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**State Professional Contracts Report**

**Budget Bill, MinnesotaCare Study, and more**
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— Photo by: Kristine Larsen
Procedural difficulties
In light of public skepticism state officials pledge to improve practice of awarding professional and technical contracts

BY MICHELLE KIBIGER

A looming budget crisis has painted a new face on the old problem of the state’s procedural difficulties in the contracting process. Though recent news accounts have shed light on specific concerns within the Minnesota Department of Transportation (MnDOT), officials and independent auditors say the problem extends beyond the department to numerous other state agencies.

It’s a systemic problem that can be blamed in part on the number of contracts flowing through the system, they say.

Legislative Auditor James Nobles testified before a joint meeting of the House Transportation Finance and Transportation Policy committees Jan. 29 regarding the issue. His office prepared a report released in January that evaluated how all state agencies adhere to contract procedure. Though recent news accounts have shed light on specific concerns within the MnDOT, officials and independent auditors say the problem extends beyond the department to numerous other state agencies.

The short story: they’re not.

In light of public skepticism state officials pledge to improve practice of awarding professional and technical contracts. Criticisms have been raised with MnDOT contracts specifically related to bad communication and relationships between MnDOT and the Administration Department.

Gov. Tim Pawlenty appointed a task force Jan. 28 to better manage the relationships between the two departments. Administration Commissioner Brian Lamb and Lt. Gov. Carol Molnau, also

"If you read the state laws on contracts, you will go home and sleep very well, because they are tough and very rigorous," Nobles said. "But you'd be dreaming because that doesn't happen very often."

The auditor’s evaluation found that the Department of Administration does not fulfill its role of oversight in the contract process, and it needs to do a better job of prioritizing its workload, Nobles said.

"They're simply overwhelmed by the numbers of contracts they must oversee and approve, he said.

Specifically at issue is the process by which the state selects contractors for professional and technical services – those defined as intellectual in nature. These contractors provide a certain area of expertise valuable to an agency, such as with employee training, internal re-organization, and management.

By law, the commissioner of the Department of Administration has contract authority for all state agencies, unless otherwise specified by law. In addition, law dictates that the department provide contract management, review, and oversight.

Typically, contractors must submit bids for projects on a competitive basis, though a number of other contract procedures do exist for certain circumstances.

According to the auditor’s report, the Department of Administration processed nearly 3,500 contracts and contract amendments from April 2001 to April 2002 with a total value of nearly $1.1 billion.

The Corrections Department had the highest number of contracts during that period with 265. The Transportation Department was close behind with 239, and the median value of transportation contracts was $53,500, nearly $50,000 more than the corrections contracts. MnDOT also had a high number of amendments to professional contracts with 179.

Criticisms surrounding MnDOT contracts involve the large number of single-source contracts, where a department determines that only one contractor is reasonably available to perform a particular service, contracts that were amended with substantially higher costs, and contracts for services that could possibly have been provided by existing department staff.

Nobles emphasized that the problem identified in the auditor’s report directly relates to the contracting process — to what degree state agencies are following proper procedure, not the personalities involved. Newspaper accounts suggested conflicts of interest on behalf of agency employees in the Transportation Department – that personal gain motivated contract awards.

Agency officials and Nobles say though the agencies did not follow the law governing contracts, they did not break the law with regard to conflict of interest.

"This is not about personal gain," Nobles said.

"It was a conflict of perspective. .. There is often a disconnect between the program people, who want to get the job done quickly, and the contract people who often want to conduct the project in a fair and open manner."

Nobles also said the auditor’s evaluation examined laws, rules, structure, and process. While he acknowledged that the processes the departments have been using are not appropriate, he said the evaluation determined that laws were not intentionally broken.

He said that many of the problems with MnDOT contracts specifically related to bad communication and relationships between MnDOT and the Administration Department.

In response to the media reports, Gov. Tim Pawlenty appointed a task force Jan. 28 to better manage the relationships between the two departments. Administration Commissioner Brian Lamb and Lt. Gov. Carol Molnau, also

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commissioner of the Transportation Department, testified before the joint transportation committee and said they both see the situation as an opportunity to insure the public is getting the service it demands via the most cost-effective means.

“We know there is a problem and we know we need to deal with it,” said M. Molnau, former chair of the House Transportation Finance Committee. “It’s not MnDOT’s problem only.”

Lamb said administration officials are focusing on measuring performance trends with regard to contracts and making sure that all agencies have a common focus and common message about contract procedures. He said his department needs to re-identify what procedures are proper for all agencies, make clear the consequences of not following those procedures, and make sure it is workable for each department.

While legislative remedies might be in order, officials say, specific proposals are still in development stages. Nobles suggested a few areas to consider, including the attorney general’s role in reviewing contracts, legal requirements that the Department of Employee Relations develop a directory of professional/technical services available within agencies, and measures used to evaluate the effectiveness of contracts.

Also, the report suggests the Legislature may want to legally adjust requirements for contracting procedures, particularly in the areas of enforcing existing prohibitions to certain practices.

Legislators on both sides of the aisle have attempted to draw attention to the professional/technical contract procedures in the previous two legislative sessions.

In 2000, Rep. Phil Krinkie (R-Shoreview) was critical of contracts governing the Hiawatha light-rail transit line because they did not meet the cost-benefit analysis standard. In 2002, Rep. Barb Goodwin (DFL-Columbia Heights) sponsored legislation to reduce existing consultant contracts and place moratorium on future contracts. Portions of that legislation were enacted, and the auditor’s report resulted from that law.

At the Jan. 29 meeting, members urged M. Molnau and Lamb to be vigilant as they evaluating contract procedures. Rep. Alice Seagren (R-Bloomington) said the public deserves a contracting process that is open and doesn’t rely on favoritism or hand-picking of contractors.

“As we move forward, we have to assure that there isn’t this coziness that’s perceived by the public,” she said.

Correction
A story in the Jan. 24 issue of Session Weekly inadvertently indicated that House Majority Leader Erik Paulsen (R-Eden Prairie) considered a run for the U.S. Senate. Paulsen considered a run for the Minnesota Senate, but decided to seek re-election to the Minnesota House. We regret the error.

Agricultural societies

Governor’s budget-reduction plan includes cuts to Minnesota institutions nearly as old as the state itself

The annual county fair, a rural summer feature, predates Minnesota’s statehood. But it took until 1869 — 10 years after statehood — for the Legislature to appropriate funds to agricultural societies that sponsored state and county fairs.

The issue was put back on the table when Gov. Tim Pawlenty proposed cutting $357,000 for “grants to agricultural societies and associations,” as part of his fiscal year 2003 budget-balancing plan. The money reimburses local county fairs for promoting youth agricultural activities.

Recipients are typically premium award winners from 4-H and Future Farmers of America (FFA) chapters throughout Greater Minnesota, and exhibitors recognized for apple growing or raising daffodils.

The State Fair, run by the Minnesota Agricultural Society since 1875, has had no public subsidy since 1949.

“In Minnesota, fairs are older than the state itself,” M. Merrill E. Jarchow wrote in the 1941 edition of Minnesota History, published by the Minnesota Historical Society. The Minnesota Territorial Legislature approved the first agricultural societies in Benton and Ramsey counties in March 1852. The Hennepin County Agricultural Society was chartered by the Legislature one year later. Led by Col. John H. Stevens, the Hennepin County society held the first fair in the territory in October 1854, at what was later known as Bridge Square in Minneapolis.

“Governor Willis A. Gorman, ex-governor Alexander Ramsey, and ex-justice Bradley B. Meker gave high-sounding addresses, typical of the day,” according to Jarchow’s research.

“It was claimed that the exhibits would have done credit to one of the oldest and richest counties of New York. Some strangers were so impressed that they later became permanent residents of Minnesota.”

The Minnesota Territorial Agricultural Society — the forerunner to society that now runs the State Fair — also formed in 1854, organized by delegates from Benton, Chisago, Dakota, Hennepin, Nicollet, Pembina, Ramsey, Scott, and Washington counties.

Stevens was elected president of the group in 1855, and it decided to hold an October fair — jointly sponsored with the Hennepin society — in Minneapolis at which Jarchow noted, “for the first time in the upper Mississippi region the dairy interest was represented.” Among other highlights of the 1855 gathering were “a stalk of corn seventeen feet high” and a radish that weighed nearly 18 pounds.

Politics reared a disruptive head at the society’s 1857 fair in St. Paul. “M any Republicans refused to attend,” Jarchow wrote, “because they believed it was part of a Democratic machine.”

By the early 1860s, the concerns of the new state’s residents were focused on the Civil War. Fairs weren’t held in 1861 and 1862, but that didn’t stop a leading state farm journal from commenting on the Legislature’s stinginess regarding aid to agricultural societies.

“Money could be found for almost any other purpose, but when a few hundred dollars were asked to aid our state and county societies, there was a general plea of poverty.” In the 1861-62 legislative session, Jarchow wrote, “the House passed a bill giving twenty-five dollars to (10) county societies, but the Senate killed it.”

In February 1868, some 16 years after the first agricultural societies were chartered, “the Legislature finally appropriated money to aid both the state and county societies,” Jarchow wrote. The state society got $1,000, and $2,000 was to be divided equally among the county societies. Two restrictions came with the money: “It could not be used to pay officers’ salaries or premiums on horse racing.”

The public funding spurred the growth of agricultural societies throughout the state. There were 43 by 1874, extending west to Lac qui Parle County.

“However,” Jarchow wrote, “a bitter rivalry developed between St. Paul and Minneapolis over the location of the state fair site.” That fight was resolved in 1885 when the state fairgrounds were located permanently in Falcon Heights.

(T. Lonergan)
Profile replacement plan

Cheri Pierson Yecke, the state's newly appointed education commissioner, told the House Education Policy Committee Jan. 28 that she favors new academic standards to replace the state's controversial Profile of Learning.

"We do not want to tweak them," Yecke said. "It is time to move on to a new set of standards and move us in a new direction." In a brief appearance, Yecke answered committee members' questions about the state's controversial K-12 education standards and other issues.

The profile standards caused "so much bitterness," said Yecke, commissioner of the state Department of Children, Families and Learning. She said new standards would be strong in "subject area content, and be rigorous, challenging, and measurable." The process of implementing the standards should be left to local school districts. "Pedagogy and process are local classroom decisions," Yecke said.

She said "pieces" of the profile, which covers 11 learning areas, could be transferred to a new set of standards. "Good teachers know what these are," said Yecke, a Minnesotan native and former teacher. "I trust teachers. We don't need to dictate to them on how to teach."

Legislative leaders have indicated wide support for repealing the Profile of Learning this session. A bill (HF2) to repeal and replace the profile would set an April 15 deadline for Yecke to propose new standards.

A plan for developing new academic standards, announced Jan. 29 by the Pawlenty administration, will seek suggestions from the public, parents, teachers, superintendents and statewide education organizations. Yecke said the goal is to have proposed new K-12 standards in Math and English ready by the end of March and consider other academic subjects later.

The state requires public school students to pass basic skills tests in reading, math, and written composition to graduate. The profile — which came to be known as "show what you know" — established another set of higher standards. Students would meet them by demonstrating hands-on knowledge through a process of experiments, research, and independent projects, rather than traditional academic measurement.

"It was the process and not the content," Yecke said that fueled sharp criticism of the profile among local school boards, administrators, teachers, and parents.

Prior to her selection by Gov. Tim Pawlenty to lead the state's education department, Yecke was the director of teacher quality and public school choice for the U.S. Department of Education. She begins her new job Feb. 5.

Absentee voting changes

A plan that would change the way absentee votes are treated is headed to the House floor for a vote.


The bill would make several changes to existing law.

Under current law any person who demands a recount in an election may go through the absentee ballots. With the voter's information on the envelope, this does not provide protection from disclosure for an absentee voter. Although parties from the campaigns can be present during that time, a person's identification is on the envelope that contains the absentee ballot, and thus the person's vote.

The proposed changes include no longer allowing rejected absentee ballots to be opened for inspection during a recount. The envelopes could be opened only as a part of a court review. Rep. Phyllis Kahn (DFL-Mpls) raised the question of what would happen to votes that were possibly incorrectly rejected. Those votes would not be included in the final vote, under the bill.

Rep. Bill Haas (R-Champlin) said the bill is an effort to protect a voter's confidentiality.

A second change would require the absentee ballots to include the address and the city in which the voter resides. Currently the informational area on the ballot only allows for a name and street address.

A concern was raised with regards to college students. A student may fill out the information with a school address, rather than his or her home address, thus resulting in a rejected, uncounted ballot. However, no language was changed in response to this issue.

The third change would require all absentee ballots to reach the auditor or municipal clerk's office by 5 p.m. on Election Day. The deadline is now 3 p.m., whether mailed or returned in person by a registered Minnesota voter. Many states have a later time such as 7 p.m.

The bill has no Senate companion.

Campaign board confirmations

Terri Ashmore and Bob Milbert received House confirmation Jan. 27 to serve on the Minnesota Campaign Finance and Public Disclosure Board.

Gov. Tim Pawlenty appointed both on Jan. 7, but they have yet to receive Senate confirmation.

Ashmore, of St. Paul, is the managing director of the Basilica of St. Mary and previously worked for both the House and Senate Republican caucuses.

Milbert, a former DFL state representative from South St. Paul, took a little ribbing from his former colleagues as he was confirmed.

Rep. Jim Rhodes (R-St. Louis Park), chair of the House Governmental Operations and Veterans Affairs Policy Committee, lightheartedly said "If you play hockey with the governor look what happens." Milbert was part of the victorious team in the governor's inaugural hockey game Jan. 9.

After praising Milbert for serving in the House with distinction, Rep. Tom Pugh (DFL-South St. Paul) said of his friend and longtime seatmate, "He not only played for the governor's team, but hescored a goal. At least he had the sense to score after the governor did."

The board administers programs for campaign finance disclosure for state candidates, economic interest disclosure for public officials, lobbyist registration and disclosure, and public subsidy of state candidates and political party committees.

Six members comprise the board, with no more than three permitted to be of the same political party. With Ashmore and Milbert the board will have three Republicans, two DFLers, and one independent.

Wind blown

Proponents of wind power told the House Agriculture and Rural Development Finance Committee Jan. 23 that state assistance to the renewable energy resource is crucial to its continued growth.

"We are on the verge of something great in rural Minnesota," said Dan Juhl, a wind power consultant and partner in the first farmer-owned commercial wind farm near Woodstock. Juhl was among 15 wind farmers, utility representatives, consultants, and state officials who provided the committee with a review of wind energy in the state.

Through legislation favoring renewable...
energy development and production incentives, the state has helped create wind farms primarily based in southwest Minnesota. Two issues the committee may consider this legislative session are continuation of the production credits and expanding the power grid to allow more wind turbines to be placed in production.

“Minnesota has been a leader in wind development,” said Mrg Simon, government relations director for Missouri River Energy Services, which supplies power for municipal utilities in Minnesota, Iowa, and the Dakotas. She urged House members to continue the state's renewable energy production incentive.

The state provides 1.5 cents per kilowatt-hour produced by eligible renewable energy facilities, which include small wind turbines producing less than 2 megawatts of power. For all wind farms, the production incentive is capped at the first 100 megawatts of total capacity. The wind farms helped by the incentive program have reached 60 percent of that capacity.

According to the state Department of Commerce, which administers the incentive program, the state has paid 22 owners of small wind power facilities about $3.9 million in production credits since 1997.

The 1994 Prairie Island nuclear-waste compromise has also been a boon to wind power development in the state. State law developed as part of that plan requires Xcel Energy, the largest state purchaser of wind power, to acquire 825 megawatts of wind energy capacity by 2012. The utility now has 480 megawatts under contract.

Jason Espenson, of Windom, who is developing a small wind farm as a family business, said the state's producer payments will help keep him on the family farm.

“There will be more wind farms across southern Minnesota,” Espenson said, adding that without the Minnesota production payment for small enterprises the development of the renewable energy resource would be left to the large utility companies.

GAMBLING

State casino interest

There are 19 casinos in Minnesota, all on American Indian reservations. But George Andersen, director of the Minnesota State Lottery, said there is overwhelming support for a state run casino.

Andersen's comments came during a general overview of state lottery programs presented to the House Governmental Operations and Veterans Affairs Policy Committee Jan. 28.

Andersen clarified his statements in a later interview, saying he believes that 70 percent of Minnesotans would support a state-run casino depending on how the question is asked. He based his comments on a number of polls done regarding the issue.

A poll done for Canterbury Park in February 2002, with a 4 percent margin of error, shows 69 percent of Minnesotans are more likely to support a state casino, if the revenue is used to improve local schools. When used to solve the budget deficit, the percentage falls slightly to 62 percent.

Proposals to develop a state-run casino were debated during the 2001-02 legislative session, though supporters determined that more discussion and study of the issue may be necessary.

A bill (HF171/SF133) that would prohibit a state-run casino in a city where the governing body has adopted a resolution of disapproval. No action has been taken in either body.

The committee did not discuss the casino proposal further during the meeting.

Gambling enforcement

Minnesota tops the nation in charitable gambling gross receipts at nearly $1.44 billion, yet budget reductions could reduce the agencies ability to regulate the activity.

Speaking before both the House Governmental Operations and Veterans Affairs and State Government Finance committees Jan. 29, Tom Barrett, executive director of the Gambling Control Board, said that the state's $2.4 million regulatory budget ranks lowest when compared to the taxes collected.

Barrett said the board's mission is to regulate lawful gambling in the state so citizens are assured of the integrity of the industry, and nonprofit organizations may continue to raise funds for charitable contributions.

Minnesota has five forms of lawful gambling: pull-tabs, bingo, paddlewheels, raffles, and tipboards.

Among the seven-member citizen board's regulatory activities are the oversight of more than 2,000 gambling sites that contain more than 24,000 paid gambling employees, 12 bingo halls, 18 distributors, and eight manufacturers. Other responsibilities include education and training, approving and testing games, audits and inspections of the sites, and assessing penalties for those who violate gambling laws.

Barrett explained that through budget cutting, the board has already been reduced by 12 percent in this biennium ($297,000), and is projected to be cut another 4 percent ($89,000) in the House, Senate, and governor's budget reduction plans. He said these cuts will further hurt enforcement activities, which now stand at one investigator for 1,429 sites and one licensing specialist for 2,477 permits and licenses. He said enforcement of illegal gambling activity is basically zero, unless an investigator sees something during a site visit.
Since fiscal year 1996, Barrett said, gross gambling receipts are up 5 percent, but board staffing has been cut by nearly 30 percent. He suggested that the reason was because the board doesn’t bring in funds to the state, emphasizing the cost to regulate is currently one-sixteenth of a penny of the price of a $1 pull-tab.

HEALTH

Youth immunizations

Stephanie Lee thinks a vaccine may have ended her daughter’s life.

Shannon Duffy Peterson thinks a vaccination could have saved hers.

Both women told their tragic stories to the House Health and Human Services Policy Committee Jan. 27. The hearing focused on a new set of immunization rules proposed by the Minnesota Department of Health.

Health officials, doctors, and parents testified both in favor of and against the rules, which would require the chickenpox vaccine for children over 15 months of age who are in child-care and the pneumococcal vaccine for children in child-care who are 2- to 24-months old. Pneumococcal bacteria is the most common cause of bacterial meningitis in children.

Department officials touted the success of other state-required vaccinations and said the chickenpox vaccine is required in 35 other states and the pneumococcal is currently required in three. Both vaccines are recommended by three major associations of pediatricians.

Vaccination opponents said not enough is known about the side effects of the vaccines and that the system for reporting complications experienced after a vaccination is flawed. Many doctors do not report complications to the proper authorities for fear of lawsuits, opponents said. Lee said by the time she observed the symptoms of the the neurological illness that killed her 2-year-old daughter, they were considered “not reportable” under recommendations issued by the Centers for Disease Control.

Peterson said her doctor recommended that her daughter not receive the chickenpox vaccination, preferring that she become immune by being exposed to the disease naturally. When she did develop the virus, it aggravated an unknown pre-existing condition and she died not long after, at age 5.

The proposed rules are currently in a 60-day public comment period and will go before an Administrative Law Judge Feb. 28. If the judge approves the rules, Gov. Tim Pawlenty will have the option to veto the rules or let them become effective.

While the Legislature is not directly involved doctors and other care providers seeking vaccinations would be from 5,000 to 10,000, but a number of hospitals and many workers have been unwilling to submit themselves to the risk of side effects. Even so, officials say the 2,700 vaccinations now anticipated will be sufficient to start statewide vaccination in the event of an outbreak.

Hull said concern about side effects is understandable but overstated. If everyone in the state were vaccinated, he said, four or five people would have serious side effects resulting in death. He called those numbers “unacceptable in the face of no threat.” If there were an outbreak, however, people would be happy to take their chances versus the alternative, he said.

There may be a flaw in the planning, however.

Olmsted County Health Director Mary Wellik said that even when the vaccines arrive, there might not be the funds to administer them. Her county, which includes the Mayo Clinic in Rochester, has spent all its grant money on preparedness and doesn’t have enough left to pay staff to administer the vaccinations to everyone requesting them. She said resources would have to be diverted from other programs if the state or federal government doesn’t send along more funding.

Bioterrorism preparedness

Minnesota is nearly ready to implement the first phase of a smallpox vaccination program, the House Health and Human Services Policy committee was told Jan. 29.

State epidemiologist Harry Hull said the state would soon receive 4,500 doses of the smallpox vaccine to vaccinate the doctors and nurses who would be the first responders to any outbreak of the disease. The vaccines are part of the state’s overall bioterrorism preparedness plan that Department of Health officials outlined for the committee.

Hull said the 1995 meningitis outbreak in Mankato and the nationwide anthrax scare in 2001 were good practice for state health officials who are drawing up procedures for dealing with a bioterrorist attack.

The state has received more than $16 million in federal funding for bioterrorism preparedness since the beginning of 2002. That money has gone into disaster drills, a statewide disease tracking system, laboratory facilities, and public outreach and education.

Officials originally estimated the number of state epidemiologist Harry Hull, right, and Robert Einweck, director of the Health Department’s Office of Emergency Preparedness, present an update on bioterrorism preparedness efforts to the House Health and Human Services Policy Committee Jan 29.
University request

With cuts to the school's base budget looming, the University of Minnesota president urged a House committee to not restrict the school's choices.

Speaking before the House Higher Education Finance Committee Jan. 29, Robert Bruininks said, “The University of Minnesota is major league and we don't want to be a farm team.”

In their budget reduction plans, the House and governor seek a $25 million permanent reduction to the university's base. The Senate is seeking a one-time $20 million reduction.

With any of the three plans, Bruininks said, the state general fund appropriations to the university would be at levels lower than at the start of the current biennium. For fiscal year 2003 the university was appropriated $664.8 million, but was reduced by $23.7 million last session. “This is clearly a powerful impact on us as we go forward,” he said.

With the latest potential reductions Bruininks urged legislators to give the university maximum flexibility in how to administer the results.

“We'll be sound fiscal managers,” he said. “We've been creative in the past.” As an example, he said that the university had a 9 percent increase in health costs last year, compared to 14 percent for the state. University employees left the state plan one year earlier.

“I hope we give you that flexibility. We have faith in you to do a good job,” said Rep. Denny McNamara (R-Hastings).

However the budget battle plays out, Bruininks said students would not pay for the cuts.

“They've been hit pretty hard the past few years so we'll take a hit by controlling costs.” He said students have faced a roughly 40 percent increase in tuition and fees in the last five years, yet the university ranks in the middle of the Big 10 conference in terms of tuition.

He said salary freezes are not off the table, noting the university used that method twice in the early 1990s. However, he did express concern about trying to keep top professors and researchers that are being wooed away by other universities or private companies offering more money.

LAW

Joint and several liability

A bill that would change the way plaintiffs in civil cases are awarded money if two or more parties are found to be at fault for an injury was approved Jan. 29 by the House Civil Law Committee.

Under current law, if one liable defendant is unable to pay the full amount of awarded damages, the other liable parties would have to pay the balance of the award as long as a jury has found them more than 15 percent liable for the injury. Sponsored by Rep. Jeff Johnson (R-Plymouth), HF75 would raise that threshold to 50 percent.

It would also eliminate the section of current law that makes a defendant who is found less than 15 percent liable pay up to four times that percentage if other liable parties are unable to pay.

Current law represents the state's modern version of the common law concept of "joint and several" liability, which opponents of the bill pointed out dates back to the Magna Carta. The term refers to the concept of giving a victim full compensation for an injury even if one of the injuring parties is unable to pay his or her portion.

Johnson said the current statute goes too far. "We've created an incentive for lawsuits to become a search for peripherally involved "deep pockets," he said. “The goal of the civil justice system should be...to provide a set of rules that is fair to all involved, and I think this bill does just that.”

Settlement money

When the state receives money from litigation or from a settlement, the dollars must go to the general fund. However, that is only the case until June 30, 2004.

Rep. Tim Wilkin (R-Eagan) would like to make the law permanent.

To accomplish that, he is sponsoring HF106, which was approved Jan. 29 by the House Governmental Operations and Veterans Affairs Policy Committee and now heads to the House Civil Law Committee. The bill has no Senate companion.

Wilkin said the law was originally enacted because of the way money was being handled in Minnesota Partnership for Action Against Tobacco, whose mission is “To reduce the harm that tobacco causes the people of Minnesota.”

After seeing how the partnership used the funds for things like leather jackets, caps, and t-shirts made with settlement money, Rep. Bill Haas (R-Champlin) said he thinks the funds may be best divided up by the Legislature.

Kent Peterson, deputy attorney general of government operations in the state Attorney General's Office, isn't sold on the idea.

He says although the general fund is a good depository, in some cases there could be better places for the funds. Furthermore, some people would not want to settle if they know the funds would go to the state's general coffers, not a specific special fund.

Several legislators said the Attorney General's office could offer suggestions on how settlement money could be used on a case-by-case basis.
Airport oversight

The Minneapolis-St. Paul International Airport is being managed by an effective operator, but the Metropolitan Airports Commission (MAC) could stand more state and legislative oversight.

Such were the findings of a 129-page report prepared by the Office of the Legislative Auditor and presented to the House Local Government and Metropolitan Affairs Committee Jan. 29.

The report has already led to discussions at the MAC regarding remedying problems, as well as action on recommendations, said Vicki Grunseth, MAC chair.

Ordered by the Legislative Audit Commission in April 2002, the report addressed MAC’s governance structure, finances, and its efforts to address airplane noise. Security in the wake of the Sept. 11 terrorist attacks was not examined because it was not a mandated study area.

Legislative Auditor James Noble said the commission receives little legislative oversight, even though state law defines all commission revenues as public funds. The Metropolitan Council reviews the commission budget, but has limited approval authority. Additionally, the public budget review process hasn’t been accommodated, he said.

The study found that only one-eighth of large airports had lower per-passenger operating costs in 2000.

However, the auditor’s office was concerned with a 12 percent staff-proposed spending increase for 2003, by low rental rates for businesses operating from the airport, and by the fact that these contracts have not been competitively bid since the 1970s.

Jeff Hamiel, MAC executive director, said commission staff asked for a larger budget to accommodate additional expenses incurred in opening two new concourses. Ultimately, the MAC board approved a 6 percent increase.

Hamiel said that rental contracts are now expiring and that the commission intends to review and negotiate the entire program.

Some legislators voiced concern that the commission has not adequately mitigated airplane noise pollution in residential areas. The issue will likely be discussed in more detail at a future meeting.

RECREATION

Conservation at the zoo

It was the Minnesota Zoo’s sterling reputation that drew current director and chief executive officer Lee Ehmke to the post from the Bronx Zoo.

Ehmke was surprised to find upon his arrival that “the regional and statewide perception of the zoo wasn’t what we call ‘top of mind,’” he told the House Environment and Natural Resources Finance Committee Jan. 23.

He has spent the last two and a half years developing a master plan to galvanize public interest and leverage state and private dollars.

The zoo’s annual budget is approximately $17 million. If the governor’s proposed fiscal year 2003 reduction of $270,000 becomes law, the state’s subsidy will amount to just under 38 percent of the zoo’s operating costs.

The national average for public subsidies to zoos is 40 percent, according to a zoo budget summary, but it is often an apples to oranges comparison, Ehmke explained.

The zoo’s mission is to focus on conservation, education, and recreation, Chief Financial Officer Peggy Adelmann said. “We are conscious of not letting the recreation piece drive development ... so we don’t become an amusement park.”

Examples of activities to boost revenue include upgrading the food service, renting zoo facilities for weddings and amphitheater concerts, encouraging corporate sponsorships of exhibits and events, and marketing special behind-the-scenes events such as an overnight learning adventure in Discovery Bay with the dolphins.

The zoo has successfully boosted private contributions from $245,368 in fiscal year 1990 to an anticipated $1.3 million in fiscal year 2003.

“In order to maintain or grow attendance, there does have to be investment in new exhibits,” Ehmke said. Recent surveys indicate that African-themed exhibits are big draws, an area in which Ehmke has been successful. He designed a first-rate African rainforest exhibit at the Bronx Zoo, an experience “that was maybe once in a lifetime and it was terrific.”

But as the zoo faces possible significant budget cuts, they may have to look at eliminating certain areas or exhibits.

The zoo cuts are included in the committee’s recommendations to balance the 2003 budget. The plan is still under review by House committees.

SAFETY

House passes ID card measure

A divisive set of temporary rules governing Minnesota driver’s licenses and state ID cards would be made permanent, under a bill passed by the House Jan. 30. The vote was 106-25.

Earlier in the day, House Speaker Steve Sviggum called the bill “numero uno” in terms of public safety in Minnesota.

The bill (HF1) would put into statute a set of rules adopted by the Department of Public Safety last summer that puts an immigrant’s visa expiration date on their driver’s license or ID card and requires all applicants to prove they are in the United States legally before they can be granted a license or ID. Previously, simply showing a driver’s license from another state was sufficient to obtain one in Minnesota.
The House Judiciary Policy and Finance Committee approved the bill Jan. 28. Committee Chair Rep. Rich Stanek (R-Maple Grove), the bill’s sponsor, said the rules would help prevent terrorism by letting police officers know when someone they encounter has overstayed their allowed time in the United States. If that were the case, an officer would then check with the Immigration and Naturalization Service to find out if the person is wanted by that agency.

Members of the public testifying against the bill in committee and members speaking against it on the House floor expressed concerns about the high visibility of the visa expiration date and the stringent license application process, saying the bill represents unfair and unequal treatment of immigrants in Minnesota.

“It separates,” said Ramon Leon, a small business owner who came to the United States illegally and has since become a naturalized citizen. He said that many undocumented immigrants in Minnesota currently have a driver’s license and auto insurance and that taking away their ability to easily get an identification card would force them “underground.”

John Flory, a consultant for the Whittier Community Development Council in south Minneapolis, said the bill would make the streets less safe. “More undocumented immigrants will drive without licenses, without passing a driver’s test, without auto insurance,” he said. “What’s the result of that? More hit and run accidents and more police chases. What undocumented immigrant involved in an accident will stop, take responsibility, wait for the police to arrive and face deportation?”

Joash Maaugi, a student from Kenya, said she has been unable to find an apartment because landlords see the “status check” indication on her state identification card and ask for further forms and letters to verify her residency status. “They tell you to bring more and more documents,” she said. “When they look at your driver’s license, they assume that you’re a potential terrorist.”

An amendment offered to the committee by Rep. Michael Paymar (DFL-St. Paul) would have put the “status check” date only on the back of identification cards and driver’s licenses so it would not be as visible to individuals not in law enforcement who may need to view a person’s identification. That amendment was voted down without discussion. A similar amendment was offered by Rep. Paul Thissen (DFL-Mpls) on the House floor. It was also defeated.

A successful amendment offered during the floor debate by Rep. Tom Rukavina (DFL-Virginia) removed a number of provisions in the bill related to criminal penalties. The portions of the bill removed by the amendment would have turned several misdemeanor offenses associated with falsifying personal information into gross-misdemeanors.

A Senate companion (SF187), sponsored by Sen. Dave Kleis (R-St. Cloud), awaits committee action.

Tourism

Raising the big top

When the circus comes to a Minnesota town, it may now be able to schedule a July or August date.

The House Agriculture Policy Committee Jan. 29 approved a bill that would repeal a 1933 state law prohibiting any circus appearing within six miles of any Minnesota city 18 days before or during the State Fair.

Now heading to the House floor, the bill (HF94) has no Senate companion.

“The Ringling Circus presents no threat to the State Fair at this point,” said Jerry Hammer, the fair’s general manager. He spoke in support of the bill sponsored by Rep. Marty Seifert (R-Marshall).

“Most people have never heard of this,” Seifert said.

Seifert said that he and Rep. Gene Pelowski, Jr. (DFL-Winona) are continuing a bipartisan effort to rid the state’s law books of rules and statutes that are archaic in nature.

Hammer explained that the circus prohibition was rooted in some competitive animosity in 1928 when the Ringling circus booked dates in Minneapolis three days before the State Fair. When Ringling proposed circus dates again in 1932, fair organizers, supported by the St. Paul and Minneapolis city councils, convinced the Legislature to give the fair some protected status during the summer. The law restricting the circus from setting summer dates was adopted in 1933.

Seifert said that the Great Depression played a role, as well, apparently motivating the State Agricultural Society, which has run the fair since the late 19th century, to convince legislators that Minnesotans’ spare change in hard times should be going to the fair and not the circus.

Hammer said that to his knowledge no person or company was ever prosecuted for violating the law, which carried a fine of up to $3,000 and lodging in the county jail for not more than a year.

These days, the circus usually visits larger Minnesota cities in the winter months, Hammer added.
A closer look
Legislators get an a firsthand look at how funding decisions have affected homelessness in Minnesota

BY MIRANDA BRYANT

Perhaps it was fitting that the state legislators had to wait a few minutes in freezing temperatures outside a St. Paul homeless shelter Jan. 28 during a scheduled tour.

How better for the House Jobs and Economic Development Finance Committee members to identify with the nightly crew of homeless people anxiously waiting for the Dorothy Day Center doors to open? The inside of the center promised heat, a simple snack, shower facilities, and a place to lay one’s head for the short evening.

Every night, as many as 160 men and women seek the humble amenities at the downtown St. Paul center. Homelessness prevention advocates say that more than 21,000 Minnesotans are experiencing homelessness or are “precariously housed” on any given night. Of those, 7,000 are taken in at emergency shelters, but an additional 1,000 are turned away because there’s no room.

One homeless man waiting to enter the Dorothy Day Center freely shared his opinion with anyone and all. A lot of people would be dead, he said, if they were forced to sleep outside during a Minnesota winter.

“What they need is a bigger building right around here,” he added.

Another homeless man was pleased to see the legislators tip-toe through the sleeping cots splayed out on the floor.

“I want you to feel it – I don’t want you to just see it,” he said.

According to committee chair Rep. Bob Gunther (R-Fairmont), who called the tour “enlightening, interesting, educational, and worthwhile,” the reason for the tour was simple: “So we can see the conditions that they talk about firsthand.” Legislators also visited four other crisis housing facilities in St. Paul.

What they saw represented the continuum of crisis housing, from the one-night-at-a-time adult shelter to a drop-in youth center to transitional long-term housing for formerly homeless drug-addicted individuals. The administrators of each facility were anxious to share success stories, to pitch for continued funding, and to issue thanks for past appropriations.

Minnesota state government has long supported programs for the homeless. Such funding is “really paying off in the lives of people who have experienced homelessness,” said Jonathan Farmer, executive director of the Minnesota Supportive Housing Consortium.

According to the Minnesota Department of Children, Families and Learning, $12 million in state and federal money was appropriated in the 2002-03 biennium for programs serving the homeless.

One of the largest is the transitional housing program, created in 1984. It funds groups offering temporary housing and support services to individuals and families trying to secure permanent housing. Families must pay at least 25 percent of their incomes for rent, and their stay is limited to two years. The program can also spend the money on follow-up services, such as moving assistance, first-month rent, damage deposits, case management, and emergency funding.

Funds can’t be used for prevention, shelter, or supportive services-only activities.

Seventy-six nonprofit housing programs were awarded contracts in the 2002-03 biennium, from a total budget of nearly $4 million.

Two other programs serve state shelters. The emergency shelter grants program and the emergency services program together had $3.5 million appropriated in the current biennium.

Both the state transitional housing program and emergency services program offer more than a roof over a homeless person’s head. They help people find permanent housing, jobs, childcare services, and transportation. They provide medical and psychological help and substance abuse treatment. They also inform clients about financial assistance through other programs.

But a big financial change is on the horizon. A one-time appropriation of $3.7 million expires June 30. It originated when the 2000 Legislature dedicated federal Temporary Assistance for Needy Families (TANF) funds to the transitional housing program. TANF funds are only for families, which have children under the age of 18 or a pregnant woman, have incomes below 200 percent of the poverty level, and consist of U.S. citizens. The U.S. poverty level guideline for a family of four was $18,100 in 2002.

New money would be appropriated to replace the expiring allocation under a bill yet to be introduced by Rep. Karen Clark (DFL-Mpls). Clark said the bill will likely call for allocating $3.7 million for transitional housing and $1 million for emergency services.

Clark doesn’t have to search far to find someone who has turned to homeless shelters. Her volunteer intern, Andre Alexander, spent two nights at the Dorothy Day shelter with his wife and their two children after leaving Chicago and its rising crime rate. He told legislators his story on the bus ride between tour stops.

Homelessness in Minnesota
50 percent of Minnesota’s homeless are children
41 percent of homeless adults are working
38 percent of homeless adults have serious mental illness problems
19 percent of homeless youth left home because of abuse and 55 percent because of other relationship problems
34 percent of mothers report that they are homeless because of abuse by a partner

Sources: Minnesota Supportive Housing Consortium and Minnesota Coalition for the Homeless
Just the beginning

House plan would trim $468.2 million from 2003, while leaving $112 million in reserves for the next biennium

BY MIKE COOK

With the promise from Gov. Tim Pawlenty that he will cut appropriations if necessary, the House passed its bill to balance the state's budget deficit Jan. 27.

The $468.2 million package, approved 77-50, features a combination of permanent and one-time reductions, plus converts cash for transportation projects to bonds. The House bill reflects Pawlenty's budget targets.

Sponsored by Sen. Richard Cohen (DFL-St. Paul), the Senate package (SF79) calls for a $384.1 million reduction that features more shifts and use of fund reserves and about $100 million in cuts.

The House bill would leave $112 million in reserves, while the Senate plan would provide $28 million.

By law, the state's budget must be balanced at the end of each biennium, June 30, 2003.

A conference committee is negotiating the differences between the House and Senate plans. No final bill was agreed upon when this issue of Session Weekly went to press. Pawlenty previously said that if the Legislature did not finalize a budget reduction plan for the current fiscal year by early February, he would begin to unallot.

Rep. Jim Knoblach (R-St. Cloud), the sponsor of HF74, reminded legislators that this year's projected deficit represents only 10 percent of the $4.2 billion projected deficit for fiscal years 2004-05.

Nevertheless, House DFL members implored the body to consider the full Senate plan.

“The Senate plan protects rural economic development and makes sure that Greater Minnesota is treated in a fair and equitable manner,” said House Minority Leader Matt Entenza (DFL-St. Paul). “The cuts in both the governor's and House proposals are unfair, unreasonable, and are hurting our children, our higher education institutions, and the people of this state.”

Here is what the House plan would include for each of the 11 major budget categories:

Agriculture

The largest issue up for debate in agriculture funding are proposed reductions to ethanol producer payments. As part of the $8.3 million, payments would be reduced from 20 cents per gallon produced to 16 cents per gallon, a reduction of $5.36 million. The Senate number is $2.25 million of its $3.18 million in cuts, while the governor wants $26.8 million in payments trimmed and a total reduction of $29.2 million.

Capital investment

The $14.4 million House plan would cancel roughly $5.4 million in projects that were approved in 2000 and 2002, and transfers $9 million of 1998 cancellations to the general fund when those cancellations become final on Feb. 1. Those projects generally need a local fund contribution in order to get state monies.

The Senate plan cuts $2.02 million, all in Department of Natural Resources initiative grants.

Economic development

The $73.69 million House plan would leave $10 million in the 21st Century Minerals Fund, which aids northeastern Minnesota development, particularly on the Iron Range. The $17.45 million Senate plan takes none of the current $59 million in the fund.

Rep. Tom Rukavina (DFL-Virginia) said people are bearing too much of the burden with a $49 million cut.

Additionally, $15 million from the workers' compensation fund would be transferred to the general fund.

Of the $189,000 reduction in base funding for the Department of Economic Security, $124,000 would be an increase in funding for the State Services for the Blind, equating a net reduction for the department of $65,000.

Environment

The House bill would provide $22.4 million in general fund relief from environment and natural resources funding sources — $1.100 more than the governor's plan. Senate reductions total nearly $15.87 million.

Of the $7.15 million in cuts proposed by the House, nearly $4 million would be trimmed from the Department of Natural Resources, $1.37 million from the Board of Water and Solid Resources, and nearly $1.11 million from the Pollution Control Agency.

Rep. Jean Wagenius (DFL-Mpls) expressed concern that the cuts, such as for water protection, will further hurt efforts in years to come.

“We haven't done anything to hurt our environment in this overall bill,” said Rep. Dennis Ozment (R-Rosemount), chair of the environmental finance committee, saying high priority cleanup would continue.

The PCA would be required to transfer...
$11 million from the solid waste fund to the general fund, under the bill, and the future resources fund would be decreased by $2.4 million in the House and governor’s plans.

**Health and human services**

Among the $45.6 million in changes proposed in the House bill are a call for a prescription copay of $1 to $3 for people receiving medical assistance, for limited funding for noncitizens for various state programs, and $3.56 million to the Women, Infants and Children (WIC) program that provides services and nutritional advice to low-income women and families.

Rep. Thomas Huntley (DFL-Duluth) said the plan would “basically kick many immigrants’ off necessary medical assistance. He said of the approximately 5,700 people this could affect, about 60 percent are pregnant women and the cuts will deny them prenatal care.

Admitting this is a tough issue, Rep. Fran Bradley (R-Rochester) said the largest percent of those pregnant women are illegally in the country, and neighboring states do not provide assistance. “I know pregnancy is important, but I would really question our policy of ignoring the fact that this is a non-documented person.”

The House plan would eliminate the Cover All Kids program that began last July and transfer some of those children to medical assistance or the MinnesotaCare program. Neither the governor nor the Senate support this change.

The Senate bill totals $53.04 million, including $1.68 million in delayed community health services payments, which neither the House nor governor proposed.

**Higher education**

The $81.5 million House plan calls for a $25 million permanent reduction for both the University of Minnesota and the Minnesota State Colleges and Universities (MnSCU) system, and a $1.5 million reduction to the Higher Education Services Office (HESO).

The Senate plan calls for higher education cuts totaling $60.1 million, with one-time $20 million reductions for the university and MnSCU, and $107,000 from HESO. However, the plan would put $10 million back into the state grant program on a one-time basis. HESO stopped taking applications on Jan. 10 in order to have enough money for already promised grants.

Additionally, $30 million from the Student Education Loan Fund (SELF) loan program would be transferred to the general fund in both proposals. This would be a one-time hit for the program, which provides long-term, low-interest loans to students.

**Judiciary and public safety**

In addition to reductions in the courts and some other areas, the $12.9 million House plan would cancel some money for CrimNet, the state’s criminal justice information system, but federal money is available to replace the cut, Knoblach said.

The House plan proposes a $3.8 million cut to district court operations but doesn’t propose to transfer inmates with less than a year remaining on their sentence to county jails. The Senate plan includes no court cuts, but does propose a prisoner transfer.

The House plan would also increase by $301,000 the funds available to families of peace officers or firefighters killed in the line of duty. The Senate increase is $295,000. The governor’s plan did not include the proposal.

**K-12 education**

The total House adjustments to K-12 and early education would be $7.5 million and the Senate proposes $4.79 million, nearly the same as the governor.

All three plans would reduce school readiness reserves by $791,000 and Early Childhood Family Education reserves by $769,000.

The House plan would adjust the Adult Basic Education budgeted growth factor from 2000 projections of 8 percent to 2 percent, a $1.6 million savings. Neither the Senate nor the governor propose this change.

Rep. Carlos Mariani (DFL-St. Paul) said demand for adult education classes by English as Second Language participants has increased 150 percent in four years and the reduction will hurt immigrants working to better themselves.

Rep. Alice Seagren (R-Bloomington), chair of the House Education Finance Committee, reminded members that it would not be a reduction for the programs, just a reduction in growth.

**State government**

As part of a $12.6 million House package, legislative television would continue, though the governor proposed cutting $418,000 in legislative television appropriations. The $25.71 million Senate plan also keeps television on the air.

Knoblach said the House plan would cut state agencies by about 4 percent across the board.

The House plan calls for $3.1 million in reductions to the Legislature’s budget and the Senate calls for $2.56 million.

The House provision also would allow for department heads to implement mandatory salary savings for employees, and would allow state agencies to contract out for services without first seeing if a state employee could do the job. The Senate bill does neither.

**Taxes**

The House plan includes a delay in refunding taxes paid by businesses on capital equipment purchases to closer to the 90-day time period for requesting a refund, which would save the state about $50 million. According to nonpartisan House researchers, 45 percent of the refunds in fiscal year 2002 were paid within 12 days, and the remainder in an average of 40 days.

### House budget reduction categories by percent

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<th>Category</th>
<th>House Reduction</th>
<th>Senate Reduction</th>
<th>Governor’s Plan</th>
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<tr>
<td>&quot;K-12 Education&quot;</td>
<td>$7.5 million</td>
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<tr>
<td>&quot;Higher Education&quot;</td>
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<td>&quot;Judiciary and Public Safety&quot;</td>
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<tr>
<td>&quot;Family Education Reserves&quot;</td>
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<tr>
<td>&quot;Early Childhood Family Education Reserves&quot;</td>
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**Transportation**

All three plans call for moving $130 million allocated in 2000 for road construction costs to the general fund and bonding for the projects. The bill specifies cuts to the Transportation and Public Safety Department to account for the cost of bonding.

Additionally, all three plans transfer $15 million from the state’s airport fund to the general fund, and agree to sell the state jet for approximately $750,000.

The House and governor’s plans would reduce Metropolitan Council transit funding by $2.62 million. The Senate does not.

A successful amendment by Rep. Doug Magnus (R-Slayton) prohibits the Department of Public Safety from closing any driver’s license exam stations through June 30, 2005. 

**Session Weekly 13**
Reporting errors
Confusion in MinnesotaCare forms may account for financial inaccuracies and lower revenue collection

BY JEFF JONES

The Office of the Legislative Auditor may have discovered one way the cash-strapped Minnesota Department of Human Services can improve its revenues.

A report issued by that office found the department’s MinnesotaCare program lost as much as $22 million by undercharging for health insurance. That report was presented to the House Health and Human Services Policy Committee Jan. 29.

Other problems pinpointed by the report, which was commissioned last spring to investigate application and processing procedures in the MinnesotaCare program, include frequent application backlogs, widespread human error in processing applications, and a lack of effective oversight in the enrollment process.

“I am deeply disappointed in the results of this audit,” said Rep. Fran Bradley (R-Rochester). “There are many serious flaws in this very important program.”

The committee was especially interested in the finding that an estimated $5 million to $22 million in payments may have been lost because participants weren’t asked to pay their appropriate premium amount.

The main reason for this, according to the report, is that changes in participants’ incomes are not reflected in the premiums they are asked to pay. The report recommends that the Legislature change the law to allow the adjustment of premiums in the middle of the year when incomes go up rather than just at the beginning of the year, as is current policy. The law currently allows such mid-year adjustments only when an enrollee’s income goes down.

The result is that participants’ tax forms for a given year often show incomes significantly higher than listed on their MinnesotaCare applications. This is a reflection of fraudulent activity, officials said, but an indication that more accurate income assessment is necessary to best achieve the goals of the program. There was no discussion of possibly having recipients pay the difference noted in the report.

“This is a system waiting to be used improperly,” said Rep. Jim Abeler (R-Anoka).

In a written response, Commissioner of Human Services Kevin Goodno agreed with the report’s assessment but said the nature of MinnesotaCare participants’ jobs makes the task complicated. “Because (an enrollee’s) income is fluid in many cases, it would be difficult to ever capture total accuracy,” he wrote.

Human error is another factor in producing the financial inaccuracies outlined in the report. It found that state and county workers made errors in applying department procedures in 32 percent of the files examined, including using incorrect calculation methods or relying on incomplete documentation. In cases where the auditors could determine a correct calculation, 63 percent resulted in financial implications for the department — a person paying too much or too little for their coverage. The average error was $295 per year in either direction.

The errors rarely, however, resulted in denying coverage to an eligible applicant or giving coverage to an ineligible applicant, the report said.

Some committee members were also startled by the number of applications for MinnesotaCare that misstated the nature of their relationship to outside insurance, though audit officials were quick to downplay the number’s significance.

Since eligibility for MinnesotaCare is dependent on a lack of access to employer-subsidized health insurance, applicants must submit information about insurance practices at their jobs. One question on the application asks whether an applicant’s employer provides insurance to any of its employees. The agency found that in 52 percent of cases, this question was answered incorrectly.

“We don’t know if (applicants) intentionally lied or if they just didn’t understand the question,” said Adrienne Howard, a program evaluator with the auditor’s office.

Howard estimates that a much smaller percentage of applicants who incorrectly answered the question were themselves eligible for employer-provided insurance, and thus ineligible for MinnesotaCare.

Rep. Mary Ellen Otremba (DFL-Long Prairie) said she had filled out the form and misunderstood that very question. “You can absolutely read that two ways,” she said.

The report recommends the department consider a more thorough system of verifying applicants’ insurance eligibility.

It also finds that application backlogs have been frequent at the department during the last four years, with many applications waiting more than 20 days for processing and applicants waiting 60 to 90 days to receive coverage. Recently, the department has been able to reduce the processing time to within a week.

MinnesotaCare officials were largely in agreement with the auditor’s report and said they will use it as a starting point for reform efforts.

“Until now, ‘We have erred on the side of making sure people have access (to health insurance) rather than on program integrity,’” said Brian Osberg, assistant department commissioner.

“This administration is going to focus on three things,” he added. “Program simplification, program efficiency, and program integrity.”

Officials said a new computerized case management system is being developed, that should dramatically reduce processing errors and application backlogs.

“We are confident that an automated eligibility program will solve the vast majority of problems,” said Kathleen Henry, the department’s director of health care eligibility. That system will not be ready for another 18 months, but legislators agreed with the report in suggesting the department try to expedite that process.
House floor quarterbacks

Caucus whips Kelliher and Seifert wrangle votes during House debates

BY PATTY JANOVEC

The people of the House of Representatives are debating a bill and the time comes to vote, someone has to go round up the yeses and nays in each caucus.

Those people, appointed by each caucus, are the majority and minority whips.

The caucus “Whip” is responsible for counting votes, and Rep. Margaret Anderson Kelliher (DFL-Mpls) and Rep. Marty Seifert (R-Marshall) have been appointed by their caucuses to fill that important role for 2003-04.

This is Seifert’s second term in the position, and the first for Kelliher, who was an assistant minority leader the past two years. Kelliher serves in both roles this session.

The term whip comes from the British term “whipper in” which refers to the person who kept foxhounds from leaving the pack. Its use in American government has a strong Minnesota tie, as well. It was first used in the U.S. House of Representatives in 1897 when Speaker Thomas Reed appointed Rep. James A. Tawney from Minnesota as whip.

The Minnesota House started using the position two years ago when the House was closely divided along party lines. At the start of the 2001-02 session, Republicans numbered 69 and DFL members numbered 65. At the time House leaders decided a more formal counting system was needed to ensure the necessary votes, thus delegating the responsibility to the whip.

Several functions of the position for Seifert include filling in for Majority Leader Erik Paulsen (R-Eden Prairie) in leading floor debate and when he is unable to fulfill his duties of House administration; serving as vice-chair of the House Rules and Legislative Administration Committee; helping count votes on close critical issues as designated by the speaker, majority leader, or caucus executive board; and following permanent rules and parliamentary “tricks of the trade.”

Seifert described his role as being an aggressive spokesman for the caucus. He also said that his role is to complement the debate style of the majority leader. “If a barn burning speech” is needed, he said, his role is to “secure the water for the caucus.” He describes the relationship of majority leader to majority whip as good cop, bad cop.

With such a large majority of Republican members in the House, the caucus also

Kelliher described her role as being an aggressive “hand, or the whip. I like to deliver the message more with a smile than a whip.”

With humor Kelliher described the teasing she now receives because of her new title. Fellow Rep. Cy Thao (DFL-St. Paul) gave her an actual whip.

“Hopefully I won’t be known for using a heavy hand, or the whip. I like to deliver the message more with a smile than a whip.”

Session Weekly 15
Classroom experience

A teacher by trade, Klinzing looks to teach the importance of educational reform as new member of the House

BY MIRANDA BRYANT

Rep. Karen Klinzing (R-Woodbury) didn't waste any time in her new role as state representative from District 56B. The day after being sworn in she was meeting with House researchers about potential education reform legislation.

The 32-year-old mother of two has been a teacher for 10 years in the Bloomington school district, teaching high school civics, economics, world history, and American history. Klinzing also taught for one year at a charter school at Fort Snelling State Park. She is passionate about education, and specifically about creating and maintaining educational choices.

"Education is such a personal thing - everybody learns differently, everybody has different values," Klinzing said in a recent interview.

While the representative didn't give specific details about the education reform legislation she may sponsor, she said she generally aims to broaden a family's schooling choice by creating funding alternatives. This could take the form of tax credits, vouchers, or tax cuts. At a minimum, the charter school system could be expanded while post-secondary options and open enrollment legislation are maintained, Klinzing said.

The problem as she sees it is that Minnesota has open enrollment legislation, but the choice provided by it doesn't extend equitably to private-school customers. They are charged twice - once by the private school tuition and again by their mandated tax support of public schools.

"We're creating a situation where only the rich can afford to send their kids to a private school and everybody else gets a one-size-fits-all," she said.

The state and federal governments have long been increasing education funding, but Klinzing said she is only seeing more administrators, administrative assistants, manuals, studies, and teacher curriculum days.

"I'm not seeing any direct impact on the classroom because of money," she said. "I'm not seeing the students happier. I'm not seeing the parents happier."

Though Klinzing has long been enthusiastic about education, she said, she was given little time to use that energy as a catapult to elected office. When the Republican candidate in her district unexpectedly pulled out of the race in June, party leaders sought Klinzing. They had been impressed by a speech she gave at the Republican Party's Senate District 56 convention.

Klinzing had only two days to decide if she would run for office.

"I said, 'This is an opportunity that can't be missed,'" Klinzing said.

But Klinzing's political aspirations originally surfaced in the midst of a Wisconsin snowstorm while she was a student at the University of Wisconsin-Madison. She and her classmates in a political science course were electing a mock legislature. The blizzard kept away all but Klinzing and three others from the class-appointed election. "So we all elected each other for leadership," said Klinzing, who became the Senate president. "I found it absolutely fascinating."

The freshman legislator has already gained the respect of key state legislators in Minnesota. House Republican caucus leaders selected her to be one of seven assistant majority leaders.

Peg Larsen, the former representative for what is now District 56A, said Klinzing is going to do good work at the Capitol.

"There are three qualities that come to mind when I think about her," Larsen said. "One is sincerity, and the other is honesty, and the other is experience. She has the kind of experience in the educational field that is very much needed in this session."

Appointed to the committees of education finance, education policy, and local government and metropolitan affairs, Klinzing will be able to demonstrate those qualities.

Klinzing said she requested to the local government assignment because she believes in the principles of a smaller, limited government, and endorses capitalism and the free market. These ideas carry over into her philosophy of keeping taxes at the most local level so that citizens can better participate in the process.

Klinzing said she believes the state should hold the line on taxes, even at the risk of cities and counties raising their taxes in response. "At the local level citizens have more of a voice, or at least see it and know they can go down to city hall," she said. "In Woodbury most people know the mayor."

She also said she is anxious to delve into the metropolitan affairs side of the committee. Klinzing said she finds it odd that the Metropolitan Council has told Woodbury to stop growing while telling Lake Elmo to "get going." Woodbury is expanding at such a rate that the sewer and water infrastructure may reach capacity. Conversely, Lake Elmo wants to keep its three-acre lots.

"From a big-picture perspective it's ironic to have a state advisory board giving contradictory messages to neighboring communities."

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"Education is such a personal thing - everybody learns differently, everybody has different values."


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**District 56B**

2002 population: 36,683
Largest city: Woodbury
County: Washington
Location: southeastern Twin Cities suburbs
Top concern: "Obviously a top concern is the budget and that was a main concern of mine going into this."

Opportunity knocks

After years of behind the scenes involvement, Kohls is now in the forefront as a representative

BY JEFF JONES

Rep. Paul Kohls (R-Victoria) admits to having a self-interest in the transportation bonding bill (HF4) that he co-sponsors. Unlike many legislators, “I have the luxury of being able to go home each night,” he says. But making the 35-mile trip means that, like many residents of his district, he must battle the traffic from the far western edge of the Twin Cities metropolitan area back into the city core each morning.

“Transportation was a big issue in my campaign,” Kohls said, and I’m pleased to be a co-author on that legislation.”

Despite the commute, he says he wouldn’t want to live any place else. Kohls and his wife, Kelly, moved to Victoria after he graduated from the University of Minnesota Law School in 1999.

“It was time to start a family,” said Kohls, whose wife grew up in nearby Waconia. “We made a decision we wanted to be out in the western suburbs. It’s a wonderful place to live and to raise a family.”

Though the district is on the border of suburbia, Kohls says it is made up primarily of small- to midsized-towns with a real sense of community.

When he moved to the area, Kohls was active on the executive board of former Senate District 43 and decided to run for office when redistricting resulted in an open House seat.

“I figured that at some point, somewhere down the line, I might run for office. …(When the opportunity presented itself, I figured it was a great chance to mix politics and policy.”

Kohls has been active in politics for many years. He was involved in the College Republicans organization as an undergraduate at the University of St. Thomas and worked on the communications staff for former-Gov. Arne Carlson’s 1994 campaign. His active political participation waned somewhat during law school, but only three years after graduation, he now finds himself an elected representative.

“To be completely honest, I didn’t expect it would happen at this stage of my life,” Kohls said.

At age 28, Kohls is the fourth-youngest current member of the House. When people bring up his age, he tells them, “You know, I’m a father. I’m a homeowner. I’m a lawyer. I’m an earnest and serious person. Maybe it wouldn’t be right for some people, but I don’t think my age is going to be a hindrance in being an effective legislator, and an effective leader.”

Kohls has already taken the lead in co-sponsoring several other pieces of legislation, including the repeal of the Profile of Learning (HF37) and a bill to create tax-free zones in certain parts of the state (HF3).

He also introduced a bill (HF170) that would eliminate the legal practice called “forum-shopping” that allows lawyers to bring lawsuits in Minnesota after a statute of limitations has run out in other states, even if the case were unrelated to Minnesota.

Co-sponsoring that legislation is fellow freshman Rep. Chris DeLaForest (R-Andover), a classmate from law school. “Paul was an excellent student,” DeLaForest remembers. “He is very intelligent. He has a nimble mind… and that makes him a good attorney and an excellent legislator.”

Kohls said he is most looking forward to being a part of the legislative process and developing solutions during his freshman term. “The budget deficit has created a tremendous opportunity for us to redefine and revitalize government,” he said.

Having a high-five. And so the whole time I had my hand raised, he was giving me high fives.”

Should Kohls be re-elected to a second term, he may really have his hands full. He and his wife are expecting another child in March.

“The budget deficit has created a tremendous opportunity for us to redefine and revitalize government.”

— Rep. Paul Kohls

District 34A

2002 population: 36,701
Largest cities: Chaska
Counties: Carver, Scott
Location: southwestern Twin Cities suburbs
Top Concern: “Our citizens are going to continue to demand we provide excellent service. We just need to find a new way to do it so that we can balance our budget deficit and pass a budget that the governor will sign – and that means a budget that isn’t going to raise taxes.”

— Rep. Paul Kohls
Finding his muse
Thissen draws on common principles from his life, and ‘The Boss,’ in new role as state legislator

BY MIRANDA BRYANT
Political inspiration comes in many forms. And for freshman legislator, Rep. Paul Thissen (DFL-Mpls), it comes partly from one of America’s most famous rock ‘n’ rollers.

Bruce Springsteen has a huge fan in the 36-year-old Thissen, who has attended 15 Springsteen concerts since his high school days. In fact, the Harvard-educated lawyer sings the older of his two children, 4-year-old Emily, to sleep every night to Springsteen’s Thunder Road.

“I think he speaks in a profound way about ordinary people’s lives and the challenges they face that has always resonated with me,” said Thissen.

Thissen said Springsteen doesn’t judge where people are in their lives, but rather recognizes that circumstances can lead to situations that are good or difficult. This perspective, said Thissen, is something that should be remembered in government.

Prior to his election in District 63A, Thissen worked as a litigation lawyer for Briggs and Morgan. There he was chair of the pro bono program that provided legal services to selected low-income individuals, nonprofit ventures, and public interest causes free of charge.

“Government and policy are things I’ve been interested in for a long time, and public service,” said Thissen, who has served on various nonprofit organizations’ boards of directors.

But two situations pointed him to the State Capitol. First, the 2002 redistricting process created a new district closely reflecting the area Thissen knew well from a childhood in Bloomington and an education in Richfield. Second, he believed legislators showed a “lack of vision” last year in addressing the state budget deficit.

“My wife said, ‘You ought to put your money where your mouth is,’” Thissen said.

Thissen spent the next months contacting the 150 DFL convention delegates, ultimately winning their endorsement. Then he started visiting people in the district.

He said that process taught him a lot about the issues. Voters told him they wanted fairer funding for schools, improved prescription drug benefits, greater options for long-term care, preservation of veteran services, and relief from ever-increasing traffic snarls.

Thissen will be able to address those issues on the House committees to which he’s been assigned: transportation finance, state government finance, and government operations and veterans affairs policy.

“Paul not only has an intense interest in issues, but he knows them well,” said Rep. Jean Wagenius (DFL-Mpls). “He is already contributing new solutions for the budget problems that we face.”

Thissen envisions creating social service outreach offices at schools, such as the three at Achievement Plus schools in St. Paul, to increase access to government services. Sometimes the only place people encounter the government is in a school, he explained.

Fairer funding for schools is becoming more critical, said Thissen, with the number of families living in poverty and the growing population of students who don’t claim English as their first language.

“We need to recognize with our funding that these districts are facing challenges and we need to fund accordingly,” he said.

Veteran services is another vulnerable area, said Thissen, noting the large population of aging military personnel in his district.

“I think it’s really important that especially in these budget times that they’re not one of the groups that bears the brunt ... We need to be vigilant about that.”

Related to veteran services are Thissen’s concerns about prescription drug costs and in-home health care. Thissen said he will be attentive to any prescription drug reform bills and what groups are covered under such bills. He also hopes to see legislative reform to the long-term care system.

“I’ve heard many, many stories about people who have really made great sacrifices to take care of a loved one, but it’s really difficult and I think we can help those folks without costing the state a lot of money,” Thissen said.

Traffic congestion is an issue that Thissen confronts daily. With interstates 494 and 35W and highway 62 in his district, the representative understands his constituents’ bottleneck blues. Unless quick action is taken, the problem will worsen, he predicted, as new workers begin coming to Best Buy’s new headquarters near where the two freeways merge. The business is expected to draw 6,000 to 7,000 workers to the area.

The solution lies in increased transportation funding and alternative transportation, Thissen said. The Northstar commuter rail line makes sense, but bonding for new construction has costs that must be considered, he said.

Thissen said the state has traditionally paid for new transportation construction with cash.

This is one of the things that Thissen envisions doing for his district.

“I think we need to look at a variety of funding sources.”

— Rep. Paul Thissen

Thissen will be able to address those issues on the House committees to which he’s been assigned: transportation finance, state government finance, and government operations and veterans affairs policy.

On the state level, Thissen wants to see increased mobility for those in need of in-home health care. He also hopes to see legislative reform to the long-term care system.

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If the state sells bonds for the same, it may have to sacrifice a new road to simply pay interest and financing charges.

Increasing the gas tax, as well as the sales tax in affected communities, should be explored, he added.

“I think we need to look at a variety of funding sources.”

— Rep. Paul Thissen

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Monday, Jan. 27

**BILL INTRODUCTIONS**

**HF183—Kielkucki (R)**
**Governmental Operations & Veterans Affairs Policy**
Township authorized to regulate and impose investigation fees on lawful gambling organizations.

**HF184—Olsen, S. (R)**
**Education Policy**
Childcare assistance payments authorized for use for all-day kindergarten tuition payments.

**HF185—Dill (DFL)**
**Jobs & Economic Development Finance**
Knife River-Larsmont Sanitary District wastewater infrastructure grants provided, bonds issued, and money appropriated.

**HF186—Dill (DFL)**
**Environment & Natural Resources Finance**
Gitchi-Gami State Trail development funding provided, bonds issued, and money appropriated.

**HF187—Jaros (DFL)**
**Health & Human Services Policy**
MinnesotaCare eligibility requirements modified relating to other health coverage and employer-subsidized coverage.

**HF188—Jaros (DFL)**
**Higher Education Finance**
Minnesota State Colleges and Universities directed to adopt a policy requiring foreign language teaching students to study abroad, and University of Minnesota requested to adopt a similar policy.

**HF189—Mariani (DFL)**
**Agriculture Policy**
Ethanol producer payments restricted for facilities in cities of the first class.

**HF190—Juhnke (DFL)**
**Agriculture Policy**
Ethanol plant relocation assistance provided, ethanol producer payments to urban plants eliminated after a specified date, and money appropriated.

**HF191—Gerlach (R)**
**Governmental Operations & Veterans Affairs Policy**
M SRS refunds provided for certain employees on medical leaves of absence.

**HF192—Hilty (DFL)**
**Environment & Natural Resources Policy**
Lead sinkers sale and use prohibited.

**HF193—Erickson (R)**
**Education Policy**
Profile of Learning repealed and replaced; and legislative review of proposed statewide core academic standards in language arts, mathematics, science, history, and geography required.

**HF194—Urdahl (R)**
**Environment & Natural Resources Policy**
Wright County board authorized to change the names of bodies of water without the approval of the commissioner of natural resources.

**HF195—Rhodes (R)**
**Governmental Operations & Veterans Affairs Policy**
Voting integrity and voter access accounts established, funding provided, and money appropriated.

**HF196—Juhnke (DFL)**
**Transportation Policy**
Multimodal transportation fund and accounts established, motor vehicle sales tax proceeds allocated, fuel taxes increased, metropolitan sales tax election required, trunk highway bonds authorized, and money appropriated.

**HF197—Marquart (DFL)**
**Education Finance**
Declining enrollment funding increased.

**HF198—Marquart (DFL)**
**Taxes**
Military pension individual income tax deduction provided.

**HF199—Anderson, I. (DFL)**
**Jobs & Economic Development Finance**
Koochiching County authorized to establish a port authority, and local government units authorized to apply for foreign trade zone powers.

**HF200—Jacobson (R)**
**Transportation Finance**
Ramsey County; McKnight Road and Highway 36 interchange project funding provided, bonds issued, and money appropriated.

**HF201—Fuller (R)**
**Health & Human Services Policy**
Emergency medical services registration provisions modified.

**HF202—Olsen, S. (R)**
**Education Finance**
Referendum equalization aid program expanded, and alternative facilities aid eliminated.

**HF203—Sertich (DFL)**
**Commerce, Jobs & Economic Development**
Property insurance; FAIR plan regulation provided.

**HF204—Murphy (DFL)**
**Local Government & Metropolitan Affairs**
St. Louis County; political activity restrictions modified for certain officers and employees in the classified service.

**HF205—Goodwin (DFL)**
**Education Finance**
Detachment and annexation process alternative established for residential property parcels that are split among school districts.

**HF206—Seagren (R)**
**Education Policy**
Jan. 15 teacher contract deadline date repealed.

**HF207—Latz (DFL)**
**Taxes**
Internet; Congress memorialized, by resolution, to require Internet sellers to collect state and local taxes.

**HF208—Kuise (R)**
**Regulated Industries**
Renewable energy source definition expanded to include mixed municipal waste.

**HF209—Carlson (DFL)**
**Jobs & Economic Development Finance**
Omnibus state government finance bill appropriating money and reducing state department appropriations.

**HF210—Thissen (DFL)**
**Civil Law**
Personal jurisdiction over foreign corporations and nonresident individuals modified in certain cases.

**HF211—Lindgren (R)**
**Taxes**
Beltrami County tourism, agricultural, and industrial developments promotion spending limits increased.

Tuesday, Jan. 28

**HF212—Abeler (R)**
**Health & Human Services Policy**
Health occupations advisory committee extended, including acupuncture, respiratory care practitioner, licensed traditional midwifery, and health professionals services program advisory committees.

**HF213—Blaine (R)**
**Local Government & Metropolitan Affairs**
Local fire departments reimbursed for extinguishing certain motor vehicle fires, local authority granted to collect unpaid bills for certain emergency services from nonresidents, and money appropriated.

**HF214—Dempsey (R)**
**Judiciary Policy & Finance**
Fourth-degree assault law expanded to include offenses committed towards employees or care providers at secure treatment facilities.

**HF215—Dempsey (R)**
**Agriculture Policy**
Wine: Minnesota-produced wine exempted from state fairgrounds prohibition.

**HF216—Davie (DFL)**
**Transportation Policy**
Mnneapoliseum, commissioner of transportation prohibited from increasing speed limit on Highway 55.

**HF217—Vandeveer (R)**
**State Government Finance**
Legislators and constitutional officers 4 percent salary decrease provided until June 30, 2005.

**HF218—Ellison (DFL)**
**Education Policy**
Review of parental involvement programs pilot project authorized.

**HF219—Erickson (R)**
**Education Policy**
Retired teachers encouraged to serve as short-call substitute teachers.

**HF220—Erickson (R)**
**Governmental Operations & Veterans Affairs Policy**
English designated as the official language of the state of Minnesota.

**HF221—Erickson (R)**
**Education Finance**
Education finance: actual maximum effort capital loan tax rate for existing loans lowered, and technical corrections provided.

**HF222—Biemel (DFL)**
**Governmental Operations & Veterans Affairs Policy**
Lobbying restriction of one year imposed on former legislators, constitutional officers, and other specified state and legislative employees.
HF223—Clark (DFL)  
Health & Human Services Policy  
Hennepin; essential community provider application authorized for a specified Hennepin County clinic.

HF224—Howes (R)  
Jobs & Economic Development Finance  
Wastewater infrastructure program funding provided, bonds issued, and money appropriated.

HF225—Murphy (DFL)  
Higher Education Finance  
Lake Superior Community College and Northwest Technical College dental clinics funding provided, bonds issued, and money appropriated.

HF226—Murphy (DFL)  
Higher Education Finance  
Lake Superior Community and Technical College student services, smart classrooms, and open labs funding provided; bonds issued; and money appropriated.

HF227—Ellison (DFL)  
Governmental Operations & Veterans Affairs Policy  
Voting eligibility restored for certain convicted felons who are not incarcerated.

Wednesday, Jan. 29

HF228—Knoblach (R)  
Health & Human Services Finance  
Nursing facilities designated as metropolitan facilities for purposes of medical assistance reimbursement.

HF229—Abeler (R)  
Health & Human Services Policy  
Doula services health insurance coverage required.

HF230—Abeler (R)  
Health & Human Services Policy  
Licensed professional counseling board established, license requirements provided, and money appropriated.

HF231—Peterson (DFL)  
Education Finance  
Independent School District No. 2853, Lac qui Parle Valley, severance levy authorized.

HF232—Rhodes (R)  
Taxes  
Valuation exclusion for certain improvements on older homes program extended.

HF233—Carlson (DFL)  
Education Policy  
State board of education established.

HF234—Dempsey (R)  
Transportation Finance  
Port development assistance funding provided, bonds issued, and money appropriated.

HF235—Dill (DFL)  
Environment & Natural Resources Finance  
Lake Superior safe harbors funding provided, bonds issued, and money appropriated.

HF236—Hilstrom (DFL)  
Jobs & Economic Development Finance  
Mississippi River Parkway Commission funding provided to promote tourism and economic development along the Great River Road.

HF237—Dempsey (R)  
Higher Education Finance  
Veterinary diagnostic laboratory building funding provided at the University of Minnesota, bonds issued, and money appropriated.

HF238—Urdahl (R)  
Education Finance  
Earning aid health coverage required for children.

Thursday, Jan. 30

HF239—Magnus (R)  
Environment & Natural Resources Finance  
Lewis and Clark rural water project general fund appropriation provided, and previous bond proceeds funding canceled.

HF240—Soderstrom (R)  
Environment & Natural Resources Finance  
Waste processing grants outstanding obligations canceled for specified counties.

HF241—Paymar (DFL)  
Taxes  
Limited market value phase-out extended.

HF242—Solberg (DFL)  
Environment & Natural Resources Policy  
Aitkin County tax-forfeited land sale authorized.

HF243—Seagren (R)  
Education Finance  
Intermediate school districts authorized to receive proceeds of the safe schools levy.

HF244—Lesch (DFL)  
Governmental Operations & Veterans Affairs  
St. Paul civil service separation retroactive effective date established.

HF245—Westrom (R)  
Local Government & Metropolitan Affairs  
Alexandria; lakes area economic development authority established.

HF246—Otremba (DFL)  
Governmental Operations & Veterans Affairs Policy  
Lottery prohibited from removing certain computer terminals until July 1, 2005.

HF247—Nelson, C. (R)  
Governmental Operations & Veterans Affairs Policy  
Military service credit purchase sunset eliminated.

HF248—Otremba (DFL)  
Health & Human Services Policy  
Universal health board, universal health program, health care trust fund, and statewide and regional health care budgets established; health care commission abolished; and money appropriated.

HF249—Johnson, S. (DFL)  
Health & Human Services Policy  
Hearing aid health coverage required for children.

HF250—Paulsen (R)  
Governmental Operations & Veterans Affairs Policy  
Initiative and referendum procedures provided by proposed constitutional amendment.

HF251—Beard (R)  
Transportation Finance  
State airports fund transfers restoration required.

HF252—Larson (DFL)  
Local Government & Metropolitan Affairs  
Metropolitan airports commission membership expanded to include mayors.

HF253—Johnson, J. (R)  
Governmental Operations & Veterans Affairs Policy  
Plymouth volunteer firefighter’s relief association ancillary benefits subjected to general law.

HF254—Abrams (R)  
Jobs & Economic Development Finance  
Guthrie Theater new construction funding provided, bonds issued, and money appropriated.

HF255—Dill (DFL)  
Environment & Natural Resources Finance  
Snowmobile trail easements acquisition funding provided to connect the Willard Munger State Trail to the North Shore State Trail, and money appropriated.

HF256—Beard (R)  
Taxes  
Sales to political subdivisions exempted from sales tax.

HF257—Cox (R)  
Environment & Natural Resources Policy  
Phosphorous content in dishwasher detergents restricted.

HF258—Dorman (R)  
Agriculture Policy  
Fertilizers containing arsenic prohibited.

HF259—Kuisle (R)  
Transportation Finance  
School bus continued operation by licensed child-care providers and holders of Class D driver’s licenses under limited conditions.

HF260—Klinzing (R)  
Transportation Finance  
I-94 at Century Avenue and McKnight Road interchange project funding provided, bonds issued, and money appropriated.

HF261—Boudreau (R)  
Civil Law  
Minnesota citizens’ personal protection act of 2003 adopted recognizing the right of law-abiding citizens to self-protection, authorizing pistol permits, providing criminal penalties, and appropriating money.

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Call the House Public Information Services Office at (651) 296-2146 or 1-800-657-3550

If you have Internet access, visit the Legislature’s web page at:  
http://www.leg.mn
MONDAY, February 3

12:30 PM

Health and Human Services Policy
Room: 10 State Office Building
Chair: Rep. Lynda Boudreau
Agenda: HF162 (Seifert) Health commissioner required to obtain legislative approval for specified rules adoption.
HF164 (Haas) Patient consent required to collect health data, and adoption of certain proposed rules prohibited.

Higher Education Finance
Room: 300S State Office Building
Chair: Rep. Doug Stang
Agenda: Overview of the Minnesota State Grant and Federal Pell Grant Programs.
Witnesses: Kathy Novak, Legislative Analyst, Minnesota House of Representatives.
John Brandl, Professor, Hubert H. Humphrey Institute of Public Affairs, University of Minnesota.

3 p.m.

THE HOUSE MEETS IN SESSION.

TUESDAY, February 4

*** Note: *** Change in meetingtime

8:00 AM

Transportation Finance
Room: Tour
Chair: Rep. William Kuisle
Agenda: Tour of the Hiawatha Light Rail Project. Members and staff: a bus will pick us up on the east steps of the State Office Building.

8:15 AM

Health and Human Services Finance
Room: 10 State Office Building
Chair: Rep. Fran Bradley
Agenda: Continuation of “Do More With Less” testimony.

Jobs and Economic Development Finance
Room: Basement Hearing Room
Chair: Rep. Bob Gunther

Environment and Natural Resources Finance
Room: 5 State Office Building
Chair: Rep. Dennis Oozment
*** Note: *** Change in Agenda
Agenda: Overview of current agency budgets by House fiscal analyst and research staff.
Office of Environmental Assistance.
Board of Water and Soil Resources.
Minnesota Pollution Control Agency.

Education Policy
Room: 200 State Office Building
Chair: Rep. Barb Sykora
Agenda: HF120 (Olsen) Teacher licensing duplicative filing requirement eliminated; and license verification authorized using the Department of Children, Families and Learning website.
HF219 (Ericksen) Retired teachers encouraged to serve as short-call substitute teachers.
HF206 (Seagren) Jan. 15 teacher contract deadline date repealed.

10:15 AM

Education Finance
Room: 10 State Office Building
Chair: Rep. Alice Seagren
Agenda: HF127 (Carlson) Special education; President and Congress memorialized by resolution to carry through on their pledge to fund 40 percent of special education costs.
HF109 (Ruth) Career and technical levy programs levy made permanent.
HF160 (Abeler) Staff development activities portion of a district’s basic general education revenue reduced.

Taxes
Room: 200 State Office Building
Chair: Rep. Ron Abrams
Agenda: To be announced.

Environment and Natural Resources Policy
Room: 5 State Office Building
Chair: Rep. Tom Hackbarth
Agenda: Chronic Wasting Disease (CWD) briefing. Legislative report on CWD.
Department of Natural Resources.
Board of Animal Health.

Judiciary Policy and Finance
Room: Basement Hearing Room
Chair: Rep. Steve Smith
Agenda: Sex offender mandatory registration departure rates.
Report from Department of Corrections on concentration of Level III sex offenders.

11:45 AM

STATE OF THE STATE ADDRESS
Joint House-Senate Convention
House Chamber

12:30 PM

(Please note: Committee times may be adjusted to accommodate State of the State Address)

Transportation Policy
Room: 200 State Office Building
Chair: Rep. Ron Erhardt
Agenda: To be announced.

Governmental Operations and Veterans Affairs Policy
Room: Basement Hearing Room
Chair: Rep. Jim Rhodes
Agenda: HF195 (Rhodes) Voting integrity and voter access account established, funding provided, and money appropriated.
Other agenda items to be announced.

2:30 PM

Regulated Industries
*** Note: *** Change in meetingroom
Room: 10 State Office Building
Chair: Rep. Torrey Westrom
Agenda: Presentation by Xcel Energy on issues pertaining to Prairie Island and need for additional storage.

State Government Finance
Room: 500N State Office Building
Chair: Rep. Bill Haas
Campaign Finance and Public Disclosure Board.
Capitol Area Architectural and Planning Board.

Civil Law
*** Note: *** Change in meetingroom
Room: 5 State Office Building
Chair: Rep. Steve Smith
HF169 (Lipman) Animal care and memorial fund trusts provided.

Local Government and Metropolitan Affairs
Room: 200 State Office Building
Chair: Rep. Jerry Dempsey
Agenda: To be announced.

2:30 PM

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HF169 (Lipman) Animal care and memorial fund trusts provided.

Local Government and Metropolitan Affairs
Room: 200 State Office Building
Chair: Rep. Jerry Dempsey
Agenda: To be announced.
WEDNESDAY, February 5

8:15AM

Health and Human Services Policy
Room: 10 State Office Building
Chair: Rep. Lynda Boudreau
**Agenda:** HF 17 (Mullery) Establish an auto lease program to help MFIP recipients lease cars necessary for job search and employment.

**HF 15 (Mullery) Modifying MinnesotaCare eligibility requirements for persons with continuation coverage.**

Environment and Natural Resources Finance
Room: 5 State Office Building
Chair: Rep. Dennis Ozment
***Note:*** Change in Agenda
**Agenda:** Overview of current agency budget by House fiscal analyst and research staff.

Transportation Finance
Room: 200 State Office Building
Chair: Rep. William Kuisele
**Agenda:** Presentation by the Association of Minnesota Counties. Presentation by MnDOT on the use of consultants.

10:15AM

Education Finance
Room: 10 State Office Building
Chair: Rep. Alice Seagren
**Agenda:** Continuation of Education Finance introduction and overview.

Judiciary Policy and Finance
Room: Basement Hearing Room
Chair: Rep. Steve Smith
**Agenda:** To be announced.

Taxes
Room: 200 State Office Building
Chair: Rep. Ron Abrams
**Agenda:** To be announced.

12:30PM

Higher Education Finance
Room: 3005 State Office Building
Chair: Rep. Doug Stang
**Agenda:** Minnesota State Colleges and Universities (MnSCU) overview.
Witness: James H. McCormick, chancellor, Minnesota State Colleges and Universities.

Agriculture Policy
Room: 5 State Office Building
Chair: Rep. Howard Swenson
**Agenda:** Are the new feedlot rules working continues.
Steve Olson, Boiler and Egg Association and the Turkey Growers.
John Meyer, dairyman from Rollingstone, Minnesota.

Steve Brake, Minnesota State Cattlemen's Association.
Jerry Shoenfeld, Minnesota Pork Producers Association.
Bruce Kleven, Cattlemen's Association.

Governmental Operations and Veterans Affairs Policy
Room: Basement Hearing Room
Chair: Rep. Jim Rhodes
**Agenda:** Horse Racing Commission overview, Dick Krueger, Executive Director.
Canterbury Park Presentation, Randy Sampson.

Transportation Policy
Room: 200 State Office Building
Chair: Rep. Ron Erhardt
**Agenda:** Tour of State Patrol Metro Communications Center and MnDOT Traffic Management Center.

2:30PM

State Government Finance
Room: 500N State Office Building
Chair: Rep. Bill Haas
**Agenda:** Department of Administration.

Regulated Industries
***Note:*** Change in meeting room
Room: 10 State Office Building
Chair: Rep. Torrey Westrom
**Agenda:** Presentations on nuclear and regulatory issues by the following agencies and organizations:
Mike Bull, House Research Department;
Department of Commerce;
Public Utilities Commission;
MAPCOR (Mid Continent Area Power Pool); and
the Department of Health.

Civil Law
***Note:*** Change in meeting room
Room: 10 State Office Building
Chair: Rep. Steve Smith
**Agenda:** HF 112 (Pugh) Title, lien, and mortgage technical, clarifying, and conforming changes provided.

Local Government and Metropolitan Affairs
Room: 200 State Office Building
Chair: Rep. Jerry Dempsey
**Agenda:** To be announced.

Capital Investment
Room: Basement Hearing Room
Chair: Rep. Phil Krinkie
**Agenda:** Department of Finance cancellations report pursuant to M.S. 16A.642.

THURSDAY, February 6

8:15AM

Environment and Natural Resources Finance
Room: 5 State Office Building
Chair: Rep. Dennis Ozment
***Note:*** Change in Agenda
**Agenda:** Office of Legislative Auditor Reports.
Water Quality: Permitting and Compliance Monitoring.
Minnesota Pollution Control Agency Funding.

Health and Human Services Finance
Room: 10 State Office Building
Chair: Rep. Fran Bradley
**Agenda:** Continuation of “Do More With Less” testimony.

Education Policy
Room: 200 State Office Building
Chair: Rep. Barb Sykora
**Agenda:** HF 2 (Kielkucki) Profile of Learning repealed and replaced; and legislative review of proposed academic standards in language arts, mathematics, science, history, and geography required.

10:15AM

Taxes
Room: 200 State Office Building
Chair: Rep. Ron Abrams
**Agenda:** To be announced.

Judiciary Policy and Finance
Room: Basement Hearing Room
Chair: Rep. Steve Smith
**Agenda:** To be announced.

Education Finance
Room: 10 State Office Building
Chair: Rep. Alice Seagren
**Agenda:** To be announced.

Environment and Natural Resources Policy
Room: 5 State Office Building
Chair: Rep. Tom Hackbarth
**Agenda:** To be announced.

12:30PM

Agriculture and Rural Development Finance
Room: 5 State Office Building
Chair: Rep. Elaine Harder
**Agenda:** Overview hearing on the funding for the feedlot cost share program and the funds appropriated for permit and enforcement of the 7020 Rules.

Ways and Means
Room: 200 State Office Building
Chair: Rep. Jim Knoblach
**Agenda:** To be announced.
Election results available

The House is expected to gain one member in each of the next two weeks with special elections scheduled to replace former Reps. Dan McElroy and Mark Holsten.

McElroy resigned his position Jan. 6 to become the state's finance commissioner. His replacement will be selected Feb. 3.

The candidates for the seat, which encompasses parts of Burnsville and Savage, are Republican Duke Powell and DFLer Joe Rosenfield, who lost to McElroy in the November election.

The election to replace Holsten, who was named a deputy commissioner with the Department of Natural Resources Jan. 17, is scheduled Feb. 11.

District 52B includes Birchwood Village, Dellwood, Grant, Mahtomedi, Marine on the St. Croix, May Township, Pine Springs, Stillwater Township, Willernie, and portions of Hugo, Stillwater, and White Bear Lake.

The Jan. 28 primary winners were Republican Matt Dean, DFLer Rebecca Otto, whom Holsten defeated in November, Anthony Frolik of the Green Party.

A third special election is likely on the horizon as Rep. Rich Stanek (R-Maple Grove) was named the state's public safety commissioner Jan. 23. He resigned Jan. 30. No election date had been set at the time Session Weekly went to press.

Results from these contests will be available on the secretary of state's Web site (www.sos.state.mn.us). Look on the House Web site (www.house.mn) for biographical information on the new members soon after the elections.

Late in the 1800s, two Minnesota governors were recognized for a remarkable similarity in their lives. They were both of strong character and integrity, had status in the community, were members of the Republican Party, and believed in the same principles by which they lived. Not only were they close friends, but their lives followed similar paths.

Both Govs. Horace Austin and Andrew McGill lived in St. Peter before they entered the political world. Austin led the state for two terms, from 1870 to 1874. McGill served as governor for one term, from 1887 to 1889, and as a state senator from 1899 to 1905.

Austin was the state's sixth governor. The son of a prominent Connecticut farmer, he studied law in the office of the state's U.S. Senator. H. E later moved to St. Peter at the age of 25 and set up a law practice in 1856.

In 1862, Austin volunteered as a private for the St. Peter Frontier Brigade to help protect the frontier. H. E became a captain with the U.S. Army the same year.

He was elected judge of the state's Sixth Judicial District in 1864, earning the reputation of being "independent, upright, and fearless." When Austin was nominated to run for governor at the 1869 Republican Convention, he was victorious on the first ballot and easily won the governorship in the general election. After Austin served his first term with "honor and fidelity," he was re-elected for a second term with no opposition.

McGill was Minnesota's 10th governor. Like Austin, he grew up on a large farm, although he was in Pennsylvania, and moved to another state — Kentucky — to teach. When the Civil War began, McGill was treated with hostility because of his union sentiments, so he moved to St. Peter, set up a select, well-respected high school, and served as its principal.

McGill began to study law, but with the onset of the Civil War, he joined as a private to serve in the military. He earned the rank of sergeant before he was discharged for disabilities. He returned to St. Peter and became superintendent of schools for Nicollet County.

As he continued his law studies, McGill was elected to serve as clerk of the district court and was admitted to the bar in 1869 by then-Judge Horace Austin. When Austin won the governorship the following year, McGill became his private secretary. Later, Austin appointed McGill to be state's insurance commissioner, which he held for 13 years under three other governors.

Like Austin, McGill was well respected and trusted among politicians and the general public alike. When he became governor in 1873, McGill reciprocated an appointment to his friend, Austin by naming him state railroad commissioner.

In 1905, Austin was one of four former governors to serve as an honorary pallbearer for McGill after he died suddenly. Then Austin died exactly a week later during a simple surgery operation.

Their lives, filled with admirable service to the state they chose as home, were inextricably linked.

— LeClair Grier Lambert

Frequently called numbers

Information, House
175 State Office Building .......... 296-2146
TTY, House ............................ 296-9896
Toll free ............................. 1-800-657-3550

Information, Senate
231 Capitol ............................ 296-0504
TTY, Senate ......................... 296-0250
Toll free ............................. 1-888-234-1112
State and federal assistance programs

Federal poverty income guideline, family of four, 2002 ........................................ $18,100
Average number of monthly aid recipients through the Minnesota Family Investment Program (MFIP), fiscal year 2002 ................................................ 127,578
Total annual payments, in millions ................................................................. $321.9
State share of payments, in millions ............................................................... $72.3
State share of payments, as percent ............................................................... 22%
Percentage of cases affecting single- and two-parent families ................. 87%
Total state Medical Assistance program spending, 2002, in millions............. $4.1
Projected enrollees in state and federal health care programs, fiscal year 2003 ................................................................. 623,545
Families receiving state-supported child-care assistance, fiscal year 2002 .... 27,274
Children benefited ....................................................................................... 46,466
Average cost per family ............................................................................... $7,123
Minnesota households receiving federal food stamp benefits, 2002 ............. 99,720
Total dollar value of food stamp benefits, in millions ..................................... $195.8
Number of people on average each month receiving emergency assistance aid (one-time assistance for a crisis involving the health or safety of children) ............................................................................. 6,294
Total annual payments, 2002, in millions ...................................................... $24.1
State share of payments, in millions .............................................................. $3.4
State share of payments, as percent .............................................................. 14%
Number of people on average each month receiving state general financial assistance aid ................................................................. 10,486
Total annual payments, 2002, in millions ...................................................... $23.3
Number of people on average each month receiving federal supplemental security income ................................................................. 66,369
Total annual payments, 2002, in millions ...................................................... $310.2
Number receiving additional state supplemental aid ................................... 27,619
Total annual payments, in millions ............................................................... $27.4
Minnesota Medical Assistance payments (including Medical Assistance and Medicaid), 2002, in billions ................................................................. $4.1
State share of payments, in billions .............................................................. $1.96
State share, as percent ................................................................................ 48%
Total annual payments from Minnesota General Assistance Medical Care (for low-income Minnesotans ineligible for other assistance), 2002, in millions .... $178.6
Total average monthly enrollees in MinnesotaCare, 2002 ............................ 143,855
Total health care payments, in millions, 2002 .............................................. $372.4