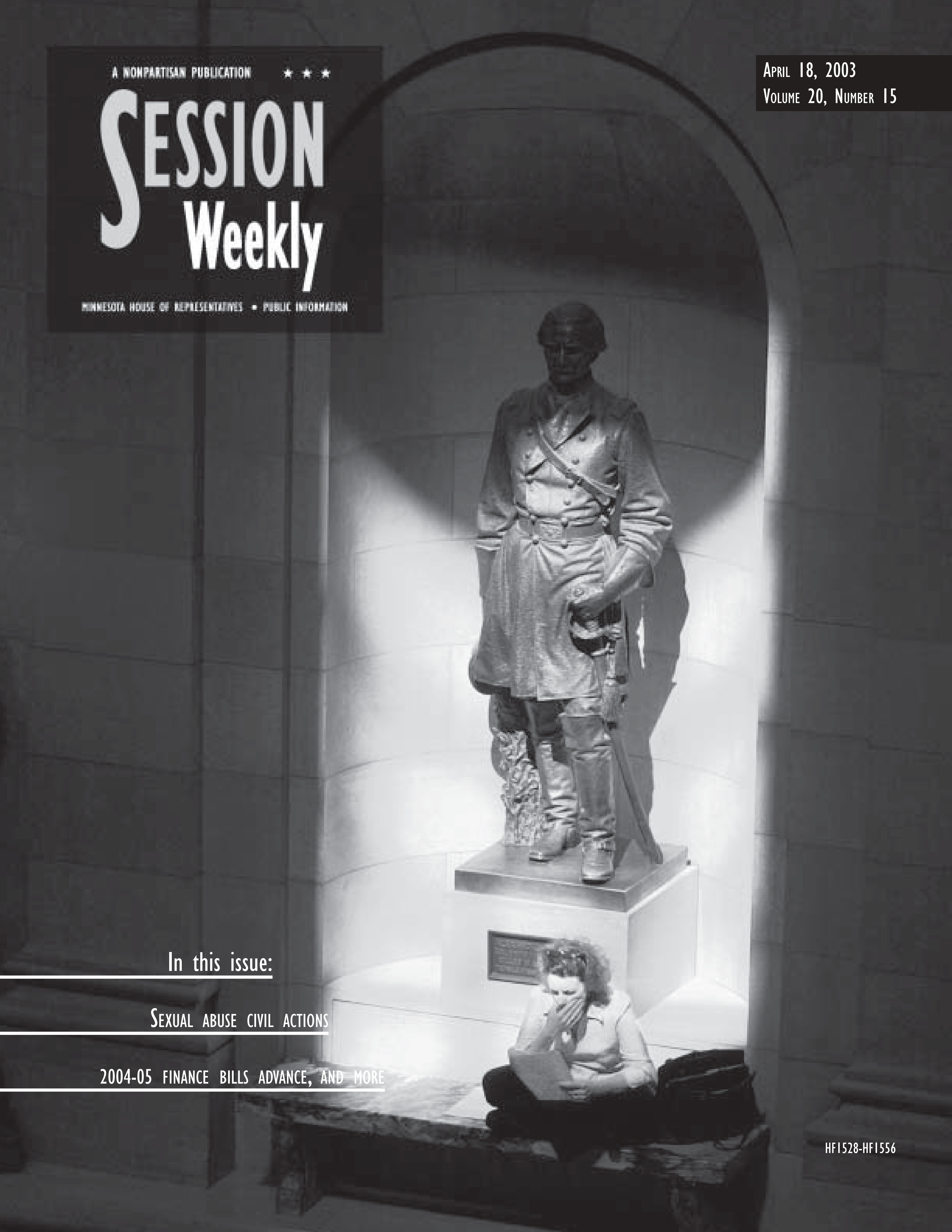
A NONPARTISAN PUBLICATION ★ ★ ★

SESSION Weekly

MINNESOTA HOUSE OF REPRESENTATIVES • PUBLIC INFORMATION

APRIL 18, 2003
VOLUME 20, NUMBER 15



In this issue:

SEXUAL ABUSE CIVIL ACTIONS

2004-05 FINANCE BILLS ADVANCE, AND MORE

HF1528-HF1556

SESSION Weekly

Session Weekly is a nonpartisan publication of the Minnesota House of Representatives Public Information Services. During the 2003-2004 Legislative Session, each issue reports daily House action between Thursdays of each week, lists bill introductions and upcoming committee meeting schedules, and provides other information. The publication is a service of the Minnesota House. No fee.

To subscribe, contact:
Minnesota House of Representatives
Public Information Services
175 State Office Building
St. Paul, MN 55155-1298
(651) 296-2146 or
1-800-657-3550
TTY (651) 296-9896

Director
Barry LaGrave

Assistant Director
LeClair G. Lambert

Editor/Assistant Director
Michelle Kibiger

Assistant Editor
Mike Cook

Art & Production Coordinator
Paul Battaglia

Writers
Miranda Bryant, Patty Janovec,
Jeff Jones, Tom Lonergan

Chief Photographer
Tom Olmscheid

Photographers
Andrew Von Bank, Kristine Larsen

Office Manager
Nicole Wood

Staff Assistants
Christy Novak, Joseph Rude

Session Weekly (ISSN 1049-8176) is published weekly during the legislative session by the Minnesota House of Representatives Public Information Services, 175 State Office Building, St. Paul, MN 55155-1298. Periodicals postage paid at St. Paul, MN, and at additional mailing offices. POSTMASTER: Send address changes to ***Session Weekly***, Public Information Services, Minnesota House of Representatives, 175 State Office Building, St. Paul, MN 55155-1298.

Printed on recycled paper which is 50% recycled, 30% post-consumer content.

Printed on recycled paper · PRINTED WITH SOY INK

CONTENTS

HIGHLIGHTS

FEATURES

DEPARTMENTS/RESOURCES

On the cover: Alyssa Schlander, a lobbyist for the Minnesota Automobile Dealers Association, reads a bill while sitting in a beam of sunlight at the base of Civil War Col. Alexander Wilkin in the Capitol Rotunda April 14. Wilkin, who served with the Ninth Minnesota Volunteer Infantry, was killed at the Battle of Tupelo, Mississippi on July 14, 1864.

— Photo by Tom Olmscheid

Never too late?

Bill would rewrite the statute of limitations for those who are sexually abused as a child to file charges

BY JEFF JONES

Members of the House Civil Law Committee grappled with an often emotional issue in today's context at its April 11 meeting: how old is too old to still be haunted by the memories of sexual abuse and how long organizations should be responsible for such actions.

A bill to extend the amount of time childhood sexual abuse victims have to sue their abusers awaits action on the Senate floor, breathing life into a similar House proposal that had gone unheard before the last-minute Friday meeting.

The House bill's sponsor, Rep. Mary Liz Holberg (R-Lakeville), chair of the civil law committee, said she was frustrated that parties representing the different sides of the issue had failed to meet earlier in the session.

Nonetheless, Holberg said she crafted a compromise of her own in hopes of spurring discussion on the proposal, which has mixed support from legislators.

"It was obvious to me that the bill would not pass the House in its current form," Holberg said of the original version of HF386, which would have allowed up to 30 years for abuse victims to file suit. An amendment the committee adopted would allow a maximum of 14 years under certain circumstances, still a significant increase from the current six-year limit.

Paul Dymit of Crystal, said a teacher continuously abused him while he was a teenager. He testified he did not realize the harm it had done him until he was writing a suicide note at age 29. He said he tried to explain in the note "when it was in my life that things changed so drastically … and all I could do was think back to when I was in that 'relationship.'"

Dymit said a psychological test concluded that his cognitive development was interrupted at age 14 as a result of the abuse, causing him to relapse to childhood behaviors when life gets too stressful.

Eventually the teacher who abused him was imprisoned, but only after similarly abusing more than 100 other children. "I'm only one of those children that came forward," Dymit said. "And I couldn't do it until I was 29."

Current law would seem to allow people like Dymit to bring civil charges against abusers even later in life. The six-year statute of limitations would start when the victim "knew or had reason to know" their injuries were caused by the sexual abuse. Since Dymit didn't realize the extent of the psychological damage until age 29, the clock would start ticking then.

But the Minnesota Supreme Court ruled that standard too nebulous to be practical. Saying a reasonable person should realize the abuse itself causes injury, the court said the six years begins with the act of abuse. In the case of children, that limit begins when they reach age 18, effectively setting a deadline at age 24.

PHOTO BY ANDREW VON BANK

Paul Dymit of Crystal gives emotional testimony to the House Civil Law Committee April 11 in support of a bill that would modify childhood sexual abuse personal injury civil action limitations.

Victims said the court's interpretation makes it necessary to change the law.

Susan Fuchs-Hoeschen of Sauk Rapids, a social worker who regularly works with abuse victims, and a victim of childhood abuse herself, said many people don't realize the effect of abuse until their children reach the same age as when they were abused. But by then it's too late to bring suit. "It's a victim's job to forget in order to go forward and eventually a survivor's job to remember," she said.

While no one seems to deny the suffering abuse victims experience, there is wide disagreement about the effects of waiting so long to seek damages from their abuser. At the heart of the issue is the fact that the institutions responsible for overseeing abusers are also liable for damages under state law if they negligently permitted the abuse to occur.

This means that any bill potentially opening the floodgates for new litigation against abusers also poses a threat to the institutions with which they are or were associated. Since churches and schools top the list of potential litigants, Holberg said there is legitimate reason to provide them some protection.

"(One) issue that continues to concern me is the importance of these institutions in society, whether it be church groups, schools, athletic associations, or camps," she said. "To totally annihilate these institutions can have very negative ramifications on other elements of society as well."

Bankruptcy and skyrocketing insurance rates loom for many groups found liable for a person's abuse or forced to reach a settlement with victims, according to Ray Frost, a lobbyist for the Minnesota Childcare Association. "One case like this would have an unbelievable effect on whether or not we as an industry can continue to care for kids," he said.

Daniel Connelly, a lawyer and lobbyist for the Minnesota Religious Council, said in many cases organizations are not financially equipped to even respond to charges, especially if the alleged abuse occurred many years ago.

"When you're talking about something 22 years ago, it's very difficult to find out what you know, let alone what you should have known," Connelly said.

Holberg said no matter the limits, it is essential that abuse crimes are reported to police.

"The number one concern is making sure that perpetrators aren't allowed to continue to commit this crime," she said. Abuse would have to be reported to law enforcement before victims would gain any protections from her bill.

Under the bill, victims would have to file civil suit within five years of reporting the crime, but no later than nine years after the abuse occurred. Since the provision would only apply to abuse against minors and limitations don't apply until adulthood, it would mean victims who report when they become adults would have until age 26 to file suit.

Victims who never report the crime would be subject to the standard two-year limit on civil actions, giving them until age 20.

An exception in the bill allows for parents to report the abuse while their child is still a minor. In that case the victim has 14 years — until age 32 — to bring suit. If DNA evidence of the crime is available, there would be no limit to when action may be brought against an alleged abuser.

The bill now goes to the House floor. Holberg said she may convene an informal meeting before the bill is taken up to consider adding other language.

A Senate version of the proposal (SF575), sponsored by Sen. Gary Kubly (DFL-Granite Falls), awaits a vote on the floor. It would retain the six-year time limit but redefine what constitutes knowledge of an injury.

Clarification

A story on feedlot regulations in the April 4 issue of Session Weekly referred to testimony regarding the number of sows on a 1,000 animal-unit farm. The testimony should have been attributed to Dave Preisler from the Minnesota Pork Producers Association.

For more information about the guidelines used to calculate animal unit regulations for feedlots, please refer to the Minnesota Pollution Control Agency's feedlot Web site at http://www.pca.state.mn.us/hot/feedlots.html.

IT'S A FACT

Honoring veterans

Hiring preferences date back to early 20th century

For nearly as long as Minnesota has been a state, Minnesota's military veterans have been honored for their service to freedom.

In addition to being revered for their time spent fighting for their country, Minnesota veterans have been given preference through employment, as has been the case in many states since the Civil War.

Minnesota has been very generous and "consistently in support of veterans," said Clint Bucher, veterans' preference officer with the Minnesota Department of Veteran's Affairs.

"On the job" veterans' training at Red Wing in 1948.

Photo courtesy of the Minnesota Historical Society

For example, he said that the state offered veteran's tuition waivers and private employers offered jobs to all soldiers returning from the Spanish-American War.

However, the system was not perfect.

In 1948 a Minnesota Legislative Research Committee was established to review veteran's preference in Minnesota. The committee found problems with preferences because they conflicted with "the merit system," and said the law requires unqualified candidates to be hired for positions.

Noted the committee, "Personnel administrators generally agree that veterans' preference is more of a potential problem than an existing problem." The committee recommended that veterans be given preference upon meeting minimum standards and "should recognize the democratic principle of open competition for public employment."

Another change was suggested in the credit points rating system. At the time, and extending to today, state employers were instructed to use a point system when hiring. A veteran was entitled to receive an additional five points, while a disabled veteran was allotted 10 points.

The committee suggested that extra points only be given at the entrance of service, and not additionally during promotions. The Legislature went through several changes including an amendment during the 1967 Legislative Session that gave veterans a one time set of points during the promotional examinations. State law currently instructs extra points to be given during the review of the application, and at no other time.

Although today's standards are more stringent, at the time of the research committee, a person who had served as little as 24 hours in the service qualified for hiring preferences. The committee suggested the time frame for preference to be given to a veteran "should be limited to a period of five years after the war, or five years after discharge from a war service, whichever date is later." Now, active duty must have been at least 181 consecutive days to qualify for preference, and there are no time limits.

A Legislative Research Committee on Factors Affecting a Proposed Veterans Bonus in 1948 acknowledged bonuses paid to "veterans of World War I and veterans of all other conflicts beginning with the Spanish-American War." The report states they were paid by current tax receipts or by property tax levies, and were "uniform without regard to foreign or domestic service."

World War I payments were $15 per month. This preference is continued today with the Legislature determining the amounts based on the state's fiscal status.

The most recent bonus paid was $300 for soldiers who served during the Persian Gulf war, with $600 going to those in the combat zone, Bucher explained. Because of the state's current budget situation, Bucher said most veteran's organizations will most likely wait to address the possible addition of bonuses for Minnesota's soldiers fighting the war in Iraq.

Over time, little has changed in regards to positions where hiring preferences are excluded from certain positions in state and local government. Currently those include civil service employees, private secretaries, teachers, confidential assistants, and heads of departments or chief deputies of elected officials.

(P. Janovec)

★ AGRICULTURE

Omnibus finance plan

State funding of the Minnesota Department of Agriculture for 2004-05 would total $84.9 million under an omnibus finance bill approved April 15 by the House Agriculture and Rural Development Finance Committee. The omnibus bill provides a total of $90.5 million in agriculture-related funding for the biennium.

Sponsored by Rep. Elaine Harder (R-Jackson), HF752, which outlines the proposed biennial budget for the Agriculture Department and related programs, was referred to the House Ways and Means Committee.

The bill would increase the state general fund appropriation for agriculture by about $13 million over Gov. Tim Pawlenty's recommended $72 million.

The total department budget for the next two years would be about $148 million, including expected federal funding, as well as permit and fee revenue. More than half of the department's operating revenue comes from 300 fee categories that fund regulatory and inspection services in the nursery, horticulture, and seed industries; food inspections; and a portion of dairy and other farm-related inspections.

What's in the bill:

Selected bills included in HF752:
HF649 (Swenson)
HF1090 (Demmer)
HF1096 (Harder)
HF1202 (Ozment)

A major difference between the committee's bill and the governor's budget proposal is funding of the ethanol producer payment program for 2004-05.

The plan proposes nearly $44.4 million for assisting the state's eligible ethanol producers, $10.2 million more than recommended by the Pawlenty administration. The bill would base ethanol producer payments at 13 cents per gallon, 3 cents per gallon more than the governor's proposal.

The bill also proposes full restoration of the ethanol program at $35 million per fiscal year, based on 20 cents per gallon produced. That provision would allow ethanol plants to catch up to the program's level of funding prior to the governor's $20 million cut in ethanol payments in February to help address the state's fiscal year 2003 budget deficit.

Producers would be able to collect catch-up payments either before or after June 30, 2010, the date under the bill when the ethanol program would end.

Ethanol producers would have to file an ownership and financial disclosure statement to receive payments after July 1, 2003, according to a Harder-sponsored amendment that was approved. The statement, to be filed with the department, would verify that the majority owners in a plant that would benefit from state payments are Minnesota residents.

The Board of Animal Health would remain an independent agency, under the committee's bill, with a proposed two-year budget of $8.1 million, including federal funds. The governor recommends the board become part of the Agriculture Department.

An amendment, sponsored by Rep. Al Juhnke (DFL-Willmar), to allow the Agricultural Utilization and Research Institute to remain a separate program was defeated. The bill proposes that the research, development, and technical training institute become the department's Agricultural Innovation Center with a budget of $2 million and offices in Crookston and Marshall. The institute's current funding would be cut by $5 million.

The bill would also restore $359,000 in state grant money to agricultural societies for county fairs. The Legislature has appropriated the fair-support money since 1868, but Pawlenty recommended that it end. The grants provide award premiums for youth programs and other fair exhibitors. Narrowly defeated was an amendment by Juhnke that would have restored $357,000 in county fair payments the governor cut in February.

The bill also proposes increases in 25 categories of food handler and food processing inspection fees, dairy farm re-inspection fees, and would establish new fees and a dedicated account to fund an expanded nursery and horticulture inspection program.

Honoring Governor Freeman

A new office building for the state Agriculture and Health departments would be named in honor of the late Orville L. Freeman, under a bill the House passed 131-2 on April 10.

Freeman, who died Feb. 20 at age 84, was the state's 29th governor, serving from 1955-61, and served in two presidential administrations as the U.S. Secretary of Agriculture from 1961 to 1969. In 1954, he was the first gubernatorial candidate to be elected from the Democratic-Farmer-Labor Party, formed in the 1940s.

Citing Freeman's support of agriculture in the state and nation during his career, Rep. Dean Urdahl (R-Grove City), the sponsor of HF1374, said, "It's fitting that the Minnesota Agriculture building be part of his legacy."

Noting bipartisan support for the bill, Rep. Bud Heidgerken (R-Freeport) recalled that Freeman "was a friend of the family." Heidgerken's father took Freeman from "farm to farm and small town to small town" in Stearns County, Heidgerken said.

"He was a governor who made government work," said Rep. Irv Anderson (DFL-Int'l Falls), who was first elected to the House during Freeman's service in the Lyndon Johnson administration.

Site preparation for the new $77.2 million building, to be located just off the main State Capitol complex, began in April, according to the state Department of Administration. Construction is to start this summer with occupancy planned for fall 2005.

The 342,000 square-foot, five-story building will house 1,000 state employees and be connected to a new $60 million Agriculture and Health Laboratory Building by a skyway across Columbus Street. The office and lab buildings will be connected to the Capitol Area tunnel system.

The Agriculture Department currently leases an office building in St. Paul. The Health Department will move more than 700 employees from a building on the University of Minnesota's Minneapolis campus and other Twin Cities metropolitan area locations.

Gov. Tim Pawlenty recommended the new building be named after Freeman at a Feb. 27 memorial service in the Capitol Rotunda.

A companion bill (SF1263), sponsored by Sen. Steve Murphy (DFL-Red Wing), awaits action by the full Senate.

Assuring quality work

A bill regulating warranty work performed by independent farm equipment dealers on behalf of farm equipment manufacturers passed the House 121-12 April 14.

Most farm equipment manufacturers offer warranties on equipment sold to farmers through authorized dealers. However, some do not reimburse dealers adequately for repairs performed under warranty. Many manufacturers lack written warranty reimbursement policies or agreements, according to bill proponents.

Sponsored by Rep. Greg Davids (R-Preston), HF547 would require manufacturers to reimburse a dealer's labor expenses at a reasonable rate, and to reimburse for parts at a rate 15 percent higher than the dealer's net price.

In addition, the bill would require that manufacturers approve or disapprove dealers' reimbursement claims within 30 days, and pay claims that have been approved within 30 days.

Rep. Phil Krinkie (R-Shoreview) questioned why the bill didn't address warranties on other products. "It could be automobiles, it could be heating and air conditioning equipment. There are a vast number of products under warranty where dealers have trouble with warranty claims against manufacturers."

Davids, who said he was asked to carry the bill by farm implement dealers, replied that 15 states have similar farm equipment warranty laws. Minnesota has a similar law for warranty work on lawn and garden equipment, all-terrain vehicles, boats, snowmobiles, and licensed motor vehicles.

He added that the independent dealers weren't having problems with major manufacturers, but with smaller manufacturers. "Some of the manufacturers were not honoring their warranties," Davids said.

Replied Krinkie, "I think there's a simple, easy remedy — it's called 'let the independent dealers not sell the manufacturer's product any more.'"

A Senate companion bill (SF674), sponsored by Sen. Dallas Sams (DFL-Staples), awaits action by the full Senate.

Minneapolis Mayor R.T. Rybak, *left*, and St. Paul Mayor Randy Kelly testify in favor of a bill to extend bar hours to 2 a.m. during an April 15 hearing of the House Regulated Industries Committee.

BUSINESS

Extending bar closing time

Closing time for Minnesota's bars and restaurants would be extended by one hour under a bill approved April 15 by the House Regulated Industries Committee.

HF1493, sponsored by Rep. Dan Dorman (R-Albert Lea), would allow all Minnesota establishments selling on-sale liquor and beer to sell beverages until 2 a.m., including Sundays. Currently, the time is 1 a.m.

The bill would not require establishments to stay open until 2 a.m., Dorman said, it simply allows them to stay open longer if they choose.

The mayors of both Minneapolis and St. Paul testified in favor of the bill as a way to improve public safety and enhance the economic viability of the downtown areas.

"We see a lot of traffic about 11:30 (p.m.) going from our city to Hudson," said St. Paul Mayor Randy Kelly, referring to individuals driving to Wisconsin where closing time is currently 2 a.m. "And that's pretty dangerous."

Minneapolis Mayor R.T. Rybak said the police officers working downtown on Fridays and Saturdays experience a huge outpouring of crowds from the bars at the 1 a.m. closing time, making it more difficult for them to control cars and traffic. A 2 a.m. closing time would spread those patrons out more and help law enforcement control crowds, he said.

"We're compressing all this together, putting everyone out onto the street at once," Rybak said of the 1 a.m. law.

Greg Ortale, president of the Greater Minneapolis Convention and Visitors Association, said the extended bar hours will help the association attract conventions and other events. Many trade shows are timed for 2 a.m. closing times in other states, he said, and the extended time would give businesses more opportunity to meet with potential clients in informal settings.

However, Lynne Goughler, legislative director for the Minnesota chapter of Mothers Against Drunk Driving, said the bill would not increase safety, but rather it would place stresses on an already thinly stretched emergency response system. She said that nearly 40 percent of all fatal crashes in the past 10 years were alcohol-related and nearly 75 percent of fatal accidents each year occur between midnight and 3 a.m.

Jeff Nachbar, a public health specialist with Minnesota Join Together, testified that the bill would lead to higher intoxication levels and create other significant public health concerns. His group works to reduce youth drinking.

"We're throwing the barn door open on alcohol availability, and enforcement is not keeping up," Nachbar said. "It will lead to additional costs, to additional alcohol-related problems."

Rep. Torrey Westrom (R-Elbow Lake), the committee chair, unsuccessfully attempted to amend the bill to allow establishments to install coin-operated breath testing equipment to instruct patrons on their level of intoxication. Westrom said it would make roads safer and might keep some people from getting in a car and driving because they would know their blood-alcohol concentration is above the legal limit.

The bill now goes to the House Rules and Legislative Administration Committee because it did not meet appointed committee deadlines.

The bill's Senate companion (SF1182), sponsored by Sen. Mark Ourada (R-Buffalo), awaits action on the Senate floor.

CONSUMERS

Taxing certain cocktails

Members of the House Taxes Committee spooned down mouthfuls of a patented low-alcohol ice cream April 10 while hearing from Rep. Phyllis Kahn (DFL-Mpls) about the merits of changing the method by which the product is taxed.

Currently, low-alcohol dairy cocktails are taxed at the same rate as distilled spirits, or at \$1.33 a liter. However, the amount of alcohol in such items, which primarily consist of milk products, is less than 3.2 percent. Kahn's bill (HF78) would change the applicable tax to align it with 3.2 percent beer, which is taxed at 2 cents per liter.

"The proof (of alcohol) is low and the fat content is so high you really can't possibly get drunk on it," Kahn said, while members enjoyed the flavors of "Brandy Alexander" and "Whiskey Cream."

The bill will be considered for inclusion in the committee's omnibus bill.

Changing the tax status of low-alcohol dairy cocktails would cause the state to lose $11,000 in tax revenues in fiscal year 2004, $15,000 in fiscal years 2005 and 2006, and $16,000 in fiscal year 2007, according to the Minnesota Department of Revenue.

The department assumes that about 100,000 single-serving containers of the dairy cocktail would be sold in Minnesota at a price of 99 cents each, and that sales would increase by 3 percent annually.

Since a liquor license is required for the sale of the dairy cocktails, only bars and liquor stores would be allowed to carry the product, Kahn said. However, she added, she may sponsor legislation later addressing distribution, perhaps to include grocery stores.

Of the items discussed, "Blend's," was invented by the Ice Cream Bar Inc. at the University of Minnesota. Considered a distilled spirit by the federal Bureau of Alcohol Tobacco and Firearms and the Food and Drug Administration, it can only be sold to adults age 21 or older.

According to literature supplied by Kahn, ice cream drinks can be traced back to Irish immigrants. Upon arrival in the United States, immigrants maintained a custom of mixing their first glass of whiskey of the evening with fresh dairy cream.

A companion bill (SF809), sponsored by Sen. Linda Higgins (DFL-Mpls), awaits action by the Senate Taxes Committee.

★ EDUCATION

Updated standards

The House Education Policy Committee reviewed a streamlined, updated set of proposed academic standards in English and math April 15.

Proposed by the Department of Children, Families and Learning, the new graduation standards for elementary and high school students would replace those based on the Profile of Learning.

The committee took no action on the proposed standards. A bill (HF2) passed by the House in February to repeal the profile and replace it with new standards is included in the omnibus education finance bill.

The second draft of proposed math, reading, and writing standards reflect suggestions from state and national education experts, said Cheri Pierson Yecke, the department

Cheri Pierson Yecke, *right*, commissioner of the Department of Children, Families and Learning, listens as Bert Fristedt, a member of the Minnesota Academic Standards Committee answers a question from a member of the House Education Policy Committee on the math portion of the final draft of the state's revised graduation standards during an April 15 hearing of the House Education Policy Committee.

commissioner, as well as the comments of more than 2,000 state residents who testified at 14 public meetings during March.

Yecke said the number of standards for the K-12 grades was reduced by 30 percent from the first draft. There are now more than 330 math standards and nearly 450 language arts standards.

"The standards are expectations to be met," Yecke said.

State tests will be required for students in grades three through 11, with the exception of ninth grade, based on the standards to measure student academic progress and to meet stricter federal requirements under the No Child Left Behind law.

Rep. Karen Klinzing (R-Woodbury), a high school teacher, said English standards must include stronger writing requirements. "Kids have to come into high school knowing how to write," she said, noting that she has had some ninth grade students unable to write a paragraph.

The proposed standards will emphasize that basic writing skills be mastered by the end of third grade and continue to be built through the elementary grades, Yecke said. "Each district has to decide how to get kids up to speed."

The proposed math standards require the same amount of math as the current Profile of Learning, said Bert Fristedt, a University of Minnesota professor who served on the committee that drafted new standards. However, "they are more precise in specific areas," he said.

The House and Senate are following different paths on repealing and replacing the Profile standards.

"We need to have new (English and math) standards this year," Yecke said, for the state to meet federal guidelines and not jeopardize a possible $250 million in federal education funding.

Electronic library access

Spending $800,000 to support electronic access to more than 13,000 books, newspapers, and periodicals in schools and libraries throughout the state is proposed in a bill heard April 10 by the House Education Finance Committee, and included in the committee's omnibus bill.

Sponsored by Rep. Bud Nornes (R-Fergus Falls), HF626 would designate K-12 general fund money, and funds from the state Higher Education Services Office, for statewide licenses to selected online databases used by public, school-based, and state agency libraries, as well as those at public and private colleges and universities.

"This is continuing funding for the e-library system used by students and many families," Nornes said.

For the 2002-03 biennium, funding for the Electronic Library for Minnesota included $800,000 from the Department of Children, Families and Learning and $2 million from the services office.

The e-library, part of the MINITEX Library Information Network based at the University of Minnesota, offers state residents electronic access to more than 4,800 online magazines and journals and more than 8,600 electronic books, including almanacs, encyclopedias, directories, and other resources.

"This provides materials to libraries equally throughout the state," said Lars Steltzner of Afton, a retired media specialist. "It's a real close on the gaps between the haves and the have-nots and a bargain for K-12 school districts."

Gordy Hagert, an Apple Valley High School teacher, said the system allows access to "Internet sites that are safe and solid for student use." It would cost his high school $29,000 to buy access to the databases the e-library system provides, Hagert said.

Last year, 2,200 Apple Valley high students conducted 35,000 searches on the system, read 18,000 articles online, and arranged for nearly 2,500 e-mail deliveries of materials to their homes, Hagert said.

The $800,000 in K-12 funds proposed for the e-library system was not included in Gov. Tim Pawlenty's budget recommendations for 2004-05, said Rep. Alice Seagren (R-Bloomington), the committee chair.

A companion bill (SF756), sponsored by Sen. Tom Bakk (DFL-Cook), awaits action in the Senate Finance Committee.

★ EMPLOYMENT

Contract negotiations

An attempt to significantly change the Public Employment Labor Relations Act made it through the House Governmental Operations and Veterans Affairs Policy Committee April 15.

HF1380, sponsored by Rep. Mark Buesgens (R-Jordan), which had been tabled at a previous meeting, would dramatically affect the way unions negotiate contracts through the collective bargaining process.

The "scales of balance are tilted," Buesgens said. Management's hands are tied behind their backs with unions having the power to strike, he added.

The bill would require units to negotiate under a structured balance, meaning a specified financial sum would be given to negotiate within. Unions couldn't strike because of wages or benefits that would drive the cost above the balance.

John Roszak, an attorney who says he's negotiated contracts for many years, testified in favor of the legislation. He said the bill requires the Legislature to maintain "fiscal integrity" with specific requirements for unions. The state budget must maintain structural balance, and so should local units of government, he said.

With public employees facing wage freezes, limitations on outsourcing work, and the government determining how unions negotiate contracts, Glenn West, executive director for the Minnesota Government Engineers Council, said the budget shortfall is no reason to throw out the Public Employment Labor Relations Act.

It would be "better and more honest to repeal (the act)," said Rep. Loren Solberg (DFL-Grand Rapids). Collective bargaining should be tough, he added.

The bill would also repeal certain terms and conditions that could be bargained in contracts. Removed from the table are health insurance plans.

The bill was approved without recommendation and referred to the House Rules and Legislative Administration Committee upon missing the deadline for bills to move through committees.

A companion bill (SF1417), sponsored by Sen. David Hann (R-Eden Prairie), awaits action in the Senate State and Local Government Operations Committee.

Retraining workers

A bill that would allow for fluctuation in the special assessment rate employers pay to the state workforce development fund is included in the House Jobs and Economic Development Finance omnibus bill.

HF1509, sponsored by Rep. Bob Gunther (R-Fairmont), was presented to that committee, which he chairs, April 10.

The fund provides for the training of laid-off workers, and did so in 2002 for $66 million.

Under current law, all employers must pay the assessment for each one of their employees earning more than $22,000 in a year. The current rate levies seven-hundredths of 1 percent per year on all taxable wages. Gunther said this equates to $13 per year for an employee at the minimal wage.

The bill would allow the Department of Economic Security commissioner to determine the special assessment rate for the following year based on the fund balance on Oct. 1, as well as the unemployment rate, and the state's overall economy. The commissioner could choose between five-hundredths, seven-hundredths, or one-tenth of 1 percent of taxable wages.

Gunther said the provision could cause employers to pay an additional $3 per employee per year.

Allowing the assessment rate to fluctuate would provide a higher fund balance when the number of laid-off employees is higher and a lower balance in good times. Keeping the balance low in a healthy economic climate would prevent the state from tapping the fund for other expenses, as has happened in the past, Gunther said.

"We'll never build those resources up so people will raid this fund again," he added.

Opposed to the provision were the Minnesota Business Partnership and the Minnesota Chamber of Commerce. The former believed the provision gives too much power to a commissioner who might not use the funds for their designed intent. The latter believed that the assessment rate, once raised to the highest, would never be reduced.

Supporting the bill was the Minnesota AFL-CIO. The National Federation of Independent Business said the workforce development fund is a laudable program, but that it should be funded through the state general fund.

★ ENERGY

Exemption extension

A Swift County energy plant designed to use poultry litter as a primary fuel source is seeking an extension on tax exemption provisions that have expired due to a construction delay.

HF1533, sponsored by Rep. Torrey Westrom (R-Elbow Lake), would extend the construction date for FibroMinn, a poultry biomass generation facility, allowing it to take advantage of a property tax exemption for personal property and a sales tax exemption on construction materials and equipment. FibroMinn is an affiliate of Fibrowatt, LLC.

Similar tax-exempt status was originally granted by the 2001 Legislature. However, the construction deadline of Dec. 31, 2002 has passed.

FibroMinn Vice President Carl Strickler told the House Taxes Committee April 15 that his company went through a long and exhaustive environmental review process that delayed construction. The appropriate permits were received in January. Millions of dollars have been expended to date on development, he added.

The Public Utilities Commission, Strickler said, has approved a power contract in which Xcel Energy will purchase 50 megawatts of electricity from FibroMinn.

Benson Mayor Paul Kittelson said the city remains supportive of the plant, though it was disappointed with the construction delay.

Rep. Ron Abrams (R-Minnetonka), chair of the taxes committee, said he likes biomass energy initiatives, but couldn't promise its inclusion in the omnibus bill due to the state's projected $4.2 billion 2004-05 biennial deficit.

If approved, the bill would cost the state $460,000 in both 2004 and 2005 in lost tax revenues, according to the Minnesota Department of Revenue. Beginning in 2007, the state would spend $30,000 annually in additional state-paid homeowner property tax refunds due to the shift in property tax burden to other taxpayers in the county.

The poultry litter energy facility would cost $139 million to construct, which includes $63 million in attached machinery and personal property that would be exempt from personal property taxes and $54 million in equipment that would be exempt from sales taxes.

A companion bill (SF1483), sponsored by Sen. Dean Johnson (DFL-Willmar), awaits action in the Senate Taxes Committee.

Research payments

Hydrogen research at the University of Minnesota would be supported with proceeds from a storage fee charged at the Prairie Island nuclear energy plant, under a bill approved by the House Jobs and Economic Development Finance Committee April 10.

HF958, sponsored by Rep. Philip Krinkie (R-Shoreview), now moves to the House Rules and Legislative Administration Committee because it did not meet policy committee deadlines.

The legislation calls for allocating $3 million annually from the "renewable development account." The account is the depository for a $500,000 fee Xcel Energy must pay for each dry cask containing spent fuel at Prairie Island. Xcel Energy has 17 casks on the site and is seeking approval for additional casks.

Rep. Karen Clark (DFL-Mpls) voted against the bill because she said two groups have already been promised money from the renewable development account. Those groups are the Prairie Island Indian community and the wind farm industry.

"I don't want to be on record breaking either of those agreements," she said.

The commitments would leave only $1.75 million in the account, Clark added, following her statement with an amendment to lower the allocation accordingly. The amendment failed on a split vote.

Krinkie responded by stating that the allocations to the Prairie Island Indian community and to the wind farmers could also be reduced.

The bill, he added, tries to move Minnesota closer to the coming hydrogen economy and declares a goal for Minnesota to use hydrogen as a new energy source for electrical power heat, and transportation needs.

Hydrogen has the potential to lessen dependence on petroleum imports and reduce pollution and greenhouse gas emissions, Krinkie said.

For such goals to be realized, he added, technology readiness must be accelerated, and federal and state governments must implement and sustain policies that elevate hydrogen as a priority. This, Krinkie said, requires a strong public and private partnership.

A Senate companion bill (SF733), sponsored by Sen. Ellen Anderson (DFL-St. Paul), awaits action by the Senate Rules and Administration Committee.

★ ENVIRONMENT

Natural resources, environment funding

The state would dedicate nearly $1 billion toward environmental protection and natural resources management over the next two years, under a bill (HF779) approved by the House Environment and Natural Resources Finance Committee April 16.

The measure, sponsored by Rep. Dennis Ozment (R-Rosemount), now moves to the House Taxes Committee.

The net effect to the general fund would be $319 million, however total spending would reach $966 million when other environmental funding sources such as lottery proceeds, license and permit fees, and federal dollars are added to the mix.

More than half of the overall package — some $582 million — would be directed toward the Department of Natural Resources (DNR) for a multitude of responsibilities, such as wildlife, minerals, and forestry management, state park operations, habitat improvement, game and fish law enforcement, wildfire prevention and suppression, and off-road vehicle trail development.

John Tuma, representing the Minnesota Environmental Partnership, explains provisions in a phosphorous study amendment to the House Environment and Natural Resources Finance Committee during April 16 discussion of its omnibus bill.

What's in the bill:

Selected bills included in HF779:
HF239 (Magnus)
HF255 (Dill)
HF383 (Ozment)
HF407 (Howes)
HF462 (Tingelstad)
HF529 (Hackbarth)
HF605 (Olson)
HF623 (Hackbarth)
HF649 (Swenson)
HF1018 (Hackbarth)
HF1077 (Hackbarth)
HF1401 (Cox)

The bill would allocate $231 million to the Pollution Control Agency (PCA) for land, water, and air monitoring and regulation enforcement. A $4.7 million appropriation to the PCA would support a clean water partnership initiative, which directs technical assistance and money to local governments for water pollution clean up and prevention. Another $4.6 million would fund the agency's county feedlot administration grant program.

The Office of Environmental Assistance would receive $54 million, under the bill. Of that amount, $25 million is earmarked for SCORE grants to counties for recycling programs and solid waste management.

Smaller biennial budget amounts would include $36 million for the Minnesota Zoological Board and $31 million for the Board of Water and Soil Resources.

In a departure from previous years, funding for the Science Museum of Minnesota would be set at $618,000 in fiscal year 2004 and then eliminated the following year.

The bill would set new policy language empowering the DNR to deal with the potential threat of chronic wasting disease infecting the state's wild deer population. New restrictions on the importation into the state of deer and elk carcasses would apply and a portion of the 50 cents surcharge on deer hunting licenses for emergency deer feeding could also be applied toward wild deer health management.

Other provisions of the bill would authorize a mourning dove hunting season and stamp; allow the transfer of the Minnesota Conservation Corps, an outdoors-oriented public service group for youth, from the DNR to an existing private nonprofit corporation; raise state park permit fees; enable the Minnesota Zoo to charge an entry fee for elementary school children on organized field trips; and increase various hunting stamp and commercial fishing license fees.

A portion of the money generated by water appropriation permit fee increases would be directed toward the DNR to determine the state's sustainable groundwater use and aquifer recharge levels.

The bill would order studies on a number of issues, including:

• improving stability in state park funding through self-sufficient fee structures;
• reducing the levels of phosphorus in the wastewater stream;
• locating individual sewage systems that are imminent threats to public health; and
• developing an incentive based distribution approach for recycling and solid waste management funds.

In an attempt to maintain a no net loss approach to wetland replacement for transportation projects, the bill would adjust the watershed district rulemaking process to allow for comment and appeal from transportation authorities. In response to frustration over costs, delays, and duplicative governmental permit requirements, a revised wetland replacement ratio is advancing in the omnibus House transportation finance plan.

The Senate omnibus environmental spending package, sponsored by Sen. Dallas Sams (DFL-Staples), awaits action in the Senate Environmental, Agriculture, and Economic Development Budget Division.

Solid waste plans modified

Legislation that aims to lessen the administrative weight on solid waste managers in 80 Greater Minnesota counties and the Western Lake Superior Sanitary District passed the House April 10 by a 133-0 margin.

The bill (HF1054/SF1001*) was presented to Gov. Tim Pawlenty April 14.

When integrated solid waste planning began in the mid-1980s, it was an evolving industry and administrators were required to renew their plans with the state every five years, said Rep. Denny McNamara (R-Hastings), the bill's sponsor.

The systems are relatively stable now and changing filing requirements to every 10 years would allow solid waste staff to spend more time implementing programs than updating plans, proponents have said.

The bill also modifies Office of Environmental Assistance planning rules that solid waste administrators have said do not reflect the demographic, regional, and geographic differences between counties.

The Senate companion, sponsored by Sen. Tom Saxhaug (DFL-Grand Rapids), passed the Senate 63-0 on April 7.

Straightforward timber sales

A bill that the Department of Natural Resources (DNR) and the logging community agree would simplify and standardize timber sales was passed by the House April 14. The vote was 110-17.

The bill (HF859), sponsored by Rep. Doug Lindgren (R-Bagley), would update statutory language governing timber sales, much of which has not been changed since 1925. For example, the bill would consolidate references to timber areas, sale areas, or permit areas under one new term: forestry administrative area.

Under current law, the state has the right to take cut timber if the permit holder has not properly marked the wood. The bill would instead designate the offense as trespassing.

Another provision of the bill is designed to help the logging community, particularly smaller outfits, with bond requirements by offering a "performance deposit" option that would entail a smaller bond amount.

The bill now moves to the Senate Rules and Administration Committee, where it is sponsored by Sen. Tom Saxhaug (DFL-Grand Rapids).

Lawn irrigation sprinklers

A bill that would require new landscape irrigation systems to be furnished with rainfall sensors passed the House April 10 by a margin of 109 to 23.

Sponsored by Rep. Dennis Ozment (R-Rosemount), HF335 would require that all new landscape irrigation systems installed after July 1, 2003, have mechanisms to prevent sprinklers from operating during rainstorms and at times when the ground is saturated to a pre-programmed level.

The average cost of the device is $30 for a residential system, according to previous committee testimony from landscape professionals.

Similar legislation passed the House and Senate in 1999, but was vetoed by then-Gov. Jesse Ventura, who called it an unenforceable government mandate.

Rep. Phil Krinkie (R-Shoreview) echoed those concerns, asking, "If people don't have enough common sense to install it, why does government have to mandate it?"

The industry is asking for the legislation, Ozment said, to "level the playing field" in competitive bidding situations.

"This is a good technological advancement," said Rep. Denny McNamara (R-Hastings). "I think it's an opportunity for us to conserve one of our most valuable resources — water."

A Senate companion (SF781), sponsored by Sen. John Marty (DFL-Roseville), awaits a vote on the Senate floor.

If you have Internet access, visit the Legislature's web page at: http://www.leg.mn

★ GAMBLING

Casino plan heads to floor

A proposal that would put slot machines at Canterbury Park narrowly cleared its last House committee stop April 15 and now heads to a vote before the full House.

The House Ways and Means Committee approved HF646, sponsored by Rep. Mark Buesgens (R-Jordan), on a 13-12 vote.

The casino plan is part of the House Republicans plan to raise revenue and balance the state's budget for the upcoming biennium.

Although the Minnesota State Lottery would operate the machines, proceeds would be divided between the state and Canterbury Park. In the first four years, the percentages in revenues vary for both, but the bill attempts to average out those numbers, with the state receiving 40 percent of the revenues, and Canterbury Park netting 45 percent.

George Anderson, director of the Minnesota State Lottery, explained the state would be getting the second best revenues compared to other states receiving money from gambling. Rhode Island nets 52 percent through dog track racing.

The agreement "doesn't look like a very good deal to me," said Rep. Margaret Anderson Kelliher (DFL-Mpls). The state failing to "capture growth potential" in revenues as the facility and clientele grows, Kelliher explained, seemed short-sighted.

She also expressed concern over the historical trend of Canterbury Park's public stock prices rising and falling when the Legislature has acted upon a bill involving the facility. "Each time the Legislature takes action on behalf of a publicly traded private company, there is great increase in the value to the shareholders," Kelliher said. Concerns should be raised about the Legislature's focus on one private company over others in the state, she added.

Rep. Bill Haas (R-Champlin) failed to amend the bill by adding a version of HF1020, which would have authorized a casino to be operated by the state in conjunction with the White Earth and Red Lake Indian bands. The House Governmental Operations and Veterans Affairs Policy Committee previously rejected the bill.

Rep. Jean Wagenius (DFL-Mpls) asked Buesgens if the governor is in favor of the proposal. Buesgens said the governor told him he would not be pushing for the legislation, but he would keep an open mind with all bills that come before him.

A Senate companion (SF576), sponsored by Sen. Dick Day (R-Owatonna), awaits action in the Senate State and Local Government Operations Committee.

HEALTH

Informed consent becomes law

Signed by the governor ★ ★ ★

Gov. Tim Pawlenty signed a law April 14 that will require Minnesota abortion providers to provide women with specific kinds of information at least 24 hours before performing abortions. He did so just a few hours after its final passage by the Senate.

Effective July 1, 2003, women seeking an abortion in Minnesota must receive information from a physician about risks associated with the abortion procedure, the probable age of the fetus at the time of the abortion, and the medical risks associated with carrying a child to term. The information can be conveyed in person or over the phone.

Additionally, women must be told about the father's obligation to support a child carried to term and about any state Medical Assistance benefits that might be available for prenatal, childbirth, and neonatal care. Women also will be given the opportunity to review printed or Web-based information about the probable physical and physiological development of a fetus, and the fetus's ability to feel pain.

Women will have to certify in writing that they received the required pieces of information before the abortion can proceed. Physicians who perform abortions will also have to submit annual reports indicating how many of their patients received the information, how they received it, and how many went on to have an abortion.

While the law applies in cases of rape and incest, physicians can waive the 24-hour provision if the woman's life is in danger.

The law states that if it is challenged, the state Supreme Court will have original jurisdiction in the matter. Should the court strike down one part of the law, the rest will remain in effect.

The law appropriates $488,000 to implement its requirements for the 2004-05 biennium.

Originally a bill repealing a law about circuses, the new law took an unusual trip through the Legislature.

After the Senate unanimously passed the original bill, which would have repealed an obsolete law related to a ban on circuses around state fair time, on Feb. 20, the House replaced the language with HF668, sponsored by Rep. Mary Liz Holberg (R-Lakeville), the abortion-related bill which it had passed a week earlier. Despite some controversy regarding the process, the House ultimately passed the bill 90-39 April 7. House leaders said the procedural maneuver was meant to facilitate a vote in the Senate, where the abortion bill had not yet received a hearing. Senators approved the new language 41-24 on April 14.

The new law no longer contains language about circuses.

Rep. Marty Seifert (R-Marshall) and Sen. Steve Dille (R-Dassel) are the sponsors of the new law.

HF94/SF187*/CH14

PAPER CHASE

PHOTO BY TOM OLMSCHEID

State agency staff and lobbyists grab for copies of the omnibus state government finance bill during an April 10 hearing of the House State Government Finance Committee. The committee approved the bill April 15. This was a common sight in meetings as committees developed their finance bills.

HIGHER EDUCATION

Funding package approved

The omnibus finance bill approved April 16 by the House Higher Education Finance Committee features better numbers than previously planned but still reflects a drop from previous budgets.

With general fund dollars totaling $2.6 billion, the bill proposes $50 million more to higher education than recommended by Gov. Tim Pawlenty.

Under the bill, which is to be formally introduced next week and will be sponsored by Rep. Doug Stang (R-Cold Spring), the University of Minnesota would receive nearly $1.11 billion in general fund dollars in the 2004-05 biennium, a 14.8 percent reduction from its current year base. The Minnesota State Colleges and Universities system (MnSCU) takes a lesser hit percentage-wise, reduced 13.5 percent from current levels to $1.12 billion. The Mayo Foundation sees a 9.9 percent reduction to $2.95 million, under the bill.

Conversely, the Higher Education Services Office would receive a 17.4 percent increase in general fund dollars for fiscal years 2004-05, to nearly $369.84 million. The dollars in the bill are nearly what the governor proposed – only $168 less.

The bill would provide $24.9 million for state work-study grants and $9.4 million for child-care grants. Language in the bill states that if there are shortfalls in the state budget grant program money would not be taken from those two funds, as is currently the case. In that situation, the office must first prorate summer awards, then add a surcharge to the applicant's assigned family responsibility, and then add a percentage to the assigned student responsibility. An award cutoff date may also be established, under the bill.

Other changes for state grants include a reduction in the eligibility period from 10 equivalent semesters to eight semesters, the limit of eligibility for

What's in the bill:

Selected bills included in the omnibus bill:
HF449 (Kuisle)
HF708 (Stang).
HF742 (Wilkin)
HF746 (Cox)
HF833 (Hilty)
HF864 (Stang)
HF934 (Pelowski)

Not in the bill:

Selected bills not included in the omnibus bill:
HF188 (Jaros)
HF843 (Seifert)
HF862 (Seifert)
HF1242 (Stang)
HF1298 (Carlson)
HF1422 (Carlson)

Richard Pfutzenreuter, chief financial officer and treasurer for the University of Minnesota, testifies before the House Higher Education Finance Committee April 14 about how the committee's omnibus bill would affect the university.

awards to students in two-year programs to two years of grant eligibility, and an Oct. 15 application cutoff for first semester grants and Feb. 15 for second semester grants.

For the services office, it would be renamed the office of higher education, and its director would be appointed by the governor. The makeup of the Higher Education Advisory Council would be changed from a board of nine people, to 15 members, including three citizen and six student members. Currently no students or members of the general public sit on the board.

Other policy provisions in the bill include:

- the requirement of each post-secondary institution in the state to provide information on meningitis to every new student living in on-campus housing,
- the authority for Fond du Lac Tribal and Community College to offer a four-year baccalaureate program in elementary education,
- the House and Senate would each appoint one student enrolled in a degree program at the university to the Regent Candidate Advisory Council, and
- the requirement of MnSCU to collect fees that fund student groups on an opt-in basis and requests that the university do the same. The Board of Regents and MnSCU Board of Trustees now approve those fees.

The bill would aid the health of the state as it appropriates $3 million annually to expand health education at MnSCU institutions, especially nursing education. "With this funding the state should have at least 400 more nurses by the end of the biennium," said Laura King, MnSCU vice-chancellor for finance. Earlier testimony indicated that there are waiting lists to get into nursing programs.

Richard Pfutzenreuter, chief financial officer and treasurer for the University of Minnesota, said as a result of the bill the institution would still be looking to reduce administrative and operating costs and increase tuition and fees, although no firm numbers were available.

The bill now goes to the House Ways and Means Committee.

Rioting penalties

Students convicted of rioting would no longer receive state grant dollars under a provision added to the House Higher Education Finance Committee's omnibus bill April 16.

"We're all aware of what happened in the last few days and that is not the kind of behavior Minnesota taxpayers should support," said Rep. Carla Nelson (R-Rochester), who offered the amendment. She was referring to the riots that took place on the Minneapolis campus of the University of Minnesota April 12 after the Gopher men's hockey team won its second straight national title.

Nelson said that she was particularly disturbed to hear that students were saying they wanted to outdo the riots from one year earlier after the team won the national title.

Her amendment states that a student at a post-secondary institution who is convicted of rioting under the definition set forth in state statute would not be eligible for a state grant.

The amendment was approved 12-0.

"I wish we didn't have to do this," said Rep. Gene Pelowski, Jr. (DFL-Winona). Added, Rep. John Dorn (DFL-Mankato), "I can't imagine anyone not being extremely upset with what they saw."

The amendment only applies to those participating in future destructive events. "Hopefully we will never have to use this policy," said Rep. Doug Stang (R-Cold Spring), the committee chair and omnibus bill sponsor.

In addition to losing state grant money, the amendment calls for those convicted to "pay the highest applicable tuition rate, including the nonresident tuition rate, to attend a public post-secondary institution in any subsequent enrollment periods."

Saying he deplored what happened on the Minneapolis campus, Rep. Ron Latz (DFL-St. Louis Park) expressed concern that this bill could financially hurt students for "one stupid night." He wondered if over the long-term it isn't better for students to stay in school than be forced out because of a higher tuition.

"These students are adults and their actions have consequences, whether they had two beers, 10 beers, or no beers," Stang said. Rep. Ray Cox (R-Northfield) said there are lots of people in prisons and jails that regret doing one stupid thing.

The bill, which has not yet been formally introduced, next moves to the House Ways and Means Committee.

★ LAW

Judicial, law enforcement funding

After months of testimony from over-burdened courts and corrections officials, the House Judiciary Policy and Finance Committee approved an omnibus package April 15 that tries to relieve some burdens on the system while continuing to cut budgets to deal with the state's projected fiscal shortfall.

Sponsored by Committee Chair Rep. Steve Smith (R-Mound), HF750 includes more than $1.3 billion in appropriations from the general fund for Minnesota's judicial and law enforcement system and a number of policy provisions.

Appropriations in the bill largely reflect Gov. Tim Pawlenty's budget recommendations for fiscal years 2004-05. However, it manages to restore much of the money the governor proposed to cut from state courts. Under the bill, the state Supreme Court would receive a 6 percent cut from its base budget, and the Court of Appeals and state district courts would both see 2 percent reductions as compared to 10 percent cuts for the three systems in the governor's proposal.

Most of the $34 million the bill restores to the courts would come from significant fee increases within the court system. The bill would nearly double the cost of many services including civil filing fees, and fees for filing an appeal, depositing a will, and issuing a subpoena.

The bill would maintain the governor's 10 percent and 7 percent cuts to the base budgets for the Departments of Human Rights and Corrections, respectively.

The Department of Public Safety will also see a 7 percent budget reduction, down from the 11 percent Pawlenty proposed.

Battered women's shelters would see an additional $2.8 million decrease in their per diem appropriation, on top of the $4 million the governor proposed to cut from the program.

Funding for state public defender services would be reduced 5 percent from base levels under the bill. More drastic cuts were avoided by raising fees for the service to $50 for a misdemeanor case and $200 for a felony. The fees would be assessed even if defendants were found innocent. Anyone convicted of a crime would have to pay a $60 surcharge under the bill.

The committee responded to an expected increase in public defender caseloads by restricting eligibility for the services to people on public assistance or those truly unable to pay the "reasonable rate" for a lawyer in their area.

In the area of corrections, the bill would allow county and regional jails that have reached capacity to house overflow inmates in private jails.

At the state level, officials would be required to seek bids from private prison companies for housing certain short-term offenders and report on the feasibility of such plans.

What's in the bill:

Selected bills included in HF750:
HF381 (Strachan)
HF382 (Smith)
HF387 (Fuller)
HF416 (Anderson, J.)
HF431 (Meslow)
HF1123 (Smith)
HF1229 (Smith)

Inmates with less than six months left in their sentences would be transferred to county jails or workhouses under the bill. Prisons and jails could also increase their capacity by double-bunking inmates and prisons would also save money by serving only two meals per day to inmates on weekends.

The Office of Ombudsman for Corrections, which receives and examines complaints from prisoners, would be eliminated under the bill.

The bill also tries to take some burden off of criminal courts by vesting more power in probation officers in 29 counties, who would be allowed to mete out punishments to offenders who commit technical probation violations. At the offender's consent, the punishment would be determined at a meeting of the offender and the officer, not before a judge, as is current practice. The sanctions could not involve jail time but could include electronic monitoring, mandatory counseling, or other punishments.

The bill now goes to the House Ways and Means Committee.

Data practices issues

The House Civil Law committee sent a host of proposed additions to Minnesota's data privacy rules to the House floor April 11 when it approved its data practices policy bill.

HF739, sponsored by Rep. Dick Borrell (R-Waverly), combines several proposals regarding how the state and local governments handle some of the wide variety of data they collect from the public.

Language from a bill (HF1162), sponsored by Rep. Eric Lipman (R-Lake Elmo), would make names, addresses, e-mail addresses, and telephone numbers collected by the state lottery private data.

A separate Lipman bill (HF1135) included would protect data collected by state Web sites. Information actively submitted by users or passively collected from users' computers would be classified as nonpublic information. Users would also have to be warned before state Web sites place a "cookie" on their computer. Cookies are used to track users' viewing preferences and to customize the content of the site accordingly. Refusing to accept a cookie could not prohibit someone from accessing a Web site.

A state Web page would also be prohibited from displaying information about possible burial sites of archeological interest, in order to prevent theft from those sites.

Data about nonpublic school students would also become private under the bill. A provision mirroring HF168, sponsored by Rep. Barb Sykora (R-Excelsior), would keep public school districts from releasing contact information about home-schooled students and their parents. The section also applies to students attending nonpublic schools.

The bill would also implement part of the federal No Child Left Behind law relating to student surveys.

Language taken from HF906, sponsored by Committee Chair Rep. Mary Liz Holberg (R-Lakeville), would require that school districts get parental permission before administering assessments, evaluations, or other surveys that would reveal certain information. Schools would have to get written consent from parents before students could be asked to reveal certain information about themselves or their families such as political beliefs, mental problems, sexual behavior or attitudes, illegal behavior, religious practices, and income or income-related information.

While much of the bill restricts the dissemination of information, some provisions expand government's authority to pass along data.

For example, counties could share private health, welfare, corrections, or veterans information among their various agencies without the consent of the subject of the data as long as the information is used to coordinate services the counties provide to that person. That provision was originally included in Holberg's HF634.

The state Departments of Revenue and Veterans Affairs could also share data more easily under the bill, according to language brought to the committee by Rep. Laura Brod (R-New Prague) in HF973.

It would allow the Department of Veterans Affairs access to veterans' names, addresses, and taxpayer identification numbers. The information would be used to contact veterans about health hazards they might face as a result of their military service or to notify dependants about benefits to which they may be entitled.

The bill would also make public information about events related to the National Night Out community crime-prevention program. Information about such neighborhood groups is currently private to protect the identities of their members. A community group wishing to make sure its specific events could be publicized brought the language originally contained in HF1191, sponsored by Rep. Connie Bernardy (DFL-Fridley).

Guardians for vulnerable Minnesotans

Signed by the governor ★ ★ ★

Gov. Tim Pawlenty signed a new law April 14 making changes to state statutes governing guardianship of children and incapacitated adults.

The law repeals and replaces dozens of sections of current state law, closely following the recommendation of a Minnesota State Bar Association committee appointed to review the laws.

Effective Aug. 1, 2003, the law closes loopholes and clarifies some legal processes, according to its House sponsor, Rep. Paul Thissen (DFL-Mpls).

Among other things, the legislation more clearly defines the roles of a "guardian" and a "conservator" as someone who acts on a person's behalf and someone who manages a person's estate, respectively.

In the area of guardianship for minors, a court will be allowed to appoint a guardian for a child with the parents' consent or if the parents' rights have been terminated, or they are unable or unwilling to exercise their rights. It specifies who may apply to be a child's guardian and how that application should be made. Guardians are specifically allowed to apply for state benefits and services, entitled to "reasonable compensation," and liable for injury to the child caused by a third party to the same extent a parent would be.

For incapacitated individuals, the law allows parents or spouses to appoint a guardian for someone they believe to be incapacitated in the event the parent or spouse is unable to care for the person. They will be given the ability to limit the powers of the guardians they appoint.

Another provision of the law creates a list of priorities for judges to use when appointing a guardian for an incapacitated person. In order, those priorities will be:

- the current active guardian;
- someone appointed under a health care directive;
- a spouse or someone identified by the spouse in a will;
- an adult child;
- a parent or someone identified by a parent in a will; or
- an adult with whom the person resided for six months.

The law specifies that an incapacitated person will not lose their right to vote unless the court expressly takes it away.

The law passed the House on April 2. In the Senate, where Sen. Don Betzold (DFL-Fridley) is the sponsor, it passed 60-0 on April 7.

HF166/SF112*/CH12

LOCAL GOVERNMENT

Paying property taxes

Enthusiastic support — if only vocalized at this time — came for a bill April 10 that would require local governments to compensate taxing jurisdictions when taxable property is purchased and subsequently taken off the tax rolls.

Heard by the House Taxes Committee, HF815 relates to when a local government unit, such as a city, buys land from a private party within the jurisdiction of another local government unit, such as a county. The county may subsequently lose the tax revenue due to the fact that the city now owns the land. State law allows the state and its political subdivisions to declare property tax exempt if the land is used for public purposes.

Sponsored by Rep. Paul Thissen (DFL-Mpls), the bill would require the government purchaser to compensate all taxing jurisdictions that taxed the property by the full amount of taxes due the year of purchase, as well as an additional 18 months to two years of property taxes, depending on a payment schedule chosen by the purchaser.

However, the bill would allow any city, county, township, or school district to waive the compensation payment altogether. Thissen said this provision acknowledges when government units work together on one project.

Rep. Ron Abrams (R-Minnetonka), chair of the taxes committee, said HF815 seemed like a good idea and therefore was on his “A-list” of bills to study further. However, he did not promise any specific outcome. The bill is being considered for inclusion in the committee’s omnibus bill.

Rep. Ann Lenczewski (DFL-Bloomington) called the bill a “fabulous idea.”

What if, asked Rep. Joe Mullery (DFL-Mpls), a state highway crosses through the most expensive property in a taxing jurisdiction and the jurisdiction no longer receives taxes for that land but still must provide police, fire, and road maintenance services? That, said Abrams, is one of the reasons for the bill.

Thissen said HF815 would make more transparent the lost taxes resulting from government purchases. Such losses are often hidden, he said.

According to the Minnesota Department of Revenue, the market value of purchases by state or local governments of previously taxable property in Minneapolis averaged $14.9 million between 2001 and 2003. The total tax paid by the properties in the year prior to becoming tax-exempt was $523,460.

A Senate companion bill has not yet been introduced.

RAIL AUTHORITY

PHOTO BY TOM OLMSCHEID

Hennepin County Commissioner Randy Johnson, *right*, testifies April 16 before the House Taxes Committee on a bill that would abolish the Regional Rail Authority. Gary Erickson, *left*, authority director, also testified before the committee.

RECREATION

Youth referees, part II

Youth between ages 11 and 14 would be allowed to serve as assistant soccer referees even if the players are in an older age bracket, under a bill approved April 10 by the House Commerce, Jobs, and Economic Development Policy Committee.

HF1189, sponsored by Rep. Ron Erhardt (R-Edina), now moves to the House floor.

The bill is similar to HF446, approved unanimously by the House March 27 and awaiting action by the full Senate. That bill also allows youths between ages 11 and 14 to serve as sports officials, but limits them to overseeing only younger players.

Both bills are exceptions to current law, under which no child under age 14 may be employed, save for as an actor or model, newspaper carrier, or in the agricultural field. Exemptions are allowed by the state Department of Labor and Industry on an individual basis, which has been done routinely for youth sports officials working at youth sports events.

About 2,000 exemptions are processed by the state each year for youth sports officials.

HF1189 would allow youth to serve as assistant youth soccer referees if they have adequate supervision and have obtained a parent’s written permission.

A Senate companion bill (SF1064), sponsored by Sen. Michele Bachmann (R-Stillwater), awaits action by the full Senate.

SAFETY

Focusing emergency response

A bill approved April 15 by the House Regulated Industries Committee aims to assure that 911 systems accurately identify locations of an emergency in buildings where there are large numbers of offices.

Sponsored by Rep. Steve Strachan (R-Farmington), HF622 would require public and private sector building owners installing new multi-line telephone systems after June 30, 2003 to include corrective technology so 911 calls from a commercial office or government center, for example, would show operators the correct address of a potential emergency.

At a previous hearing, Strachan said the bill may resolve a long-standing problem 911 systems have had locating addresses. Multi-line phone systems that require the user to dial “9” for an outside line will often show the emergency operator the address of a business headquarters or a phone line switching location, rather than the location of where the potential emergency call originated.

The bill provides exemptions for businesses that have one large location, those with 24-hour security staffs that assist emergency responders, and those that currently provide correct information for public emergency services to respond properly.

Previously, the bill would have required all multi-line telephone systems to install the technology by June 30, 2007, but an amendment to remove that requirement, and only require new systems to include the technology, was removed by the committee.

Because the bill did not meet the established committee deadline for policy bills, it now goes to the House Rules and Legislative Administration Committee, which will determine whether the bill may be exempted from deadline requirements.

In 1996, Gov. Arne Carlson vetoed a similar bill, citing its excessive cost for requiring the location of every phone line in a multi-line system to be identified. No fiscal note was offered for the current bill.

A companion bill (SF653), sponsored by Sen. Dallas Sams (DFL-Staples), was re-referred to the Senate Finance Committee April 10, where it awaits additional action.

TAXES

School levy dollars

Stating that per-pupil expenditures in metropolitan areas are not keeping up with state K-12 funding, Rep. Barb Sykora (R-Excelsior) is seeking permission for school districts to automatically allow for inflation in their excess levies.

HF721, presented April 15 to the House Taxes Committee, would allow school districts to increase revenue obtained through levy referenda annually for inflation — provided that the election ballot states that the levy may increase per-pupil referendum revenues by the rate of inflation.

Under current law, school districts can state on the ballot a schedule of annual increases. The bill proposes that the schedule be replaced with a statement regarding inflation.

School boards could not make the voter-approved annual inflation increase without adopting a resolution each year stating the inflation rate formula.

School districts with levies in place at the time the law changes, should the bill become law, could only increase those levies for inflation by conducting an election on the issue.

Speaking in favor of the bill was Tom Mich, superintendent of Orono Schools, and Tom Berge, business manager for Minnetonka Public Schools. It's a fallacy, they said, that Twin Cities metropolitan area school districts are wealthy.

Tom Berge, *left*, business manager for Minnetonka Public Schools, and Tom Mich, superintendent of Orono Schools, explain their proposal for voter-approved adjustment of referendum revenue during an April 15 hearing of the House Taxes Committee.

Among the school districts of Minnetonka, Wayzata, Hopkins, Orono, Edina, St. Louis Park, and Eden Prairie, the 10-year increase in spending is two-thirds of the state average, Berge said. There are fewer teachers compared to student populations than in other areas of the state. And referendum issues do not always gain voter approval.

However, Rep. Tom Rukavina (DFL-Virginia) said HF721 would only increase the disparities between metropolitan and Greater Minnesota school districts. "Things are getting more and more unfair and it has to do with your most recent tax policies," he said to Sykora.

Sykora disagreed, citing one report that ranked Virginia 51st in spending and her school district 88th.

"All we're trying to do is keep up by paying totally our own way," Sykora added.

Rep. Ann Lenczewski (DFL-Bloomington) said rural legislators should support the bill because it doesn't ask for additional state support, but does ask that school districts be allowed to ask their own constituents for increased taxes.

"If I were a rural member, I would love this bill," Lenczewski said.

The bill will be considered for inclusion in the tax committee's omnibus bill.

A Senate companion bill (SF1223), sponsored by Sen. David Gaither (R-Plymouth), awaits action in the Senate Finance Committee.

Market value concerns

A philosophical debate about the merits of a program aimed at keeping escalating property values in check was staged April 14 with the presentation of three nearly identical bills.

HF11, sponsored by Rep. Joe Mullery (DFL-Mpls); HF241, sponsored by Rep. Michael Paymar (DFL-St. Paul); and HF405, sponsored by Rep. Ron Erhardt (R-Edina) would either repeal or delay the scheduled phase-out of the state's limited market value program. The bills will be considered for inclusion in the House Taxes Committee omnibus bill.

According to nonpartisan House researchers, the limited market value program was created by the Legislature to keep property taxes in check by limiting the amount that a property's value can grow through the years. Eligible properties include residential, agricultural, timberland, and seasonal recreational residential, such as cabins.

In calculating which property among these categories qualifies, the assessor continues to determine the property's fair market value, often called the estimated market value. However, qualifying property is taxed at the limited market value rate if its growth exceeds the limit.

To determine the limit for taxes due in 2003, the market value increase must not exceed the greater of: 10 percent of the limited market value in the preceding assessment year; or 15 percent of the difference between the current year's estimated market value and the previous year's limited market value.

In 2001, a law was enacted to phase out the limited market value program over six years, from assessment years 2002 to 2007.

Therefore, all property will be valued at full market value for property tax purposes beginning in 2007 for taxes due in 2008.

However, the bills' authors believe the program should not be phased out at all, or that the phase out should be delayed.

Paymar said his bill aims to delay the phase out, with the intent that the issue be revisited later. "Let's see what happens when the economy improves," he said.

Brooklyn Center Mayor Myrna Kragnus supported the bills, saying the program should not be phased out because market value increases are exceeding income increases. Mullery added that many are worried what would happen to low-income homeowners when the program expires.

But other representatives said the program does the opposite of what it was intended to accomplish and simply shifts the tax burden. Rep. Ann Lenczewski (DFL-Bloomington) said the limited market value program is "crazy" because it says that those whose assets have increased in value shouldn't have to pay more.

And Rep. William Kuisle (R-Rochester) said limiting property values doesn't necessarily limit spending on the part of local government units that benefit from the property taxes.

HF11 and HF405 lack Senate companion bills. The Senate companion for HF241 is SF211, sponsored by Sen. Richard Cohen (DFL-St. Paul). It awaits action by the Senate Taxes Committee.

Encouraging citizen involvement

Increasing sparse public participation in both the property tax system and the budget process conducted by cities and counties is one goal of a bill discussed by the House Taxes Committee April 15.

HF1089, sponsored by Rep. Paul Marquart (DFL-Dilworth), calls for cities and counties to create "citizen investment and local government excellence programs." Participation would be voluntary, but local governments meeting certain requirements would be compensated through a per-capita aid payment from the annual inflation adjustment made to the state local government aid program.

The bill would also have cities and counties mailing mandatory Truth-In-Taxation notices earlier in the year to allow constituents a real shot at helping local elected officials shape property tax levies. Currently, proposed taxation notices are mailed in mid-November, and public meetings are held largely in December. However, by that time most cities and counties have approved their budgets for the following year.

Furthermore, few people attend the Truth-in-Taxation meetings.

"The intentions are good, but what's actually happening isn't what the intent is," said Marquart, of the Truth-in-Taxation process.

To be compensated for participation, cities and counties would have to conduct citizen budget workshop meetings, and meet certain attendance thresholds at those meetings. The bill delineates items that must be discussed, such as the local government's budget process, expenditures, and priorities, as well as revenues, debts, and capital requests.

Per-capita compensation would be $2 for cities with populations less than 2,500, and $1 for all other cities and counties.

Another bonus for participation exists under the bill. Beginning in calendar year 2005, local governments meeting program requirements for the subsequent year's budget process could forgo separate Truth-in-Taxation public hearings, and could reduce the size of the mandatory newspaper ad that lists current and proposed property tax amounts and changes.

Marquart said that if every city and county participated, the state would spend $9.4 million on per-capita compensations — less than inflation on the local government aid program.

Rep. Dick Borrell (R-Waverly) questioned what would happen if a city of 100,000 managed to get 230 people to attend budget workshop meetings, falling short of the 250-person requirement. The city would have spent the money on the program, yet not received the per-capita compensation, he said.

Marquart replied that the city would still gain from increased participation and by encouraging leadership among constituents.

"I think this is a good approach to get some more representation," said Rep. Dean Simpson (R-New York Mills), a former mayor who said he has witnessed sparse attendance at Truth-in-Taxation meetings.

The bill will be considered for inclusion in the taxes committee's omnibus bill.

A Senate companion bill has not yet been introduced.

Resort payment delay

Resort owners meeting certain qualifications would be allowed to delay the first half of their annual property tax payment by two months, under a bill heard by the House Taxes Committee April 10.

HF364, sponsored by Rep. Doug Fuller (R-Bemidji), will be considered for inclusion in the committee's omnibus bill.

Under current law, first half property tax payments on class 1c homesteaded resort property and class 4c commercial resort property is due May 15. However, most resorts don't open for business before Memorial Day.

Fuller said the bill, which would delay the payment to July 15, would relieve cash flow problems faced by small resort owners.

Testifying for the bill was Mike Tonnes, owner of Papoose Bay Lodge in Park Rapids. Small- and medium-sized resorts have seen their winter customer base drop dramatically in the past five years due to a lack of measurable snow, he said. This has cost him $100,000 in lost profit.

Furthermore, Tonnes added, this summer's reservations are also down due to the war in Iraq and higher fuel prices. "We're just having a tough time and we're not alone."

But Rep. Joe Mullery (DFL-Mpls) and Rep. Ron Abrams (R-Minnetonka), the committee chair, questioned whether approving the bill would cause other seasonal business owners to request a tax payment delay. Abrams was further concerned that a tax property payment delay would negatively impact the cash flow of counties.

Echoing Abrams' concern was Keith Carlson, executive director of the Metropolitan Inter-County Association. State law already allows seasonal business to delay the first-half tax payment to June 1. And, he added, many counties operate without property tax revenues for the first five months of any given year.

"Cash flow is an extremely critical issue for us," Carlson said.

Rep. Paul Marquart (DFL-Dilworth) said the matter is of concern because property taxes are increasing in lake areas, which alone could force some resorts out of business.

Abrams indicated that adding a sunset provision to the bill might be in order.

A Senate companion bill (SF321), sponsored by Sen. Carrie Ruud (R-Breezy Point), awaits action by the Senate Taxes Committee.

Resort assistance

A bill that supporters say would help preserve small resorts by creating a tax deferment program for them was heard by the House Taxes Committee April 10.

HF331, sponsored by Rep. Larry Howes (R-Walker), would create a valuation and tax deferment program for class 1c homesteaded resorts. The program is identical to the agricultural "Green Acres" program.

Under the bill, taxes would be based on the use of the property as a resort and not solely on the estimated market value of the land. The amount of taxes based on the land's market value that exceeds the tax based on the resort would be deferred. If the resort is later sold, the difference between the two tax assessments must be paid for that year, as well as for the two previous years.

The person purchasing the resort would also qualify for the tax deferment program.

David Thompson, owner of Fisherman's Village Resort in Otter Tail County, said the bill addresses the rising value of lakeshore property that subsequently drives up property taxes for small resort owners who help fuel the state's economy.

Rising taxes are forcing some resort owners to close, according to a letter submitted to the committee by Joel Carlson, a lobbyist for the Congress of Minnesota Resorts. Where there were once 3,000 family-operated resorts, there are now fewer than 1,000, according to the letter.

"The Legislature can't make the snow fall, the sun shine, or the fish bite," Carlson stated in his letter. "However, HF331 sends a strong message that the Legislature recognizes the important contribution the small resort industry plays in our economy."

Connie Filley, owner of Cedar Point Resort in Spicer, said that the average lake resort in Minnesota consists of nine cabins and is owned by a couple. Fewer than 25 resorts in Minnesota have more than 30 cabins, she added.

"The number of resorts is declining," she said. "A vacation at the lake should be available to all your constituents, not just the ones who can afford lakeshore property."

HF331 will be considered for inclusion in the tax committee's omnibus bill.

A Senate companion bill (SF322), sponsored by Sen. Dallas Sams (DFL-Staples), awaits action by the Senate Taxes Committee.

VETERANS

Classified paperwork

Veterans' military discharge papers filed on or after Jan. 1, 2004 could be classified as private data under a bill passed 133-0 by the House April 14.

Rep. Jeff Anderson (R-Austin), the sponsor of HF768 said the bill "would help protect our veterans from identity theft." He said the Minnesota Department of Veterans Affairs brought the idea to him.

Currently any person can walk into the veteran's building and request someone's discharge papers. Private information, such as a social security number, is included on discharge papers and can be used to steal a person's identity.

Under the bill, the only people authorized to obtain a copy of the papers are the veteran, surviving spouse of the veteran, surviving child of the veteran, surviving parent of the veteran, and the guardian of a veteran.

The bill now moves to the Senate where it is sponsored by Sen. Steve Murphy (DFL-Red Wing).

NOTES

During the House Education Policy Committee's April 15 discussion on new state academic standards for public school students, Rep. Mike Jaros (DFL-Duluth) reviewed his extensive experience with languages.

The 14-term House member grew up in Bosnia and Herzegovina, formerly part of Yugoslavia, and speaks Russian, Spanish, and Latin, among other languages. "English is number one in the world because dollars speak," Jaros said.

He asked education commissioner Cheri Pierson Yecke if any linguists were on the volunteer committees that drafted the revised standards.

"No linguists," Yecke said. She and Jaros then exchanged greetings in Slovak.

Jaros said his native language was a mix of Slovak, a Polish dialect, with gypsy and other influences.

"Maybe we're cousins here," Yecke responded.

During April15 debate about the state government finance omnibus bill, Rep. Phyllis Kahn (DFL-Mpls) unsuccessfully offered an amendment to fund the Legislative Commission on the Economic Status of Women.

After Kahn expressed reasons why she believes the commission is important and should be funded, Rep. Jim Rhodes (R-St. Louis Park) asked Kahn if she makes the same wage as the rest of the legislators. Kahn said she did, "but I work a lot harder."

During the roll call vote on the amendment Rhodes voted for it, "because Rep. Kahn works so hard," he said with a chuckle.

Rep. Marty Seifert (R-Marshall) then voted no, saying, "Because my wife told me to."

Frequently called numbers

(Area code 651)

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

Information, Senate
231 Capitol 296-0504
Toll free 1-888-234-1112
TTY, Senate 296-0250
Toll free 1-888-234-1112
Secretary of the Senate
231 Capitol 296-2343
Voice mail/order bills 296-2343
Index, Senate
110 Capitol 296-5560
Sergeant-at-Arms, Senate
Senate Chamber 296-7514/296-1119

Committee Hotline, Senate 296-8088
Legislative Reference Library
645 State Office Building 296-3398
Governor's Office
130 Capitol 296-3391
Attorney General's Office
102 Capitol 296-6196
Secretary of State's Office
180 State Office Building 296-2803
Capitol Security
B-5 Capitol 296-6741
Emergency 296-2100

Difficult choices

Omnibus bill would fund services for physically impaired, but not all others who requested assistance

BY MIRANDA BRYANT

A proposed $320 million economic development budget for the 2004-05 biennium moved forward April 16, laying out appropriations for everything from laid-off workers to homeless shelters, to artist grants and flood damage repairs in Roseau.

Approved by the House Jobs and Economic Development Finance Committee,the budget does not veer far from the economic development budget Gov. Tim Pawlenty proposed. HF748, sponsored by Rep. Bob Gunther (R-Fairmont), the chair of the committee, now moves to the House Ways and Means Committee.

Due to the governor's efforts to overcome a projected $4.2 billion deficit in the next biennium, many of the committee's line-item appropriations represent cuts to or elimination of programs. However, funding for several programs was restored in the bill.

What's in the bill:

Selected bills included in HF748:
HF237 (Dempsey)
HF344 (Dorman)
HF561 (Gerlach)
HF575 (Gerlach)
HF623 (Hackbarth)
HF800 (Hackbarth)
HF971 (Gerlach)

Earmarked for 2002 flood damage in the Roseau area is $5.8 million, representing money for grants, infrastructure, engineering and design plans, and residential property buyouts.

Minnesota Technology Inc. would gain $2 million in 2004, but nothing thereafter in language specifically stating that no base funding be provided in future years. The governor proposed that state funding be eliminated for the technology based economic development organization that serves Greater Minnesota.

Nearly all state funding for Centers for Independent Living is restored in HF748. The governor's proposed budget eliminated $1.87 million in 2004, leaving the agency without state funding. The committee bill would appropriate $1.3 million in both 2004 and 2005. The agency also receives about $1.39 million in funding from the federal government.

Centers for Independent Living help people with disabilities live independently, at times helping them move from nursing homes or helping them remain in their personal residences.

Nearly $7.4 million in the 2004-05 biennium is proposed for family homeless prevention and assistance programs. The money would be appropriated from a federal Temporary Assistance to Needy Families grant.

An additional $3.4 million in the biennium for transitional housing programs would also be appropriated from the federal grant. Transitional housing helps people living in homeless shelters gain independence in secure and safe housing.

State Services for the Blind, which has experienced severe budget cuts in recent years, would receive a $4.4 million appropriation in 2004 and again in 2005. Pawlenty's budget called for a $1.3 million reduction over the next two years. The agency's budget was cut 45.5 percent in 2002 and a 47 percent in 2003 for a total of $505,000.

State Services for the Blind's focus is training blind and visually impaired adults for work, and finding jobs for them.The National Eye Institute estimates there are 87,577 blind and visually impaired people in Minnesota.

Restored in the bill is funding for the Center for Rural Policy and Development, a nonpartisan, nonprofit entity in St. Peter. Established in 1997 by the Legislature, it is charged with researching greater Minnesota social and economic issues, including health care, transportation, housing, crime, and job training.

Not in the bill:

Selected bills not included in HF748:
HF728 (Clark)
HF1283 (Clark)

The governor proposed eliminating the center's funding altogether.

The Minnesota Arts Board would fare better under the committee bill than the governor's proposal. The bill would appropriate $17.2 million in the biennium, with the bulk of it earmarked for artists' grants ($11.5 million) and for appropriations to regional arts councils ($4.8 million).

The budget doesn't include money for the Minnesota Film and TV Board, the Displaced Homemaker Program, the State Humanities

Continued on page 24

PHOTO BY TOM OLMSCHEID

A packed house listens as the House Jobs and Economic Development Finance Committee debates its omnibus finance bill.

Digging deep

Funding package shifts money to provide additional aid for after school and summer school programs, cuts Head Start

BY TOM LONERGAN

An omnibus education finance bill, which would potentially reduce some cuts proposed by Gov. Tim Pawlenty for K-12 education programs, was approved April 15 by the House Education Finance Committee.

Sponsored by Rep. Alice Seagren (R-Bloomington), the committee chair, HF1404 proposes a state general fund appropriation of $11.9 billion to fund public schools for the next two years. Locally generated property tax revenue would provide an estimated $2.8 billion in education funding for 2004-05.

As recommended by the governor, the bill proposes neither an increase in state aid per pupil funding nor an increase in property tax levy authority for school districts.

The bill, which was referred to the House Taxes Committee, would match the governor's proposed spending target for K-12 education, but proposes some funding shifts between accounts to provide school districts with more money than the governor proposed for after school and summer school remedial education programs.

What's in the bill:

Selected bills included in HF1404:
HF2 (Kielkucki)
HF206 (Seagren)
HF219 (Erickson)
HF365 (J. Johnson)
HF580 (Erickson)
HF682 (Kielkucki)
HF697 (Sykora)
HF 931 (Sykora)
HF936 (C. Nelson)
HF1109 (Krinkie)
HF1118(Buesgens)
HF1260 (Seagren)

A cut of $8.3 million in state aid for federally supported Head Start programs is proposed in the bill. Those funds would be used to more evenly balance cuts the governor proposed for Early Childhood and Family Education programs. Pawlenty did not propose a cut in Head Start aid.

"We tried to respond to some of the concerns about the governor's proposal," Seagren said. "It's not a fun thing for any of us to have to do. It will be a difficult couple of years."

The bill incorporates the majority of cuts Pawlenty proposed in supplemental programs like community and adult education, and it would limit the growth of compensatory revenue for school districts with large concentrations of students that meet federally defined poverty guidelines.

Compensatory revenue, as proposed in the bill, would not be linked to the state's general education formula. That would potentially reduce future revenue for the Minneapolis and St. Paul districts, which have large numbers of poor students. The bill proposes a "non-concentration compensatory formula" with districts receiving $500 for each student that meets the poverty income definition.

Simplifying how pupil units are counted, as proposed in the bill, to 0.5 for a kindergartner; 1.0 for an elementary student; and 1.3 for a middle and secondary school student would also affect the amount of state revenue generated through a variety of school district funding formula accounts.

The bill "hurts virtually every school district in the state," said Rep. Jim Davnie (DFL-Mpls).

"For over half the districts in the state, the bill is better than the governor's (proposal)," Seagren said.

Testimony from education groups and the public regarding the bill was mixed, with most comments reflecting a resignation that the committee had few options to counter the governor's proposal given the state's $4.2 billion projected budget deficit.

The bill provides "no increase in real dollars," said Bob Meeks, representing the Minnesota School Boards Association. "There will be reductions in opportunities and reductions in staff," he said.

Eileen Wallace of Willmar, chair of the Minnesota Community Action Association, spoke in opposition to the proposed cut in Head Start aid. "When budget cuts hit the most vulnerable," she said, "our society becomes weaker because of it."

Brandon St. Julien, a St. Paul parent with children in Head Start, said, "There has to be another way to go about this. Some of these kids need these programs."

Schools have been cutting their budgets for the past year, said Pam Costain, representing Save Our Schools, which she described as a nonpartisan group of parents and citizens. "There is no fat left on the bone. We are moving toward the heart of the classroom."

> *"We tried to respond to some of the concerns about the governor's proposal. It's not a fun thing for any of us to have to do. It will be a difficult couple of years."*
>
> — Rep. Alice Seagren

The committee and the governor both put "less resources on the table for students in poverty," said Jim Grathwol, representing Minneapolis Public Schools. The bill, he said, "will leave a few more children behind."

In response to Grathwol's testimony, Rep. Phil Krinkie (R-Shoreview) said there will be some children that "are always not going to be able to keep up" whom "we won't have a program for. No one wants a child to fail."

Proposed cuts in funding for English language learners will be a hard hit on St. Paul's schools, said Mary Gilbert, the district's legislative liaison. With 18,500 students learning English, the group is larger than many school districts in the state, she said. "As our population at risk increases, we won't have the resources to deal with it."

Not in the bill:

Selected bills not included in HF1404:
HF205 (Goodwin)
HF794 (Gunther)
HF1088 (Eken)
HF1098 (Olson)
HF1266 (Sykora)

Pawlenty proposed that targeted funding for K-12 students learning English be cut after a student completed five years in a program. The bill extends English language learning funding to seven years, but begins phasing it out in a student's fifth year in a program.

Continued on page 22

More and less

Plan for financing state government may mean fewer state employees and services, features expanded gambling

BY MIKE COOK

Most state agencies are looking at a double-digit percent decrease in general fund dollars for the upcoming biennium under an omnibus bill approved April 15 by the House State Government Finance Committee.

The bill calls for $412.9 million in net general fund appropriations, approximately $72 million less than recommended by Gov. Tim Pawlenty.

Among the proposed reductions are:
• House, 8 percent;
• Senate 10 percent;
• Legislative Coordinating Commission, 25 percent (including the elimination of the Commission on the Economic Status of Women and the Geographic Information Systems Office);
• governor's office, 15 percent;
• state auditor's office, 14.3 percent;
• Office of the Attorney General, 24.8 percent;
• Office of the Secretary of State, 15 percent;
• Administration Department, 10.4 percent; and
• Departments of Finance and Employee Relations, 15 percent each.

In addition the bill calls for the Lawful Gambling Control Board and the Minnesota Racing Commission to become self-supporting entities, although some money is set aside for each to begin making the transition.

"All the cuts will be developed by the agency," said Rep. Bill Haas (R-Champlin), the sponsor of HF749 and chair of the committee. Committee members heard from agency representatives earlier this session and again April 14 on how this will be met, mostly through a reduction in services and staff.

What's in the bill:

Selected bills included in HF749:
HF575 (Gerlach)
HF585 (Nornes)
HF619 (Rhodes)
HF734 (Kielkucki)
HF793 (Gerlach)
HF975 (Jacobson)
HF1040 (Wilkin)
HF1080 (Brod)
HF1082 (Samuelson)
HF1273 (Meslow)

One example of a department-level decision, discussed as part of the House of Representatives budget approved by the House Rules and Legislative Administration Committee April 14, would be the proposed elimination of printing and mailing of *Session Weekly*, the newsmagazine produced by the nonpartisan House Public Information Services Office.

For remaining state employees, the bill calls for a salary freeze until June 30, 2005. This plan would not prohibit increases for an employee who is promoted or transferred to a position that has greater job responsibilities. The bill would also recommend that the University of Minnesota implement the freeze.

Rep. Bill Hilty (DFL-Finlayson) unsuccessfully offered an amendment to change the provision, which he said undermines the collective-bargaining process.

The bill states that, "The terms of a collective bargaining agreement in effect on June 30, 2003 may not be extended after that date if the extension would increase a salary in a manner prohibited."

As for health and dental coverage, the bill calls for employer-contributions for each year of the biennium not to exceed fiscal year 2003 levels.

In addition, state-employed health care nonprofessionals would be added to the list of essential employees, meaning they would not be allowed to strike, among other things.

The bill also provides for a number of government efficiencies.

For example, the state's administration commissioner is directed to issue policies regarding cellular phone and vehicle use by state employees.

Haas said there are now 6,500 cellular phones being used at a cost of $5.6 million annually, and the state now owns 12,000 vehicles costing $29 million per year plus another $8 million per year for fuel. Included in that group, for example, he said are two Jeep Cherokees for the Supreme Court.

PHOTO BY ANDREW VON BANK

The number of state vehicles would likely decrease as part of the omnibus bill approved by the House State Government Finance Committee.

The savings must total at least $10 million in the biennium, or else the state's finance commissioner must report to the Legislature by Jan. 15, 2004 with proposed general fund reductions to the respective executive agencies in fiscal year 2005 to cover the difference.

Other potential savings would come in the way the state purchases a number of items, under the bill. Among the possibilities are the increased use of reverse auctions and other electronic purchasing initiatives. Haas said through reverse auction, whereby the state requests certain items and bidders then submit their proposals online with the opportunity to change their bid during the process, the state has saved about $20,000 annually on the purchase of aluminum for license plates and $250,000 for copy paper.

Not in the bill:

Selected bills not included in HF749
HF914 (Hilty)
HF1020 (Haas)

"The intent is to get the lowest bottom line because contractors see competitors' bids," said Kent

Continued on page 22

Tough task

Those affected say finance bill either cuts too much or uses creative ways to fund some state programs

By Jeff Jones

In the end, nearly everyone had kind words for the chairman who steered his committee through three months of grim financial reports, heartbreaking testimony, creative number crunching, and extremely difficult decision-making.

Rep. Fran Bradley (R-Rochester) told the House Health and Human Services Finance Committee that the culmination of their work, the omnibus package they approved April 15, was "the most difficult budget of any" the Legislature has to deal with.

Indeed, words were not as kind for the 649-page bill (HF437) Bradley crafted from the combined proposals of Gov. Tim Pawlenty, multiple legislators, a myriad of lobbyists, and one pharmacist with a clever idea.

Though it would provide more than $7.3 billion in general fund spending (according to estimates which include only preliminary revenue figures) in the next two years on health and human services initiatives throughout the state, dozens of testifiers said the cuts were too much or omissions too great.

Supporters said the bill finds creative ways to restore money that Pawlenty proposed to cut from nursing homes and services for the disabled while maintaining protection for Minnesota's most vulnerable populations in light of the looming $4.23 billion projected budget shortfall.

"I'm not necessarily proud of every decision we've had to make — I think we've had to make some tough choices — but I'm proud of the effort of this committee," Bradley said.

Public assistance

The bill proposes significant changes to Minnesota's welfare and public assistance programs, tightening eligibility requirements, and putting a greater emphasis on moving recipients into the workforce.

Recipients with incomes above 115 percent of federal poverty guidelines would become ineligible for the state welfare benefits from the Minnesota Family Investment Program (MFIP) and most of the program's participants would have to take part in a new Diversionary Work Program. An income of $18,400 in 2003 for a family of four is 100 percent of federal poverty guidelines. The program would require talking with a job counselor, signing an employment plan, and working with employment agencies to find unsubsidized employment sufficient to leave the welfare system.

The bill would also prohibit women who have additional children while on state welfare programs from receiving extra cash benefits though they would still receive extra food assistance.

The Human Services Department would also have to seek federal permission to prohibit food stamp recipients from purchasing certain "junk foods" with their benefit money.

Health care

The state would save money in its subsidized health care programs by tightening eligibility requirements, changing reimbursement rates to health care providers, and raising medical co-pays.

The General Assistance Medical Care program would be eliminated in October 2004, combining its services for low-income and disabled Minnesotans with the state MinnesotaCare program.

In addition to removing people at the top of income eligibility limits from the state Medical Assistance program, the bill would disqualify all undocumented immigrants from receiving pregnancy and postpartum health coverage.

Hospitals and pharmacies would receive lower state reimbursement for care they provide to state health care recipients. The bill lowers those reimbursements by 2.5 percent, half of what the governor proposed. In addition, most Medical Assistance and MinnesotaCare participants would be required to pay new co-payments for prescription drugs, eyeglasses, non-preventative doctor visits, and non-emergency visits to an emergency room.

The bill would establish a prescription drug discount program, where drug manufacturers would have to provide people earning less than 250 percent of federal poverty guidelines with drugs at the same rate it provides them to state assistance programs. It also would require the Minnesota Board on Aging to set up a referral service for people to learn about discount programs provided directly by drug manufacturers and would limit Medical Assistance coverage to four brand name drugs per month.

PHOTO BY ANDREW VON BANK

Sue Abderholden, representing the National Alliance for the Mentally Ill, testifies before the House Health and Human Services Finance Committee April 14 in opposition to some of the prescription drug provisions in the omnibus health and human services finance bill.

In a provision suggested by a Minneapolis pharmacist, Medical Assistance recipients would be able to avoid an extra trip to an emergency room, under the bill, by giving pharmacists the authority to prescribe over-the-counter medications for minor ailments. Current law requires physicians to sign off on any medications the assistance program covers. The proposal is expected to save the state about $188,000 in the next two years.

Long-term care, disability services

In an ongoing effort to reduce what the state pays for nursing home care, the omnibus bill would commission studies to examine how the state could further encourage people to purchase long-term care insurance. Supporters say other states have been successful in getting people to plan ahead for elder care options rather than relying on state safety nets in their old age.

Continued on next page

Continued from page 21

The bill also increases the per-bed fees nursing facilities have to pay and keeps largely intact a moratorium on new nursing home beds, in an effort to further encourage community and at-home care options for seniors.

The committee also restored about $82 million Pawlenty had proposed to cut from group homes and personal care attendants for elderly and disabled Minnesotans. Some members said they did not want budget cuts to reverse progress made in moving away from institutionalized care in favor of home- and community-based strategies, which they say are more cost effective and beneficial for the recipients.

Grants for senior nutrition programs, foster grandparents ,and senior companion programs, among others, originally dubbed for elimination by Pawlenty, would also receive 85 percent of their full funding.

Child-care assistance

State funding for child-care assistance programs the Department of Children, Families and Learning administers would be cut in half under the committee's omnibus bill.

What's in the bill:

Selected bills included in HF437:
HF5 (Bradley)
HF278 (Bradley)
HF411 (Boudreau)
HF590 (Haas)
HF904 (Bradley)
HF905 (Bradley)
HF1001 (Boudreau)

While the governor proposed a 15 percent reduction in funding for sliding fee child-care support for low-income, working families, the bill would cut around $60 million from the program in the next two years — a reduction of more than 50 percent from its base budget.

Bradley said the cuts were fair and necessary in order to restore funds to programs for the elderly and disabled. He said the state would continue to provide child-care assistance to the neediest families, but could not afford to help higher-income families that currently use the program.

Testifiers predicted that many parents would have to quit their jobs because they could not afford high child-care costs.

Other provisions

- The bill would give counties more flexibility in administering reduced state money by consolidating several targeted grants into larger block grants for the counties to spend according to their own needs.
- In an amendment to the bill offered by Rep. Tim Wilkin (R-Eagan) and adopted by the committee, the non-professional workers at some state hospitals, group homes, and regional treatment centers would be classified as "essential" personnel, preventing them from striking.
- Another Wilkin amendment narrowly approved by the committee would transfer about $2.4 million from state family planning grants to other state block grants, in part to help mitigate cuts to children with disabilities.

The bill was sent to the House Ways and Means Committee. A Health and Human Services omnibus package has not yet been presented in the Senate.

Continued from page 19

PHOTO BY KRISTINE LARSEN

Janis Lang-Ewart, executive director of KFAI Radio, testifies before the House State Government Finance Committee on April 14 to share her concerns about proposed cuts to AMPERS, a collection of radio stations licensed to community groups, public and private colleges and universities, a technical college and a school district.

Jim Bartholo–mew, government relations director for the Department of Children, Families and Learning, said the bill "protects K-12 education from significant proportional cuts." Public school education represents 42 percent of proposed state spending for the next biennium, Bartholomew said, "and 12 percent of the budget cuts."

Transition revenue for school districts, as proposed by the governor, is included in the bill. It is intended to compensate school districts for funding cuts they would sustain in other areas. During fiscal year 2005, which begins July 1, 2004, school districts could propose to keep the transition revenue through a property tax referendum.

The bill would provide $5 million to fund distance-learning programs — online learning and virtual schools — during the next two years. Online programs could be developed by school districts and charter schools for public school students only. Home-schooled students could enroll in online courses through the state's open enrollment option.

Six attempts by DFL members to amend the bill were defeated. "At least some parts of the bill hold education harmless," said Rep. Mindy Greiling (DFL-Roseville), "but there's nothing in the bill to boast about."

"Why don't we just say education is not a sacred cow anymore."

Continued from page 20

Allin, materials management director for the Department of Administration.

However, the bill also calls for the elimination of a provision that would force state agencies to see if another state employee could do work before contracting it out. It also eliminates PrintComm, the state's printing group that has reported monthly losses.

While many agencies are seeing cuts, the state may make extra money through the bill, via a pair of gambling provisions included.

One would add sports boards to the list of legal forms of lawful charitable gambling. Introduced by Rep. Jim Rhodes (R-St. Louis Park) as HF619, the provision defines a sports board as a game where players buy a square, line, or other chance on a board with the winner determined by the outcome of a professional sporting event. The bill limits the maximum prize for a board to $500 and sets the maximum cost of a chance to $10.

A second provision would link bingo sites together to provide a single prize pool. Proponents say the linkage, introduced as HF734 by Rep. Tony Kielkucki (R-Lester Prairie), could increase bingo pools to jackpots as high as $8,000 to $9,000. Current law caps a bingo payout at $300 per site.

However, a casino plan that would have provided revenue to two impoverished American Indian reservations was removed from the bill.

As introduced, HF1020, sponsored by Haas, would authorize the state lottery to operate gaming machines at a facility in the Twin Cities metropolitan area. The facility itself would be operated by the White Earth Band and Red Lake Nation of American Indians, which currently receive no casino revenue and would evenly split 65 percent of casino revenue. Tribal representatives said that those living on the reservations are living in desolate, poverty-like conditions, and some have no housing at all.

An in-lieu tax of 20 percent of adjusted gross gaming machine revenue would be imposed, 90 percent of which would go to the state's general fund.

Rep. Phyllis Kahn (DFL-Mpls) questioned why Haas tried to insert the provision in the committee's omnibus bill when the bill was defeated April 1 after a fair hearing by the House Governmental Operations and Veterans Affairs Policy Committee.

"I think this is a real opportunity to help a community out so that's why I took another run at it," Haas said.

No new taxes

Transportation package includes combination of spending reductions, bonding for highway and transit projects

BY MICHELLE KIBIGER

The omnibus financing package approved by the House Transportation Finance Committee April 16 includes a combination of spending reductions to administrative costs, bonding for highway projects, and incentives for congestion reduction, such as use of high-occupancy vehicle lanes by unaccompanied single drivers willing to pay for them.

In all, it provides $3.75 billion in the 2004-05 biennium, with authorization for an additional $550 million in trunk highway bonds. The bill would provide about $160 million more in state spending for the biennium than in 2002-03.

However, just as notable are the items not in the bill: increased gas taxes, increased license tab fees, and increased funding for transit operations.

The bill (HF627), sponsored by Rep. William Kuisle (R-Rochester), the committee chair, now moves to the House Capital Investment Committee.

"I think this bill does go off into the future," Kuisle said, referring to witnesses who said the bill doesn't address long-term needs. "I'm very proud of the reforms in this bill. I think it's the first time we've really stepped out and challenged not just the (Transportation) Department, but other agencies."

What's in the bill:

Selected bills included in HF627:
HF4 (Westerberg)
HF251 (Beard)
HF395 (Abeler)
HF511 (Hilstrom)
HF902 (DeLaForest)
HF927 (Wilkin)
HF1007 (Erhardt)
HF1168 (DeLaForest)
HF1172 (Kuisle)
HF1219 (DeLaForest)
HF1286 (Westerberg)
HF1297 (Westerberg)
HF1446 (Osterman)

Transportation functions are funded largely through non-general fund sources, including the trunk highway fund and the highway user tax distribution fund. Only a small portion of the bill, about $159 million for the biennium, comes from the state's general fund.

Among the budget items for 2004-05 addressed in the bill:

- $83.1 million for multi-modal transportation systems, down $8 million from 2002-03;
- $2.1 billion for state roads, up $200 million from 2002-03, due primarily to reductions in infrastructure planning and investment and operations and maintenance;
- $1.1 billion for local roads, up $30 million from 2002-03, due to a slight administrative change that determines which fund should pay for collection costs;
- $104 million in general Department of Transportation support, reduced about $31 million from the previous biennium;
- $112.2 million in general fund appropriations for Metropolitan Council transit, down nearly $18 million from 2002-03;
- $19.4 million for Public Safety Department administration paid for by the trunk highway fund, down $2 million; and
- $132.7 million for the State Patrol, an increase of $5.5 million from the previous biennium, due to the addition of troopers authorized by the 2001 Legislature.

PHOTO BY TOM OLMSCHEID

John Tschida, *left*, speaking for the Minnesota Consortium for Citizens with Disabilities, expresses his concern in funding level for Metro Mobility during an April 15 hearing of the House Transportation Finance Committee. Joel Ulland, *right*, also testified about the impact of the committee's omnibus bill.

Nearly all the budget items match the governor's recommendations.

The $42 million in spending reductions to Transportation Department administration would be used to finance an additional $550 million in trunk highway bonds to accelerate road projects. The bill would allow for up to $5 million in flexible funds to be spent on Greater Minnesota transit improvements. In addition, bond proceeds of up to $25 million in the Twin Cities metropolitan area and $25 million in Greater Minnesota would be available to address highway safety concerns.

In addition, the bill would authorize the state to spend up to $550 million in additional advanced trunk highway improvements based on anticipated federal funds through June 30, 2009.

Both bonding initiatives were included in Gov. Tim Pawlenty's proposals, contained in HF4, sponsored by Rep. Andrew Westerberg (R-Blaine).

Funding for transit operations would be cut in the bill and would also be affected by the elimination of the transfer of 2 percent of motor vehicle sales taxes to a metropolitan transit account. In addition, the 20.5 percent dedication of motor vehicle sales taxes to transit following the removal of the metropolitan property tax levy for transit in 2001 would be replaced with a general fund appropriation of $125 million per year. This provision would cost the Met Council $3.2 million over the biennium according to February forecast revenue estimates.

Nacho Diaz, transportation planner for the Metropolitan Council, said that he did not support the change because it removes the

Not in the bill:

Selected bills not included in HF627:
HF1255 (Erhardt)
HF1372 (Beard)
HF1385 (Lenczewski)
HF1395 (Hausman)
In addition, specific projects, such as those in HF1324 (Ruth) and HF484 (Thissen), were not identified in the bill.

Continued on next page

Continued from page 23

specific dedication, which he described as "very important."

Other transit advocates criticized the bill for cutting transit when the Legislature should be increasing transit options and finding additional funding to improve the system.

Sam Grabarski, president and CEO of the Minneapolis Downtown Council, said Minnesota has the "most anti-progressive transit plan in the (United States)."

The bill also includes a plan to split costs for operating the Hiawatha light-rail line so that the state would fund 40 percent, Hennepin County 40 percent, and 20 percent by Bloomington and Minneapolis. Offered as an amendment, the provision initially failed in the committee but was reconsidered and ultimately was approved.

A number of testifiers and members suggested that agreements involving the state, via the Metropolitan Council, providing full funding to operate the line, set to open in late 2004, were signed around the time the Legislature approved funding for the line in the mid-1990s.

"This is a breach of trust by the State of Minnesota," said Rep. Paul Thissen (DFL-Mpls).

Joel Ulland and John Tschida, speaking for the Minnesota Consortium for Citizens with Disabilities, said that cuts to Metro Mobility service for disabled and elderly individuals would have a significant impact. Many communities would have no service on weekends and only sporadic service beyond regular business hours, which would significantly curtail access to work, services, and activities.

Tschida, senior director of public affairs for the Courage Center, said the change would especially affect clients and employees at the Golden Valley location. "Because they are wheelchair users, they can't just hitch a ride from a friend or bike to work," he said.

An amendment, offered by Rep. Alice Hausman (DFL-St. Paul), would have restored the $22.5 million in transit cuts, but the amendment failed.

In addition, several contractors testified that the bill does not provide enough for road projects. They said that many contracting businesses are moving work out of state or closing down completely because they don't have the volume of work to stay busy.

They also expressed their disappointment that the bill included no additional revenue sources to increase funding for road projects and did not include funding to address local road and bridge construction.

"We're looking for a long-term funding program," said Richard Thomas, representing the Associated General Contractors of Minnesota. "We believe it's critical that the process of moving ahead begin now this session."

Additionally, the bill would:

- allow single-occupancy vehicles to use high-occupancy vehicle lanes, particularly in the Interstate 394 corridor, upon payment of afee;
- require that the Legislature return a proposed $15 million transfer from the state airports fund to balance the 2003 budget if enacted, when money is available (after the 2008 fiscal year begins);
- classify state public safety radio communications operators as essential employees so they may not strike;
- exempt county road maintenance and reconstruction projects in existing right-of-way from obtaining a permit;
- require that the Transportation Department explore options to lease or operate for maintenance by private or public entities several rest areas on the state highway system slated for closure by the department;
- change wetland replacement ratios, in portions of the state that are classified as 50 percent to 80 percent, from 2:1 to 1.5:1;
- classify the portion of highway 62 that joins Interstate 35W part of the interstate highway, adjusting the municipal consent requirements;
- require the Department of Public Safety to conduct a monthly sampling of licensed drivers who own vehicles in order to determine whether they are insured;
- increase portions of surcharges for reinstating a driver's license, revoked for a drunken driving offense, allocated to brain injuries; and
- study the installation of rumble strips as a safety measure in the center of two-lane highways statewide.

Continued from page 18

Commission, and the Indian Business Loan Program.

Rep. Tony Sertich (DFL-Chisholm) unsuccessfully offered an amendment that would have given the film and TV board $100,000 in both 2004 and 2005, as well as $500,000 each of the two years for continuation of a rebate program aimed at stimulating film productions in Minnesota.

Also rejected was an amendment by Rep. Karen Clark (DFL-Mpls) that would have appropriated $6 million for the Minnesota Youthbuild Coalition, Minnesota Youth, and the Learn to Earn Program. The youth employment, intervention and jobs skills programs have all have received state funding in past years.

HF748 appropriates $2.6 million in the 2004-05 biennium for youth intervention programs in general.

An additional amendment by Clark was also rejected. It would have appropriated $75,000 in the 2004-05 biennium for HIV/AIDS education and awareness in the workplace. Currently, the Minnesota AIDS Project is under state contract to provide these services.

The Minnesota Historical Society would suffer cuts deeper than those recommended by the governor's budget, should the committee bill be enacted. The bill would appropriate nearly $22 million in 2004 and a like amount in 2005, representing a $9.5 million cut from the 2002-03 biennium. Pawlenty recommended an $8 million cut.

The bill outlines how the appropriation could be spent. Budget cuts must first be made to the society's administrative expenses, only after which could reductions in services be implemented. Further delineated is the amount to be spent in each of the two years on education and outreach ($12.1 million), and preservation and access ($9.6 million).

Historical sites could not be closed, according to the bill, without consultation with community groups and individuals interested in providing financial or in-kind support to keep them open.

Issues surrounding the workforce are treated in a variety of ways in the committee budget bill.

A proposed policy calls for charging apprenticeship sponsors $50 per apprentice each year. The revenue would help people who have lost work through a massive layoff, have exhausted unemployment benefits, or have limited opportunities to return to a similar occupation in their region. The fee would generate about $1 million in 2004-05 and is part of the governor's proposed budget.

A proposal that came late in the committee's budget deliberation would have reduced from 16 to eight the number of workforce development centers throughout Minnesota by Jan. 15, 2004. However, a committee-approved amendment, offered by Sertich, would instead require the governor's workforce development council to consult with local workforce councils and local elected officials in studying the workforce services in Minnesota.

The study, to be reported to the Legislature by Jan. 1, 2004, would determine if efficiency and service improvements could result by changing the boundaries of workforce services areas or reducing the number of centers.

Workforce development centers help employers find qualified workers; assist job seekers find work, as well as training and career development opportunities; and provide programs that help youth plan for careers and acquire necessary skills.

Tracking new laws, vetoes

Once a bill has passed both the House and Senate in identical form, it's ready to be sent to the governor for consideration. The governor, who has several options when considering a bill, can:

- sign the bill and it will become law;
- veto the bill;
- line-item veto individual items within an appropriations bill;
- or do nothing, which can have two different effects. The timing of these actions is as important as the actions themselves.

In the first year of the biennium, the important thing to remember is that the governor has three days from the time of "presentment" to veto a bill. If the governor doesn't sign the bill within this time frame, it will become law with or without his signature. (Sundays are not counted in the three-day time limit, but holidays are.)

Only on appropriations bills can the governor exercise the line-item veto authority. This option allows the governor to eliminate the appropriation items to which he or she objects. As with all vetoes (save pocket vetoes that occur in the days after the Legislature has adjourned sine die) the governor must include a statement listing the reasons for the veto with the returned bill. Here, too, the timetable is three days after after the governor receives the bill.

Policy items contained in appropriations bills may not be line-item vetoed. In order to veto such an item, the governor is required to veto the entire bill.

A two-thirds vote of the members in each house is needed to override a veto. But because only the governor can call a special session of the Legislature, anything vetoed after the Legislature adjourns is history — at least until the next year.

The governor's veto authority is outlined in the Minnesota Constitution (Article IV, Section 23).

More information is available on the governor's Web site (www.governor.state.mn.us). Select the "Legislation" link. Or, retrieve bill status updates on the House Web site (www.revisor.leg.state.mn.us:8181/SEARCH/BASIS/hstat/public/www/SF).

Key:
CH=Chapter; HF=House File; SF=Senate File

CH	HF	SF	Description	Signed	Vetoed
1	111	94*	St. Cloud state land conveyance description correction.	2/27	
2	273*	195	Revisor's bill correcting erroneous, ambiguous, and omitted text and obsolete references.	3/19	
3	64	61*	State agencies rule adoption procedures statement of need and reasonableness content requirement clarification and expansion.	3/24	
4	95*	291	Archaic prohibition on misrepresenting the size of certain items relating to wagons repealed.	3/31	
5	112*	92	Title, lien, and mortgage technical, clarifying, and conforming changes provided.	3/31	
6	744	726*	State building code cumulative fees collection reporting requirement modifications.	4/3	
7	457	356*	Child de facto custodian provisions modifications.	4/4	
8	415	512*	Rockford Metropolitan Council jurisdiction removal.	4/2	
9	1158*	993	County nursing home payment adjustment increased, and money appropriated.	4/7	
10	267*	176	Fire insurance standard policy provisions modified relating to terrorism.	4/7	
11	330	293*	Public employment labor agreements, compensation plan amendments and salary increase proposals ratification.	4/9	
12	166	112*	Uniform Guardianship and Protective Proceedings Act.	4/11	
13	1054	1001*	Solid waste management plans updating and content requirements modified.	4/17	
14	94	187*	State fair season circuses prohibition repeal (24-hour waiting period for abortions).	4/14	
15	774	790*	Department of Human Services Background Studies Act.	4/17	
16	647*	533	Nicollet Co. nursing home construction moratorium exception provided.	4/17	
17	827	768*	Capitol Area Architectural and Planning Board enabling language modified.	4/17	
18	912	1095*	State soldiers assistance fund use restriction clarification.	4/17	

***The legislative bill marked with an asterisk denotes the file submitted to the governor.**

Constitutional Officers

Governor TIM PAWLENTY (R)
130 State Capitol
St. Paul 55155
(651) 296-3391
1-800-657-3717
Fax: (651) 296-0674

Lieutenant Governor CAROL MOLNAU (R)
130 State Capitol
St. Paul 55155
(651) 296-3391

State Auditor PATRICIA AWADA (R)
525 Park St.
Suite 400
St. Paul 55103
(651) 296-2551

Attorney General MIKE HATCH (DFL)
102 State Capitol
St. Paul 55155
(651) 296-6196
Consumer Division: (651) 296-3353
1-800-657-3787

Secretary of State MARY KIFFMEYER (R)
180 State Office Building
St. Paul 55155
(651) 296-2803
Election Division: (651) 215-1440
Open Appointments: (651) 297-5845
Business Information &
Uniform Commercial Code:
(651) 296-2803

MONDAY, April 21

House offices closed.

TUESDAY, April 22

12:00 PM

THE HOUSE MEETS IN SESSION

After session

Capital Investment
Room: Basement Hearing Room
Chair: Rep. Phil Krinkie
Agenda: HF 627 (Kuisle) Transportation funding provided, and money appropriated.
HF 1048 (Penas) Trade and economic development, housing finance agency, natural resources, and transportation funding provided, bonds issued, and money appropriated.

4:30 PM or immediately following session

Rules and Legislative Administration
*** Note: *** Change in meeting room
Room: 118 State Capitol
Chair: Rep. Erik Paulsen
Agenda: Adoption of Proposed Calendar for the Day for Wednesday, April 23, 2003

WEDNESDAY, April 23

8:00 AM

*** Note: *** Change in meeting time
Jobs and Economic Development Finance
*** Note: *** Change in meeting room
Room: 500N State Office Building
Chair: Rep. Bob Gunther
Agenda: HF1115 (Hoppe) Telephone assistance plan provisions modified.
HF1124 (Osterman) Transitional housing loans funding provided, bonds issued, and money appropriated.
HF727 (Wilkin) Health coverage proposed mandates evaluation provided.
HF254 (Abrams) Minneapolis; Guthrie Theater new contruction funding provided, bonds issued, and money appropriated.

8:15 AM

Transportation Finance
Room: 200 State Office Building
Chair: Rep. William Kuisle
Agenda: HF1071 (Seifert) Paved two-lane highway speed limits of 65 miles per hour during daytime and 55 miles per hour during nighttime provided.
HF1233 (Tingelstad) Northstar commuter rail line funding provided, bonds issued, and money appropriated.
HF1129 (Kuisle) Utility relocations necessitated by design-build transportation projects regulated.

After session

Ways and Means
Room: 5 State Office Building
Chair: Rep. Jim Knoblach
Agenda: HF 752 (Harder) Omnibus agriculture and rural development finance bill.
HF 779 (Ozment) Omnibus environment finance bill.

4:00 PM

Joint Subcommittee on Claims
Room: 125 State Capitol
Chairs: Rep. Bruce Anderson, Sen. Wes Skoglund
Agenda: Claims against the Departments of Human Services, Natural Resources, and Corrections.
Overview of 2002 approved claims.
Other business.

THURSDAY, April 24

12:30 PM

Agriculture and Rural Development Finance
Room: 5 State Office Building
Chair: Rep. Elaine Harder
Agenda: To be announced.

After session

Ways and Means
Room: 5 State Office Building
Chair: Rep. Jim Knoblach
Agenda: HF748 (Gunther) Omnibus jobs, economic development and housing appropriations bill.
HF627 (Kuisle) Omnibus transportation appropriations bill.
HF750 (Smith) Omnibus criminal justice appropriations bill.

FRIDAY, April 25

After session

Ways and Means
Room: 5 State Office Building
Chair: Rep. Jim Knoblach
Agenda: HFXXXX (Stang) Omnibus higher education appropriations bill.
HF749 (Haas) Omnibus state government appropriations bill.

BILL INTRODUCTIONS ★ ★ ★

APRIL 14 - 16, 2003
HOUSE FILES 1528 - 1556

Monday, April 14

HF1528—Ozment (R)
Taxes
Aggregate materials tax definition of borrow provided.

HF1529—Ellison (DFL)
Governmental Operations & Veterans Affairs Policy
State agencies prohibited from spending public funds to investigate persons for the purpose of discrediting them.

HF1530—Otremba (DFL)
Commerce, Jobs & Economic Development Policy
Outdoor power and sport equipment dealerships regulation provided.

HF1531—Thissen (DFL)
Taxes
Richfield redevelopment tax increment financing district authorized.

HF1532—Fuller (R)
Judiciary Policy & Finance
Attorney license fee surcharge established to be used for the public defender system, and money appropriated.

HF1533—Westrom (R)
Taxes
Biomass electric generation facility property tax exemption construction date requirement extended.

HF1534—Mariani (DFL)
Civil Law
Corporate liability imposed for damages caused to the public interest, and civil and criminal penalties prescribed.

HF1535—Knoblach (R)
Ways & Means
Appropriations, transfers, and reductions provided for transportation, early childhood and family education, K-12 education, health and human services, and other miscellaneous funding; bonds issued; and money appropriated.

HF1536—Erhardt (R)
Transportation Policy
General obligation bonds authorized for use in construction of trunk highways by proposed constitutional amendment.

HF1537—Murphy (DFL)
Governmental Operations & Veterans Affairs Policy
Executive director salary limitations modified for the State Board of Investment, the Public Employees Retirement Association, the state retirement system, and the teachers retirement association.

HF1538—Mullery (DFL)
Higher Education Finance
Iraq war veterans' tuition benefits provided, and money appropriated.

HF1539—Sieben (DFL)
Taxes
Active members of the military considered nonresidents for income tax purposes.

HF1540—Mullery (DFL)
Taxes
Active National Guard members considered nonresidents for income tax purposes.

HF1541—Otremba (DFL)
Local Government & Metropolitan Affairs
County powers clarified, general repeal of mandates provided, and county liability limited.

Wednesday, April 16

HF1542—Brod (R)
Regulated Industries
Renewable energy production definition clarified relating to qualified on-farm biogas recovery facility ownership.

HF1543—Nelson, P. (R)
Local Government & Metropolitan Affairs
Chisago County conveyance of Green Acres Country Care Center authorized for mutual consideration.

HF1544—Gunther (R)
Jobs & Economic Development Finance
Youth crime prevention program grant authorized, and money appropriated.

HF1545—Otto (DFL)
Health & Human Services Policy
Stillbirth record registration required.

HF1546—Erhardt (R)
Transportation Finance
Metropolitan transportation fund created, motor fuel tax rates increased, automobile taxes modified, county state-aid highway funding modified, bonds authorized, and money appropriated.

HF1547—Pugh (DFL)
Civil Law
Civil action fault regulation modified, and bad faith insurance practices defined.

HF1548—Brod (R)
Taxes
Property tax refund eligibility restricted for claimants receiving certain payments.

HF1549—Lanning (R)
Taxes
City aid reductions in 2003 and 2004 provided.

HF1550—Carlson (DFL)
Transportation Finance
Local road improvement program state bonds authorized, city utility relocation expenditures reimbursement provided, and money appropriated.

HF1551—Demmer (R)
Environment & Natural Resources Policy
Spring turkey hunting license selection process modified.

HF1552—Nornes (R)
Transportation Policy
Town line road dispute settlement provided.

HF1553—Dill (DFL)
Taxes
Lake County Housing and Redevelopment authority extension authorized.

HF1554—Kuisle (R)
Transportation Finance
Radio communications system infrastructure funding provided, bonds issued, and money appropriated.

HF1555—Sieben (DFL)
Taxes
Newport lodging tax authorized.

HF1556—Abrams (R)
Taxes
Mining and refining of nonferrous ores, metals, and minerals taxation provided, and proceeds distributed.

Reflections

Politicians who campaigned between 1915 and 1925 often attached themselves to a traveling "Tent Chautauqua" to get their message out to the public. The Chautauqua was a popular cultural phenomenon in the Midwest whereby a group of lecturers and entertainers were hired by a traveling performing company to appear on stage in small towns for about seven days, before moving on to another town.

As polished public speakers, campaigners followed the lead of great speakers of the day like William Jennings Bryan, the most listened to orator/politician of the era. People would sit under a tent for hours in sweltering heat just to hear a man so full of energy that he once gave 50 lectures in 28 days.

Chautauquas served as a platform for progressive movements and activities by its lecturers on issues that included instituting an income tax, the prohibition of liquor, and the women's suffrage movement. The tent meetings were indirectly influential in the progress of a woman's right to vote, and for overall equality for women. Women speaking in front of a large audience were not commonplace, so when one was on the program, every seat in the tent was occupied.

Those who chose to speak strongly on the need for more women to be involved in community activities, or child and social welfare programs, were the most in demand.

One was Anna Dickie Olesen, who began public speaking lessons at age 12 in Waterville, where she spent her childhood.

She later moved to Cloquet, where her husband, Peter, was the school superintendent, and became a member of the Federation of Women's Clubs and got involved in the suffrage movement. She soon found that her oratorical talent was needed as a female in the burgeoning Democratic Party.

Olesen's popular appearances on the Chautauqua circuit earned her a speaking engagement at the state Democratic Party convention in 1916. Reports say that her talk on suffrage was the most impressive speech made.

In 1920 Olesen spoke to a national Democratic Party audience that gave her more recognition. As a delegate to the national Democratic convention in 1922, she was nominated to be a U.S. Senate candidate, becoming the first woman in the country to run for a national office. Although she placed third in a nasty campaign, she still received twice as many votes as her party's gubernatorial candidate, who also lost. She later worked in President Franklin Roosevelt's administration as state director for the National Emergency Council.

As Olesen led the way for women to hold office in the state, voters in 1922 elected four women to the Legislature: Myrtle A. Cain, Mabeth Hurd Paige, Hannah J. Kempfer, and Sue Dickey Hough.

The Chautauqua circuit tour began to die out in 1925, giving way to radio, movie theaters, and travel. But its indelible print on small town America and the state was permanent. It helped to introduce lecturers like Bryan, Robert LaFollette, Olesen, and the first women legislators who spoke words "...to freshen ambitions, to aspire a little higher, to become better neighbors and friends, to clean up the town a little bit, to kiss the children, ... and perhaps, pray a little more."

— LeClair Grier Lambert

Minnesota House of Representatives
Public Information Office
175 State Office Building
St. Paul, Minnesota 55155-1298

Speaker of the House: Steve Sviggum
Majority Leader: Erik Paulsen
Minority Leader: Matt Entenza

Minnesota Index

State Forests

Approximate percentage of Minnesota that is forest	33
In millions of acres	16.7
Number of state forests	57
Approximate acreage of those, in millions	3.2
State land outside of state forests in millions of acres	1.3
Percentage of state forestland managed by county, state, and federal agencies	60
Owned by private landowners	40
Millions more large trees (more than 19 inches in diameter) Minnesota has now than it did 40 years ago	20
Approximate number of Minnesota workers who derive all or part of their earnings from the forest products industry	55,155
Percentage of those jobs in the seven-county Twin Cities metropolitan area	50
Forest industry's approximate total impact on Minnesota's economy in 2001, in billions	$6.96
Millions of cords of wood grown each year in Minnesota	7.4
Millions harvested	3.7
Length, height, and width of a cord, in feet	8,4,4
Number of toothpicks that can be produced from a cord of wood	7,500,000
Personal checks	460,000
Number of trees that die naturally for every one tree harvested	28
Millions of acres of commercial forestland in Minnesota	14.8
Percentage that is state, federally, county, or municipally owned	55
Privately owned	40
Industry owned	5
Annual wildfires fought in Minnesota	1,600
Estimated acres burned annually	65,000 to 75,000
Outdoor forest classrooms	80
In acres	6,000
Miles of forest road in Minnesota	2,000
Miles of state forest trails	1,200
Minnesota native tree species	52
State forest campgrounds	46
Acres in Minnesota where white pine trees are present	1,000,000
Increase in acreage since 1977	17,000
Respective percent reduction since 1990 in the amount of white pine sold for harvest by the Department of Natural Resources and the Superior National Forest	504, 855
Red pine seedlings that Minnesota Forest Industries plans to give away on Arbor Day, April 25	50,000

Sources: Minnesota Department of Natural Resources; *Minnesota's Forest Resources*, DNR Division of Forestry, August 2002; Minnesota Forest Industries

For More Information

For general information, call:
House Information Office
(651) 296-2146 or
1-800-657-3550

To obtain a copy of a bill, call:
Chief Clerk's Office
(651) 296-2314

To find out about bill introductions or the status of a specific bill, call:
House Index Office
(651) 296-6646

For an up-to-date recorded message giving committee meeting times and agendas, call:
Committee Hotline
(651) 296-9283

The House of Representatives can be reached on the World Wide Web at:
http://www.house.mn

Teletypewriter for the hearing impaired.
To ask questions or leave messages, call:
TTY Line (651) 296-9896 or
1-800-657-3550

Check your local listings to watch House committee and floor sessions on TV.

Senate Information
(651) 296-0504
1-888-234-1112

Senate Index
(651) 296-5560

This document can be made available in alternative formats to individuals with disabilities by calling (651) 296-2146 voice, (651) 296-9896 TTY, or (800) 657-3550 toll free voice and TTY.