooperatives instead of requiring each school district to obtain a variance, also passed unanimously. The bill was carried by Sen. Dallas Sams (DFL-Staples).

Sen. Julie Rosen (R-Farmington) moved to reconsider an earlier vote on H.F. 221, carried by Sen. Mady Reiter (R-Shoreview). The bill regulates liability associated with rock climbing and spelunking. The bill was granted final passage on a 41-23 vote. Senators also approved S.F. 2286, a bill to correct various statutory errors and oversights. The measure was sponsored by Sen. Don Betzold (DFL-Fridley). Betzold also carried, and Senators passed, S.F. 1231. The bill regulates the display of flags and signs on residential property. The same bill passed last year, he said.

MyBills system available

The MyBills personalized bill tracking system is now available. Users can add House and Senate bills to their lists by bill number, subject, or author, and view the legislative status of their bills, with items with significant current floor action highlighted. Users can modify their lists at any time. The MyBills system is available from the Legislative website at: <http://www.house.mn/leg/billsblog.asp>

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Duplicating Supervisor Dan Olson organizes copies of the omnibus health and human services bill for delivery to the Senate floor on the last day of the special session, Wed., July 13.

Photo by David J. Oakes



July 14, 2005

Special Session

Tax, health bills approved

Though interrupted by an hour-long power outage afflicting the entire Capitol Complex, Senators began the final day of the Special Session, Wed., July 13, by approving the omnibus tax bill and the omnibus health and human services bill.

H.F. 138 is the omnibus tax bill. Sen. Lawrence Pogemiller (DFL-Mpls.) said the measure is a modest accomplishment. It does not include a property tax freeze, as sought by the Senate, nor a taxpayer certification process (also called turbo-charged truth-in-taxation), as advocated by the House, he said. Pogemiller said the bill holds the renters credit and political campaign refund programs harmless. It does not include any provisions for a fourth tier of the income tax or to close corporate loopholes, he said. The bill cannot fairly be called a no-new-tax bill, he said, because it includes tax increases in many areas, including taxes on rental cars and alcohol. Pogemiller said the overall budget package also breaks a longstanding Minnesota tradition of fairness in taxation. This budget includes a 44 percent increase in education-related property taxes for homeowners over the next four years, he said. Sen. Michele Bachmann (R-Stillwater) said the bill is disingenuous with Minnesotans. The main tax increase, on tobacco products, should be carried in this bill, not the HHS bill, she said. H.F. 138 was granted final passage, 61-5.

The omnibus health and human services bill, H.F. 139, was reviewed by Sen. Linda Berglin (DFL-Mpls.). The measure includes a cost-of-living adjustment for long-term care employees, does not kick 47,000 people off MinnesotaCare and restores most benefits to MnCare enrollees, she said. Berglin said the bill provides relief to people already affected



Sergeant at Arms Sven Lindquist resets the clock in the Senate chamber, as Sergeant John Lagoo reports the correct time, following an hour-long power outage, which interrupted debate on the omnibus tax bill at 4:05 p.m., Wed. July 13.

Photo by David J. Oakes

by Medical Assistance liens on their property and mitigates many of the governor's proposed cuts. While most agencies are taking cuts to their administrative operations, the Dept. of Human Services will grow during this biennium, she said. Berglin said it was wrong for hospitals to be taking cuts while more bureaucrats will be installed at DHS.

At the governor's request, she said, the health impact fee of 75 cents on a pack of cigarettes is included in the bill. Smoking does cost our health care system, she said, and the new fee will reduce smoking by some Minnesotans. From that perspective, the fee is appropriate for the bill, Berglin said. Bachmann offered an amendment removing the health impact fee from the bill. This has no place in the HHS bill, she said, because it is a tax and belongs in a tax bill. However, Berglin said the charge is being called a fee and is in the bill as a courtesy to the governor and as part of the budget agreement worked out by leadership. Sen. Mady Reiter (R-Shoreview) said the fee is punitive to smokers and should not have been part of the package because it did not receive a hearing in either body. Sen. Dick Day (R-Owatonna) urged members

to defeat the amendment. We should not shut down government again because we do not like part of a compromise, he said. The amendment was rejected, 19-47.

Sen. Brian LeClair (R-Woodbury) said the bill does not match with the goals many Senators set at the beginning of the year: setting priorities, spending smart and holding government accountable. We stole from education to boost the spending in health and human services, he said. LeClair said the bill assures the state a lower bond rating because it relies on tax revenues that are certain to decline to fund record levels of health and human services spending. We are creating future budget shortfalls, he said. Berglin countered that the spending projections for the tax bill and education bill are large in the next biennium, FY 08-09, but the spending projections for the HHS bill have flatlined.

There are a lot of reasons for people to vote no on this bill, said Sen. Julie Rosen (R-Fairmont). She said she could vote no because the measure includes no money for methamphetamine treatment. Instead, we should vote yes because this bill represents a compromise, she said.

H.F. 139 was granted final passage, 60-6.

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Education bill passed

The Senate also began consideration of the omnibus education funding bill, H.F. 141. Sen. LeRoy Stumpf (DFL-Plummer), chief Senate sponsor, said the E-12 bill is one of the highlights of the session. "We have made enormous strides for schools all across the state," Stumpf said. He said the original governor's budget had a 2 percent increase for education in each year of the biennium. "The bill before you has a 4 percent increase in the first year and a 5 percent increase in the second year," Stumpf said. However, Stumpf said if funding is averaged over the past few years, the increase barely covers inflation. He said the bill does stabilize school funding at a level that allows districts to hire back teachers.

"The one portion I disagree with is that the bill relies more heavily on property taxes than I would like," Stumpf said. He also said the measure has some provisions that the original Senate bill did not have, such as more funding for programs for gifted and talented students. He said some levies were restored in the bill. When the bill left the Senate we had

a consolidated general levy, but that did not prevail, he said, but what did prevail was a \$46 general equalized levy. In addition, there are provisions to help several large districts receive compensatory levy, Stumpf said. He also described the alternative compensation for teachers provisions. He said the plan, also known as Q Comp, is a compromise between the House, the Senate and the governor. Stumpf said the alternative compensation plan would be phased in with 9 percent of the districts participating in the first year and about 50 percent of the districts will participate in the second year. He said the plan is voluntary and is heavily loaded for teacher training and improvement, which will result in better compensation and competence. The bill also restores the Humanities Commission, but does not have a provision for a poet laureate, he said. Stumpf said the bill also contains an increase in the career and technical levy and programs and a \$20 million deferred maintenance levy to help districts maintain their facilities. The bill also has about \$13.5 million for early childhood education, Stumpf said. "The bill is a huge step forward for education funding for

Minnesota. Even though it relies heavily on property taxes, I believe most districts will be happy with the bill," Stumpf said.

After recessing in order to allow the other body to complete work on the bill, Senators granted final passage to the education bill on a 64-2 roll call vote.

Transportation funding okayed

A transportation funding bill also gained final passage. Sen. Steve Murphy (DFL-Red Wing), chief author of the measure, said, "This year we started with extremely high hopes of passing a funding bill for transportation." However, he said, the bill, H.F. 140, is the bare minimum we can do for transportation.

Murphy said the bill was primarily the governor's recommendation for funding except for a fee increase to be used for public safety. "We have mass slaughter on our highways," Murphy said, "If this were due to gun violence people would be outraged, but because it happens on our roads nobody seems to notice." He said the bill provides for license revocations for people who speed over 100 miles per hour and specifies a doubling of fines for speeding because these are the people



Sen. Mark Ourada (R-Buffalo), center, receives a standing ovation from fellow Senators on the floor of the Senate at 9:51 p.m., Wed., July 13. Ourada was recognized by his colleagues for his 11 years of service after he announced that he is retiring from the Senate this year.

Photo by David J. Oakes

Special Session

causing fatalities on our roads. The bill provides us with the status quo, Murphy said. He said the additional \$46 million for transit is to make up for deficiencies in the current budgets. "We failed to provide the funding necessary to provide decent transit in the Metro Area and we sure dropped the ball when it comes to transit in Greater Minnesota," Murphy said. He said the bill has a number of noncontroversial policy items in the bill, many of which were sponsored by the department. "This is the best we can do and next year we will have to take another run at adequately funding transportation," Murphy said.

Sen. Mark Ourada (R-Buffalo) said, "I'm disappointed we didn't get a full funding package this year." He said, this year I was optimistic, but the results are disappointing. However, there is support for state troopers and there is some support for transit, he said. "Both Sen. Murphy and I will be supporting the bill

because at least we made some progress," Ourada said.

The omnibus transportation bill was granted final passage on a 65-1 roll call vote.

Special Session adjourned

Senators concluded the Special Session by taking action on two bills and two resolutions.

The first bill to gain final passage was a revisor's bill, which makes technical corrections to legislation already enacted during the Regular and Special Sessions. Sen. Don Betzold (DFL-Fridley), chief author, briefly outlined the corrections contained in the revisor's bill, H.F. 53. The measure was granted final passage, 66-0.

The other measure was H.F. 44, an omnibus pensions bill. Betzold reviewed the provisions of the bill. The Senate passed two pensions bills during the Regular Session—one technical and one

substantive in nature, he said. Betzold said the measure is essentially similar to the technical pensions bill. The bill was granted final passage on a 57-6 vote.

Majority Leader Dean Johnson (DFL-Willmar) said discussions with House leadership had yielded an agreement on a date to reconvene the Regular Session. The Regular Session had adjourned into the interim without an agreement between the bodies. Senators approved, on a voice vote, a concurrent resolution setting the reconvening date as Mar. 1, 2006. The Senate also approved a resolution directing the Secretary of the Senate to inform the governor and the House of Representatives of the Senate's intention to adjourn the Special Session sine die.

In other action, Sen. Mark Ourada (R-Buffalo) announced that he would be resigning his Senate seat after the Special Session. "It is with a degree of sadness that I will be leaving this place," he said.



In anticipation of an announcement that a budget deal had been struck between the governor and legislative leaders, members of the media set up camp outside the Governor's Office, Fri., July 8. It would be several hours before an agreement was actually announced.

Photo by David J. Oakes

Shortly after being elected, I developed a great love and respect for this institution, Ourada said. He thanked his Senate colleagues and Senate staff for their friendship, support and assistance during his 11 year career. Johnson and Sen. Steve Murphy (DFL-Red Wing) thanked Ourada for his dedicated service, his friendship and his commitment to improving transportation infrastructure throughout Minnesota.

Agreement reached, 'lights on' temporary funding bill passed

Most of the Fri., July 8, floor session was spent in recess while legislative leaders and members of the administration struggled to reach an agreement on the overall parameters of the remaining items of the state's biennial budget. An agreement was reached in the early morning hours of Sat., July 9, setting the stage for passage of a "lights on" bill that would keep state government open until the final details of the budget bills are reached.

The agreement provides for a 4 percent increase in E-12 education funding in each year of the biennium. The plan specifies that the referendum cap be raised to 26 percent, with \$200 per student of additional referendum authority to "grandfathered" districts. In addition, referendum equalization is increased to \$600 per student in FY 2007 and \$700 per student in FY 2008 and thereafter. The plan establishes a low referendum district equity increase, a metro equity increase and a modified equity formula to

provide statewide equity. The modified equity formula includes \$32 million in school board approved levy as an allowance per pupil for all school districts below the 95th percentile and includes cities of the first class. The education portion of the plan also includes \$10 million aid for early childhood programs and Q Comp at \$78.5 million in aid plus \$9 million in levy with equitable geographic distribution.

In the area of health and human services, the agreement provides \$110 million over the governor's March budget for FY 06-07. The plan maintains current law for MinnesotaCare eligibility and repeals the benefit cap. The plan also restores funding for diabetic supplies. The plan also specifies the full utilization of

the health care access fund balance in both biennia.

The plan provides for \$46 million over the governor's March budget for transit, with \$40 million for Metro Area transit and \$6 million for rural transit. The plan provides for a basic funding bill without a gas tax or license tab or other tax increases.

The agreement includes a health impact fee of 75 cents on cigarettes and tobacco products that will raise \$401 million and provides for a net revenue increase from the governor's March budget revenues of \$232 million. The agreement specifies an additional \$45 million for local government aid, with \$25 million from the general fund and \$20 million from the tax relief account to be



Senators Linda Berglin (DFL-Mpls.) and Dean Johnson (DFL-Willmar) head back to the Governor's Office for one last budget negotiation session at 1:06 a.m., Sat., July 9. Shortly thereafter, an agreement was announced, ending the lengthy stalemate.

Photo by David J. Oakes

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From left, Senators Debbie Johnson (R-Ham Lake), Chris Gerlach (R-Apple Valley), Dave Kleis (R-St. Cloud) and Carrie Ruud (R-Breezy Point) closely examine a tally of the House of Representatives' vote on the Health and Human Services omnibus bill at 6:35 p.m., Wed., July 13.

Photo by David J. Oakes

used only for the current formula or small cities, or for adjustments to avoid excess aid. The agreement assumes health savings account conformity, single sales and gross premium tax reduction.

The plan also calls for the House and Senate to pass and send to the governor a bill authorizing continued spending at FY 05 appropriated levels until midnight, Thurs., July 14. In addition, the governor agreed not to line item veto a variety of specific provisions referenced in the plan. Finally, the plan requires the various working groups to make decisions by 5 p.m., Mon., July 11, on the details of the omnibus bills and for the bills to gain final passage by 8 p.m., Wed., July 13.

Members of the Senate returned from recess at 2:45 a.m. in order to receive a message from the House indicating passage of H.F. 111. The bill, carried by Sen. Ann Rest (DFL-New Hope), provides for transitional appropriations for state agencies and programs. The bill is

retroactive to July 1, Rest said, and funding will last until Thurs., July 14. The bill was granted final passage on a 53-1 roll call vote.

Environment bill passed

Members began the Thurs., June 30, floor session with passage of the omnibus environment, agriculture and economic development appropriations bill. Sen. Thomas Bakk (DFL-Cook) offered an amendment containing appropriations agreed upon by the working group charged to a bill with the same subject that had been advanced to the floor earlier in the week.

Sen. Thomas Neuville (R-Northfield) offered an amendment to the amendment to nullify the court order issued last week and appropriate money for core and essential services. "The amendment will avert a constitutional confrontation with the courts," Neuville said. The amendment takes jurisdiction away from the

courts he added. Neuville said the reason he is offering the amendment is that the bill is going to pass and may be the only vehicle available. "I am not confident that if we try to continue funding for a number of days that it will work," Neuville said.

Sen. Richard Cohen (DFL-St. Paul) said that there was an agreement with the House that there be no amendments to the omnibus appropriations bill. He also said that by the end of the day there would be some approach to passing a lights on bill. "I am reluctant to violate the agreement with the House," Cohen said.

Supporters said the amendment is necessary because the constitution requires the legislature to make appropriations. Sen. Michele Bachmann (R-Stillwater) said the constitution specifies that the Legislature has the sole authority to make appropriations. She said the appointment of a special master to make funding decisions violates the constitution.

Sen. Don Betzold (DFL-Fridley) raised the question of germaneness. He said the amendment to the amendment is for a substantially different purpose and is a substantially different subject because the amendment is for appropriations for environment, agriculture and economic development and the Neuville amendment provides for funding all state government. Neuville argued that the amendment already contains appropriations for several state agencies. The amendment to the amendment was ruled germane.

Bakk spoke in opposition and said the amendment to the amendment upset the negotiated agreement of the working group. Neuville said the amendment to the amendment does not make substantive changes to the underlying amendment. The amendment to the amendment failed on a 29-35 roll call vote.

Bakk explained the amendment containing the omnibus appropriations. He said the agricultural portion of the amendment provides for the total appropriation specified by the governor, but the environmental portion of the bill contains appropriations that surpass the governor's recommendation. He said there was some disagreement on provisions relating to feedlots, but that the appropriations portions had broad agreement. In the environment portion of the bill, spending totals just over \$1 billion from all funds. The economic development provisions include general fund appropriations of \$272.6 million.

Members adopted the amendment.

Sen. John Marty (DFL-Roseville) offered an amendment to delete a portion of the bill that reclassifies forest land for off-

highway vehicle use north of Highway 2. Marty said a lengthy amendment added by the working group the previous day undoes the compromise reached in 2003 on off-highway vehicle use of forest land. Sen. Carrie Ruud (R-Breezy Point) spoke in support of the amendment and said the lands opened to off-highway vehicle use are very sensitive and must be protected. The amendment was adopted on a 34-25 roll call vote.

Sen. Dennis Frederickson (R-New Ulm) offered an amendment to a section of the bill creating a task force to study and make recommendations on the operation of the Legislative Commission on Minnesota Resources (LCMR). Frederickson's amendment removes a sunset date of June 30, 2006, relating to the LCMR's ability to make environmental funding recommendations. The amendment was adopted.

Members recessed briefly and upon returning, Sen. Ann Rest (DFL-New

Hope) moved that the vote whereby the amendment relating to off-highway vehicles be reconsidered. The motion was adopted and members voted again on the amendment. The amendment failed on 26-37 roll call vote.

Sen. Satveer Chaudhary (DFL-Fridley) moved to reconsider the vote on the amendment relating to the LCMR. The motion to reconsider was adopted and the amendment failed on a 9-52 roll call vote when members voted again.

Bachmann offered an amendment to delete a provision adding an assessment to funds collected for the unemployment insurance program. The amendment failed on a 23-38 roll call vote.

The bill was granted final passage on a 57-6 roll call vote.

'Lights on' bill okayed

A bill providing minimal funding to prevent a partial government shutdown



Senators Keith Langseth (DFL-Glyndon) and Becky Lourey (DFL-Kerrick) converse in the Senate chamber during a lull in the action at 7:04 p.m., Wed., July 13.

Photo by David J. Oakes

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was approved by Senators during the early evening hours of the Thurs., June 30, session.

Sen. Richard Cohen (DFL-St. Paul), chief sponsor, said S.F. 65 is an effort to continue to provide government services while Legislators debate their differences. The bill mirrors the "structural balance" bill passed during the regular session, he said, and offers base-level funding for health, human services and education. Cohen offered an amendment deleting provisions relating to funding for environment, agriculture and economic development activity. The amendment was adopted.

Funding a full biennium is too aggressive an approach, said Sen. Dennis Frederickson (R-New Ulm). Frederickson offered an amendment reducing the appropriations to enough to fund one month's operations. This gives us time to

find an agreement while services go forward, he said. There is no reason for Legislators to continue "playing around in the sandbox," said Sen. Dick Day (R-Owatonna). We have been here for almost six months, he said, and we do not need to give the same dysfunctional group more time for meetings going nowhere. Day said Senators should let things settle down for a period of time, allowing public pressure to build until a deal is reached. However, Sen. Steve Kelley (DFL-Hopkins) said people should not be made to suffer while lawmakers work out their differences.

Sen. Dave Kleis (R-St. Cloud) said the body should not be discussing extending the gridlock, but should turn to solving the problem. If we do not take real action now, we will get into a pattern of passing extension bills as we approach every deadline, said Sen. Julianne Ortman (R-Chanhassen). Sen. Linda Berglin

(DFL-Mpls.) also spoke against the amendment, saying that a 30-day deadline is not going to get the job done any sooner. In spite of the time we have had, she said, the real negotiating started only recently.

An amendment to the amendment, offered by Sen. Betsy Wergin (R-Princeton), reduced the time frame to just over a week, allowing the appropriations only until July 9. We do not deserve more time, said Wergin, but one week is more pressure than one month. Sen. John Hottinger (DFL-St. Peter) supported the amendment, saying a few extra days is all we need. Without a deadline, we will be here for months, he said, and the public will not be well served. Kleis spoke against the amendment, noting that none of the existing deadlines have worked to give rise to a deal. Sen. David Gaither (R-Plymouth) said the time to consider a lights-on appropriation is after a compre-



Senators Mike McGinn (R-Eagan), left, and Dick Day (R-Owatonna) examine a school district revenue spreadsheet during discussion on the omnibus E-12 education bill at 6:38 p.m., Wed., July 13.

Photo by David J. Oakes

hensive budget deal has been agreed to by all parties. Now is not the time for an extension, he said.

The Wergin amendment to the amendment was not adopted on a 26-36 roll call vote.

Sen. Thomas Neuville (R-Northfield) offered an amendment to the Frederickson amendment that reduces the extension to five days. We need a few more days, but not a month, Neuville said. Berglin said the deadline was not realistic, considering the logistics of putting together a major omnibus spending bill. The Neuville amendment to the amendment was rejected, 24-39.

The Frederickson amendment was not adopted, 28-35.

Sen. Linda Scheid (DFL-Brooklyn Park) offered an amendment ratifying an administration proposal to provide unrepresented employees the same terms as union-represented employees. Scheid acknowledged that some of the affected employees are political employees. Many of them are not, she said, but are career employees who have risen to the top of state agencies. The amendment was adopted on a voice vote.

An amendment deleting provisions of the bill unrelated to education was offered by Kleis. The amendment also adds to the bill the contents of the omnibus education bill passed by the Senate during the regular session. We should narrow the focus of this bill to one topic, Kleis said, and move forward with a complete major element of the budget. The amendment was not adopted, 31-32.

Saying legislative leaders and the governor should return to the negotiating table, Ortman moved to table the bill. The motion did not prevail, 28-35.

Sen. Steve Murphy (DFL-Red Wing) offered an amendment providing a "lights on" budget for transportation. The amendment also contains noncontroversial transportation policy items that did not get enacted during the regular session, he said. The amendment was adopted on a voice vote.

An amendment adding language clarifying that the bill is intended to avoid a confrontation with the other branches of government was offered by Neuville. The amendment also removes judicial jurisdiction over the appropriation of state funds and nullifies an order from the Ramsey County District Court providing

funding for essential state services. Neuville said the amendment reasserts the constitutional right and duty of the Legislature to make appropriations. Cohen said the amendment is unnecessary. If we pass the bill, we do not have to worry about the court, he said. We should allow a parallel process to continue, in case it is needed, Cohen said. Sen. Ann Rest (DFL-New Hope) said the amendment properly asserts the correct separation of powers framework.

Sen. Sharon Marko (DFL-Cottage Grove) spoke against the amendment, saying the bill does not fund transit operations in the Metro Area or Greater Minnesota. Without the court order, she said, we will leave drivers without work and thousands of other Minnesotans without a way to get around. Hottinger said the Legislature should adopt the contents of the judge's order, thereby ensuring the continuation of essential services, but also reassert its rightful place. The amendment was not adopted, on a 30-33 roll call vote.

An amendment prohibiting the payment of salaries and other expenses to Legislators during a government shutdown was offered by Sen. Sean Nienow (R-



From left, Speaker of the House Steve Sviggum (R-Kenyon), Gov. Tim Pawlenty and Senate Majority Leader Dean Johnson (DFL-Willmar) initiate budget discussions during a public negotiating session in the Governor's Office, Tues., May 24. The governor had called Legislators back for a special session immediately following the end of the Regular Session.

Photo by Shelley Hawes

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Cambridge). Without thousands of employees out of work, he said, there is no reason for us to get paid. The amendment was rejected, 25-34.

Education

Final agreement reached

Members of the Education Working Group finished their negotiations in the early morning hours of Mon., July 11. The panel, chaired by Sen. LeRoy Stumpf (DFL-Plummer) and Rep. Barb Sykora (R-Excelsior), shaped the final proposal to conform to an agreement reached between legislative leadership and the governor, Fri., July 8. The resulting package contains a total of \$800 million in additional spending for E-12 education. Much of the additional spending is in an increase in the basic formula allowance from \$4,601 per pupil to \$4,783 per pupil for FY 2006 and by another \$191 per pupil to \$4974 in fiscal year 2007 and later. The increase amounts to about 4 percent in each year of the biennium.

The measure also makes changes in equity revenue. The measure adds new components to equity revenue. The bill specifies that if a district that has referendum revenue of less than 10 percent of the state average referendum revenue per pupil receives additional revenue to bring the district up to the 10 percent level. The measure caps the maximum revenue a district can receive under the equity revenue provisions at \$100,000. The measure increases the equity amounts for Metro Area districts by 25 percent for FY 2006 and later. In addition, the measure provides districts that have referendum revenue below the 95th percentile with an additional \$46 times the adjusted marginal cost pupil units. Finally, the measure provides districts that have referendum revenue above the 95th percentile with an additional \$23 times their adjusted marginal cost pupil units.

The proposal also increases the general referendum allowance limit from 18.6 percent of the basic formula allowance to 26 percent of the basic formula allowance and adjusts the alternative maximum allowance for districts that were capped in 1999 upwards by \$200 per pupil unit.

The measure also includes provisions on teacher compensation, student academic expectations, student attendance, charter schools, statewide testing and other programs to encourage educational excellence. A teacher compensa-

tion plan, known as Q Comp, is included in the package and is funded at \$78.5 million in aid, plus \$9 million in levy.

Under the proposal, the Minnesota Humanities Commission is reestablished, a task force of special education to nonpublic school students is created and the tuition calculation that nonresident school districts must use to bill resident school districts for unreimbursed special educational costs is reconfigured. The measure also includes provisions on school nutrition programs, school district accounting, debt service, maximum effort, taconite production and online learning.

An additional \$10 million is provided for early childhood education. The measure also includes provisions on the lead abatement program, appropriations for other prevention programs, provisions for adult basic education and funding for other programs promoting self-sufficiency and lifelong learning.

Environment, Agriculture and Economic Development

Omnibus package approved

An omnibus spending package for government programs in the environment, agriculture and economic development areas of government gained the support of members of the Environment, Agriculture and Economic Development Working Group at their Wed., June 29, meeting. The panel, led by Sen. Thomas Bakk (DFL-Cook) and Rep. Dennis Ozment (R-Rosemount), approved over \$674 million in general fund appropriations for FY 06-07.

Before the panel reviewed the language and spreadsheets, Bakk explained the proposed process. He said the articles would be combined into one delete-everything amendment to S.F. 69, which is awaiting action on the Senate floor. Legislative staff then walked members of the working group through the proposal. In the agriculture area, the proposal provides for \$151.279 million in spending from all funds, including \$85.834 million from the general fund. It includes \$500,000 for E-85 pump grants and \$200,000 for ethanol efficiency grants; the grants are funded through a reduction in payments to ethanol producers.

The environment portion of the package provides for just over \$1 billion in spending from all funds, including \$316

million from the general fund. It includes spending based on several fee increases, extends the life of the off-highway vehicle (OHV) damage account and transfers funds from other accounts into the general fund. The package also provides for a merger of the Office of Environmental Assistance into the Pollution Control Agency, while maintaining a separate line-item within the PCA for OEA operations. The economic development provisions include \$388.1 million in appropriations from all funds, with a net general fund impact of \$272.6 million.

Members also adopted an amendment, offered by Sen. Tom Hackbarth (R-Cedar), relating to OHV regulation. The amendment funds a study of gasoline used by OHVs, a study of the feasibility of using OHVs on the North Shore Trail and a new OHV safety and conservation grant program. The amendment also regulates sound emissions of off-highway motorcycles, establishes a rider education program and permits the use of OHVs when trapping or hunting.

Health and Human Services

Agreement approved

Members of the Health and Human Services Working Group met into the wee hours of Tues., July 12, to complete work on an omnibus bill reflecting the broad outlines of the agreement reached by Legislative leaders and the governor, Fri., July 8.

The panel, chaired by Sen. Linda Berglin (DFL-Mpls.) and Rep. Fran Bradley (R-Rochester), approved a bill providing for \$108 million in net revenue to all funds. The bulk of the revenue is for the general fund, from the new health impact fee of 75 cents per pack of cigarettes, with net spending in other major funds. The impact to the general fund is \$366.79 million in revenue, while spending in the health care access fund amounts to \$197.634 million for the biennium.

The agreement includes funding for homelessness prevention and transition, a reduction in child care license fees, an expansion in eligibility for basic sliding fee child care and numerous provisions relating to cost-effective pharmaceutical purchasing. It also modifies the MinnesotaCare program by repealing both the limited benefit set and the \$5,000 coverage cap, increasing premiums by 10 percent and making numerous eligibility



Members of the Tax Working Group near completion of an omnibus tax bill, Mon., July 11. Representing the Senate during negotiations were, from left, Senators Mee Moua (DFL-St. Paul), Don Betzold (DFL-Fridley), Lawrence Pogemiller (DFL-Mpls.), William Belanger (R-Bloomington) and Rod Skoe (DFL-Clearbrook).

Photo by David J. Oakes

reforms. The agreement does not, however, provide for removing from eligibility single adults without children. The proposal also eliminates coverage, under the public health insurance programs, for sex change operations, erectile dysfunction drugs and circumcisions. It provides for refunds to persons affected by Medical Assistance liens on life estates established after Aug. 1, 2003. The agreement also provides for increased reimbursement rates for long-term care providers. The bill eliminates the suicide prevention grant and dental loan forgiveness programs and increases the drinking water connection fee to provide additional funds for the drinking water protection program.

Rules and Administration

Closing business conducted

Several items routine to the closure of a Legislative Session were the focus of the Wed., July 13, meeting of the Rules and Administration Committee. The panel, chaired by Sen. Dean Johnson (DFL-Willmar), approved a resolution directing the Secretary of the Senate to

inform the governor and other body that the Senate is about to adjourn sine die; to have effect, the resolution must be introduced and granted final action on the Senate floor. Committee members also approved a policy memorandum relating to interim per diem and travel, mileage and lodging expenses for Senators. The committee adopted a new policy relating to travel by Senators and staff. The policy had been discussed at a committee meeting held several months earlier; the policy approved was the result of discussions conducted by a bipartisan ad hoc group that met after the earlier meeting. The panel also approved a resolution permitting staff who put in extraordinary amounts of extra work time related to the Special Session to be granted compensatory time and approved amendments to the roster of Senate employees.

Tax

Tax bill finalized

Work on the omnibus tax bill was completed in the early morning hours of

Tues., July 12. The Tax Working Group, led by Sen. Lawrence Pogemiller (DFL-Mpls.) and Rep. Ron Abrams (R-Minnetonka), approved a measure that fits within the guidelines of the global agreement reached between legislative leaders and the governor, Fri., July 8.

The bill extends by two years the phase-out schedule for the limited market value program, reinstitutes the low-income rental housing classification, freezes the taconite production tax rate for 2005 at the 2004 level, provides one-year valuation reductions for properties with defects due to mold or lead hazard contamination when the defect has been corrected and delays the Bloomington repayment to the fiscal disparities pool by three years. The measure also increases the annual local government aid appropriation by \$48 million and provides extra aid to cities with populations of fewer than 5,000. The bill allows income tax subtractions for members of the military in active service and for expenses incurred by live organ donors, allows parents to claim the K-12 education credit for more than 2 children, eliminates the one

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percent income threshold on the subtraction of charitable contributions under the alternative minimum tax and adopts a single sales apportionment regime under the corporate franchise tax over an eight-year phase-in from 2007 to 2014. Provisions in the bill provide for conformity with federal tax law, including tax-favored health savings accounts. However, the bill does not include conformity with the increase in the standard deduction for married persons filing jointly.

The measure effectively reinstates two sales taxes: the extra tax on short-term motor vehicle leases and the additional sales tax on alcohol. It also requires upfront payment of the sales tax on long-term motor vehicle leases, exempts the construction materials for numerous projects from the sales tax, permits local-option sales taxes in eight communities and permits special lodging taxes in two communities. The bill makes numerous corrections in the Job Opportunity Building Zones program, authorizes the creation of an international economic development zone near the Minneapolis-St. Paul International Airport and establishes a voluntary compliance initiative to encourage entities using abusive tax shelters to disclose their activity and correct their tax returns.

Transportation

Funding package okayed

As part of the general agreement on the state budget reached by the governor and legislative leaders, a bare bones transportation funding package was okayed. The resulting bill, H.F. 140, contains funding for transportation, the Metropolitan Council and public safety activities.

The measure provides for various fees, allocates county state-aid highway funds and increases some traffic violation fines. The package, carried by Sen. Steve Murphy (DFL-Red Wing), eliminates the current insurance verification program, provides for wetland replacement near the city of Cologne, and provides additional funding for transit.

According to the general agreement, transit operations receive an additional \$46 million under the bill. The measure specifies that \$40 million be used for Metro Area transit and \$6 million be appropriated for transit in Greater Minnesota. Murphy said the additional

funds are needed to make up for deficiencies in current transit budgets.

The bill is essentially the governor's transportation proposal, Murphy said, with a few additional noncontroversial policy changes. The appropriations in the bill total \$3.893 billion from all funds, with \$205 million from the general fund, \$38.9 million from the airports fund, \$895 million from the county state aid highway fund, \$237 million from the municipal state aid street fund, \$90 million from the special revenue fund, \$17 million from the highway user fund and \$2.408 billion from the trunk highway fund.

Along with normal appropriations, the bill specifies that \$1.016 million be appropriated for soft body armor reimbursements, \$755,000 be appropriated for payment of public safety officer survivor benefits and \$3.7 million is appropriated for additional State Patrol positions.

A variety of fees are raised under the proposal. Vehicle registration, title transfers, expedited driver and vehicle services, driver and vehicle records and drivers license and identification card fees are all increased under the bill. The measure also authorizes the issuance of special license plates for veterans of the Iraq War, the Afghan War and the Global War on Terrorism.

Other policy changes include designation of a portion Trunk Highway

371 as the Purple Heart Memorial Highway, designation of a bridge over the St. Louis River as the Blauswah Bridge in Honor of Native American Veterans and designation, upon agreement with the Fond du Lac Band of Lake Superior Chippewa and the city of Duluth, of the Roussain Cemetery. The measure also provides for a six month drivers license revocation for persons who violate speed limits by driving more than 100 miles per hour. In addition, the bill provides doubling the fine for all speeding violations. The bill prohibits persons under the age of 18 and provisional license holders from using a cell phone while driving.

Another policy provision creates a Commuter Rail Corridor Coordinating Committee to advise the commissioner of transportation on issues relating to commuter rail. In addition, the measure directs the commissioner of transportation to develop and implement a town road sign replacement program.

The current program of random verification of insurance coverage is suspended under the bill and the commissioner of public safety is directed to report to the Legislature on the operation of the vehicle insurance verification program and the impact of the program on the identification and number of uninsured motorists. Finally, the bill authorizes an additional deputy registrar of motor vehicles for Hennepin County.



On the sixth day of a partial government shutdown, Wed., July 6, hundreds of state employees gathered in the Capitol Rotunda to voice their displeasure and to sign a petition intended for delivery to the governor and legislative leaders.

Photo by David J. Oakes