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U of M Regents, Nanotechnology, and More
SESSION Weekly

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On the cover: A Capitol visitor walks through the light streaming from one of the French doors on the second floor of the Capitol as temperatures reached over 40 degrees.

— Photo by Kristine Larsen
Opening up opportunities

Bill would allow farmers from other countries to own and operate Minnesota dairy farms

BY TOM LONERGAN

The farmer’s market is global and Minnesota may tap other parts of the world to find more dairy farmers.

A bill approved Feb. 26 by the House Agriculture Policy Committee would ease the state’s restrictions on foreign ownership of farmland. Sponsored by Rep. Greg Blaine (R-Little Falls), HF447 could potentially open the state’s doors to farmers from other countries. Bill supporters say it could bolster the state’s declining dairy industry.

Rural Minnesota “is in a crisis situation,” Blaine said, citing the struggles faced by dairy and livestock farmers. “This is not a cure all or a complete answer,” he said. “It is a tool.” There was no discussion of the bill’s cost, if any, to the state.

The bill, referred to the House Civil Law Committee, would amend state law to broaden the definition of a “permanent resident alien of the United States” to include holders of E-2 investment visas.

The federal government allows citizens of countries that have a treaty with the United States to remain in the country under special visa status because they’ve invested in an economic enterprise. The visa remains in effect as long as the person operates the business. However, the state’s “alien farm law” which requires that 80 percent of a farming enterprise be owned by a U.S. citizen or a permanent resident alien does not currently recognize holders of the investment visas.

Doug Spanier, a policy analyst with the state Agriculture Department, said families from the Netherlands, Ireland, and Canada have contacted the state. “They want to become citizens and farm here,” Spanier said. It can take up to five years for a person to gain citizenship after permanent resident status, he said.

Kurt Markham, director of agricultural marketing services, said the department supports the bill. Farmers from the Netherlands can’t expand in their home country, he said, because of urban sprawl and restrictions on dairy herds. “They need to move,” Markham said. The country is one-fifth the size of Minnesota with 16 million people and 1.2 million dairy cows. During the last 10 years, he said, Dutch farmers have moved to other continents as well as to the states of Michigan, Indiana, and Iowa.

“We'd prefer they were in Minnesota,” Markham said.

Minnesota is the only state in the nation that doesn’t recognize holders of the investment visas as “permanent residents” for the purpose of owning farmland. Last year Iowa changed its farm ownership law to recognize the visa holders.

The state’s restriction on farmland ownership is not “anti-immigrant,” said Rep. Kent Eken (DFL-Twin Valley), who opposes the bill. “The law keeps absentee owners from other countries taking wealth out of the state,” Eken said.

There are now less than 6,500 dairy farms in the state, down from 7,800 just two years ago, according to the Agriculture Department. A November 2002 department survey of 700 state dairy farmers reported that more than one-third of the respondents doubted they’d be milking cows in 10 years. Low milk prices, high operating debt and difficulty obtaining loans have squeezed dairy farmers, particularly those with herds of less than 100 cows.

Several farmers testified in support of the bill, and farm-related organizations, including the Farm Bureau, Minnesota Dairy Leaders Roundtable, Livestock Development Authority and the Minnesota Soybean Growers Association, submitted statements of support.

Harv Schoon of Verndale, said his 900-cow dairy farm has been for sale for a year. “My phone hasn’t rung,” said Schoon. He’s cut 23 of 30 workers and laid off a veterinarian for his herd. “I don’t have the money to invest,” he said. “If I did, it could be profitable.”

Ron Tobkin, a farmer from Perham, said the bill easing restrictions on farm ownership could be the dairy industry’s “only salvation.” He attended a January trade show in the Netherlands with farm business representatives and said that Dutch farmers would be interested in buying existing Minnesota farms or starting new ones.

Roger Heller, of the Minnesota Dairy Broker Association, spoke in support of the bill. He’s visited farms in the Netherlands and said Dutch farmers “want to take a look” at the state. “They are interested in living in Minnesota.”

Rep. Mary Ellen Otreba (DFL-Long Prairie) asked Heller why there was an assumption a Dutch farmer could operate a dairy farm profitably, given depressed milk prices and other difficult conditions, compared to state farmers.

“The Dutch have a dairy ethic,” Heller said, including “a love of cows and a love of the industry.” He said the bill does not imply...
Minnesota farmers are “not efficient,” A farm broker in four states, Heller said, “neighboring states don’t have dairy farms for sale. Minnesota does.” Farms remain on the market for “a long, long time,” Heller added.

Dennis Ritter, a Melrose dairy farmer and member of the Stearns County Dairy Advisory Committee, said there were at least 40 farms for sale in the state. “If Minnesota is going to have a viable dairy industry, the law needs to be changed,” Ritter said. Amending the law would give farmers “the right to sell to interested buyers,” he said, “to grow our declining dairy industry.”

The committee rejected an amendment, sponsored by Rep. Al Juhnke (DFL-Willmar), which would have restricted ownership by investment visa holders to 640 acres of state agricultural land. Juhnke said the state’s farmers are concerned about “foreign ownership and corporate ownership.” He said the amendment was “comfort language.”

“I have trouble putting limitations on business,” Blaine said. “We don’t cap growth on businesses in other areas.”

The bill would require the investment visa holders purchasing state farmland to report the purchase to the state within 30 days of the transaction.

Rep. Dean Urdahl (R-Grove City), a history teacher, drew a similarity between easing the state’s farm ownership restriction with the nation’s encouragement of European immigration under the Homestead Act in 1862. “We are a nation that provides opportunity,” he said.

Tim McNamara, vice president of AgStar Financial Services, a farm credit company, said the state’s restrictive law puts it at a “significant disadvantage” compared to other agricultural states. “People will immigrate,” he said.

“The question is will they come here?”

There are 9,000 fewer dairy farmers in the state than there were in 1990, he said, and 33 percent fewer cows. “The bogeyman here is not alien farm ownership or large farm ownership,” said McNamara. “It’s no dairy farms.”

The bill has no Senate companion.

Employee input

Freeman started idea whereby workers’ ideas saved the state money

Gov. Orville Freeman expended considerable energy, and wind with several lengthy speeches, crusading for reorganization of government in the mid- to late-1950s. Three times toward the end of that decade he proposed plans for reshaping the state’s methods of providing government services. These pleas are chronicled in a number of speeches he delivered to the Legislature.

In 1955, the Legislature enacted some of Freeman’s proposals, but a legal glitch in the engrossment process following enactment rendered them invalid. However, one thing stuck – a 1955 session law authorized the State Employees Merit Award Board.

Appointed by the governor, members of the board were charged with encouraging and soliciting suggestions from state employees regarding ways state government could be more efficient. The board would also make recommendations about the suggestions, and measure financial savings realized as a result of the employees’ suggestions.

And for their good stewardship, employees could receive cash rewards.

“The public employee is often criticized in a general and sweeping fashion for being part of a sprawling bureaucracy with questionable efficiency,” Freeman said in a speech to the Legislature in February 1959. “The truth is – and our experience of the last four years is evidence of this fact – that our employees are eager to improve the work of our government. They need only leadership that is interested in such improvement and they will respond with enthusiasm and dedication.”

Freeman also suggested that the most effective evaluations of government efficiencies occurred in the day-to-day activities of state employees. However, because of the “undramatic” nature of those activities, they often go unnoticed and unappreciated.

“The successful operation of our merit award board, created in 1955, is one striking illustration,” Freeman said. “For example, last year the board rewarded 56 employees for suggestions that saved taxpayers more than $20,000 and that resulted in better and more rapid services.”

The board’s five members all worked for the state. State law required that they served on the board in addition to their regular duties and received no additional compensation.

Under the auspices of the state’s Department of Administration, the board and the system it oversaw created so many suggestions that after the first decade, additional staff was required to assist with its operation. An intern was granted in 1968 to help keep up with suggestions.

The 1969 report of the board commented on the situation, stating, “It became apparent to the board members that if the state employees suggestion system was to survive, some reorganization and full-time staff was required.”

That year, additional funds were appropriated for support staff and publicity. From 1969 to 1972, the suggestions received by the board increased from 169 to more than 900. And savings calculated from the suggestions rose above $500,000 for the three-year period from 1970 to 1972.

According to board reports, the highway department, now the state Department of Transportation, offered the most suggestions, and also received the highest amount in cash rewards. The highest award overall was typically about $500.

The Legislative Reference Library only has reports through 1972 for the merit award board. However, it wasn’t until 1984 that the law authorizing the board was repealed.

In its place, lawmakers authorized the commissioner of the Department of Administration to create an endowment fund to reward state agencies and state employees for “improving productivity and service quality.” That law says gift money must be used to establish the fund and interest earnings may be appropriated for awards.

(M. Kibiger)

Secretaries at the University of Minnesota are presented with awards of appreciation in 1955.

Photo courtesy of the Minnesota Historical Society
AGRICULTURE

Recommended reductions

A 50 percent cut in ethanol producer payments and a change in the way the payments are determined top the list of agriculture-related budget reductions proposed by Gov. Tim Pawlenty for the 2004-05 biennium.

Commissioner Gene Hugoson outlined the Department of Agriculture’s proposed two-year budget Feb. 20 for members of the House Agriculture and Rural Development Finance Committee.

The governor recommended a $134.6 million total agriculture budget for fiscal years 2004-05, including $70.7 million in state general funds. That amount is $6.4 million less than appropriated for the current biennium ending June 30. About one-half of the department’s budget is supported by license and inspection fees, a number that would be increased under the governor’s proposal.

Pawlenty would cut the ethanol credit paid to 13 mostly rural-based ethanol production plants from 20 cents to 10 cents a gallon effective July 1, 2003 and total annual ethanol payments to a producer would be capped at $1.5 million compared to the current $3 million. The changes would result in the state keeping $32.5 million during fiscal years 2004-05.

The governor also wants the formula determining quarterly ethanol payments to be conditioned on whether at least 51 percent of an ethanol production business is directly owned by farmers. The payments are now based on a plant’s eligible production capacity.

Pawlenty would also dedicate 10 percent of the state’s ethanol appropriation for “financial hardship payments” to plants in economic difficulty. The financial hardship payment of 5 cents per gallon would be in addition to a plant’s base payment. The proposed changes would require amending state law.

“I don’t believe it’s going to hurt all of (the industry),” Hugoson said regarding the governor’s proposal. “Some (plants) will be cut 10 percent, or $4.2 million, for 2004-05. Vacated positions would not be filled in the department and layoffs could also occur, Hugoson said. That could lead to 15 full-time position cuts and potentially affect the regularity of food inspections.

The department inspects approximately 6,000 grocery stores and food processing facilities annually and contracts with local governments to inspect several thousand more. Inspections of stores carrying low risk items could be cut to once every three years, and inspections of stores selling perishable foods and high risk items that involve more food handling could also occur less frequently, Hugoson said. Stores selling high-risk foods are now inspected annually.

The committee took no action on the proposal at the meeting.

CHILDREN

Substitute teachers

Licensed child-care providers would gain increased flexibility in filling-in for absent teachers, under a bill approved by the House Health and Human Services Policy Committee Feb. 26.

HF419 would allow “experienced aides” to continue filling in for teachers without supervision for up to one-quarter of a center’s daily hours, as long as notice is posted in the classroom. Experienced aides must be at least 20 years old, be certified in first-aid and CPR, and have a minimum of two years of child-care experience, including at least four months at that center. They are not required to have teaching certification.

The bill’s sponsor, Rep. Barb Sykora (R-Excelsior), said it would lessen centers’ dependence on outside substitute teachers. Experienced aides are a logical alternative, she said, because they are familiar with the children they would supervise. “You tend to trust your own people that you’ve trained in your own facility rather than bringing in a sub,” Sykora said.

Similar legislation passed in 1999 is set to expire this year. Opponents of that legislation suggested changes that appear in this year’s version and many now support the measure, Sykora said.

Ann Kanner-Roth, who represents Child Care Works, a coalition of child-care providers in Minnesota, was one of those opponents three years ago. But with the addition of provisions for parental notification and four months of on-site experience for the aides, Kanner-Roth says her organization now supports the measure. “This legislation helps child-care centers to be more flexible with their staff while doing no harm to the children in their care,” she said.

Rep. Fran Bradley (R-Rochester) said posting notices about the aides in classrooms made them seem a bit like criminals. “I hope we will learn to respect that someone with two years of experience can be trusted, maybe even more than someone coming right out of (teacher

ZOO DAY

Russell Thomas, 20 months, of Roberts, Wis. gets up-close and personal with an African hedgehog handled by zoo volunteer Sue Olson during the annual Minnesota Zoo Day at the Capitol Feb. 27.
School funding concerns

While spared the cuts proposed for other state programs, K-12 public education won’t remain unscathed during the 2004-05 biennium despite a “hold harmless” budget pledge from Gov. Tim Pawlenty.

That was the message from representatives of the state school board association and the teachers’ union who testified Feb. 26 before the House Education Finance Committee.

“There will be cuts in education,” said Bob Meeks, representing the Minnesota School Boards Association. “No one should be fooled.”

Cheryl Furrer, representing Education Minnesota, said the statewide teachers union was glad education wasn’t “hit as hard” as other state spending areas, but the governor’s budget proposal, “really isn’t an increase. Classrooms will not be untouched,” she said. “All things have an impact on the classroom.”

The committee also heard testimony from several parents and administrators for early childhood and student after-school programs, which face cuts in the governor’s proposal.

According to the nonpartisan House Fiscal Analysis Department, the governor’s 2004-05 biennium budget proposes spending $32 billion in state general funds for K-12 education and early childhood education. The other major piece of the revenue pie for public education is property taxes. Locally generated revenue will provide $32.8 billion in education funding during the next two years, according to the governor’s proposal.

Statewide revenue per pupil will increase by $6 for fiscal year 2004, according to the House Fiscal analysis, a 0.1 percent increase from the current fiscal year, which ends June 30, 2003. Between fiscal years 2004 and 2005, statewide revenue per pupil does not increase at all.

“It is flat funding going forward as far as general education revenue goes,” said Rep. Alice Seagren (R-Bloomington), the committee chair.

Representatives of rural school districts and districts considered to have low property wealth applauded the governor’s proposed budget for increasing referendum equalization funding. That funding is meant to equalize tax levy revenue disparities between school districts because of differences in the value of their property tax base.

Bradley Lundell, executive director of Schools for Equity in Education, which represents 54 school districts, said his group “strongly supports” the governor’s education budget. He said the proposal offers “the largest single increase” in equalization aid to districts since the formula was established in 1991. “This is a giant step in the right direction,” Lundell said.

He said the proposed formula increase in the equalization aid is important, because with no increased state aid to education proposed by the governor for the next two years, “more and more districts will be seeking money through the referendum levy.”

The committee took no action on the governor’s proposal at the meeting.

Teacher leaves of absence

Leaves of absence for public school teachers to teach at a charter school would be more strictly defined, under a bill approved Feb. 25 by the House Education Policy Committee.

Sponsored by Rep. Carla Nelson (R-Rochester), HF424 would amend state law by placing a five-year length on such leaves granted by a school district. The bill now allows a leave to be granted for the number of years requested by a teacher. The bill would also give school boards the authority to consider extending a teacher’s leave beyond five years. State law now requires a school district to extend the leave at the teacher’s request.

“Five years is sufficient time for a charter school to become established and for teachers to determine if it’s a good fit,” said Nelson, who is a teacher.

Speaking in support of the bill was Jerry Williams, superintendent of Rochester Public Schools. He said defining the length of leaves would help districts find substitutes willing to fill the position a teacher vacates by transferring to a charter school.

There are 78 charter schools operating in the state, under a law the Legislature approved in 1991. Under current law, school districts must grant a teacher’s written request for a leave to teach in a charter school, and teachers maintain reinstatement rights to the position they vacated, as well as seniority, salary, and insurance rights under their union contract with the school district.

Referred to the House floor, the bill would take effect the day after enactment by the Legislature. A companion bill in the Senate (SF450), sponsored by Sen. Sheila Kiscaden (IP-Rochester), has been referred to the Senate Education Committee.

Additional unallotment

Additional fiscal year 2003 budget cuts to K-12 supplemental education programs and grants were announced Feb. 25 by state Finance Commissioner Dan McElroy.

On Feb. 7 Gov. Tim Pawlenty announced $22.1 million in cuts to the education programs. The revised “unallotments” made by the governor’s administration brought the total current year budget reductions in education programs to $25.9 million. The cuts do not affect the classroom instruction budgets of K-12 education.

Officials from the Department of Children, Families and Learning reviewed the cuts for the House Education Finance Committee.

Previously unannounced cuts included $3.2 million to the Minnesota Economic Opportunity Grant program, which provides skills and information to low-income residents to help them toward self-sufficiency, and $500,000 to Head Start Innovation Grants, which are awarded to innovative proposals that meet federal Head Start goals, but go beyond the basic performance standards. The administration also cut an additional $850,000 from the telecommunication access account. That account was cut $1.5 million earlier this month.

Previously announced grant cuts were either reduced by contractual obligations, already committed spending, or reflected a 30-day notice to grant recipients the administration was required to follow.

The administration recovered $2.2 million from Tax Increment Financing district accounts and about $1.3 million from special education accounts monitored by the education department. All the additional revenue was transferred to the state’s general fund under “unallotment” authority state law provides the executive branch to balance the state’s budget.

The state constitution requires the budget be balanced on June 30, 2003, the end of the current fiscal year. The Pawlenty administration began cutting the budget in early February after the Legislature failed to reach an agreement to erase an anticipated $356 million budget deficit for fiscal 2003.

Getting the best workers

Companies in the process of hiring new employees often have a hard time getting good information about the candidates.

Employers, says Rep. Jim Knoblach (R-St. Cloud), are reluctant to pass on significant information about their employees to other companies for fear of expensive lawsuits resulting when an employee thinks the information shared hurt their chance to get a job.
He says the result can have dangerous consequences when information that might be passed along deals with violent behavior, illegal activity, or sexual misconduct in the workplace.

On Feb. 26, the House Civil Law Committee approved a Knoblach-sponsored bill (HF480) that would seek to ease communication between employers by making it harder to bring suit against companies that relay certain types of information. It next goes to the House floor.

The bill would allow companies, without consent from the employee, to pass along basic employment information like wages and job description as well as written disclosures of any instances of theft, harassment, violence, or other illegal conduct that has been documented in the employee’s record.

Employees wanting to bring suit based on release of that information would have to meet a high burden of proof by showing clear and convincing evidence that the information was both knowingly incorrect and harmful to them.

A provision in the bill dealing specifically with schools would require districts to share documented information about sexual misconduct or violence towards a student. Such information is already public if an employee was fired as a result of the misconduct, but the bill specifies the information must be shared even if the employee resigned.

Representatives of Minnesota’s business community testified that the bill would help them hire the best possible workers and ensure the safety of their employees and the public.

Labor union representatives testified against the bill, saying employees would not be made aware of what information had been shared between employers. They also claimed the high burden of proof it would set up would make it virtually impossible for employees to successfully prove an employer lied about their work record and they were convincingly harmed as a result.

A similar bill passed both houses of the Legislature in 2001, but stalled in a conference committee.

No Senate companion for this year’s bill has been introduced.

ENERGY

Turning trash into energy

A bill (H.F208), sponsored by Rep. William Kuisle (R-Rochester), would amend state law to allow energy produced by waste combustion plants to be considered as a source for renewable energy. It was approved Feb. 26 by the House Regulated Industries Committee and referred to the House Environment and Natural Resources Policy Committee.

HF208 would also amend state law to allow a waste-to-energy facility to be defined as “eligible energy technology,” joining other renewable sources that generate electricity, including solar, wind, biomass, and hydroelectric.

Seven combustion plants in the state now burn residential and commercial mixed municipal solid waste, generating 100 megawatts of electricity that’s used by utilities for backup. They’re located in Rochester, Minneapolis, Alexandria, Fergus Falls, Perham, Fosston, and near Red Wing. Another three plants in Elk River, Red Wing, and Mankato combust refuse-derived fuel that’s prepared from mixed solid waste.

Kuisle said that amending the law would allow the solid waste burning plants to sell their electricity at higher rates to utilities. State law promoting the development of renewable energy requires privately held utilities, municipal power agencies, and generation and transmission cooperatives to purchase 10 percent of their power supply from renewable sources by 2015.

Supporters said the waste burning plants could double the income they receive from utilities if the energy they produced was classified as “renewable.” The plants are public-private partnerships developed during the past 20 years by county governments to reduce the number of solid waste landfills in the state.

Gene Mossing, solid waste manager for Olmsted County, said the seven “mass burn” plants combusted about 547,000 tons of solid waste per year. The three plants burning solid waste-derived fuel consumed about 887,000 tons of solid waste annually.

A coalition of 16 environmental, recycling, and conservation groups opposed the bill.

“The burning of trash pollutes our environment with deadly emissions of dioxins and the neurotoxin mercury,” according to a statement from Minnesotans for an Energy-Efficient Economy. The group said solid waste incineration “competes with the tried-and-true energy conservation system of recycling.”

Incineration plant advocates said waste combustion was a clean source of energy due to recently adopted federal air emission standards and pollution control equipment the plants have installed in recent years.

A companion bill (SF135), sponsored by Sen. Sheila Kiscaden (IP-Rochester), awaits a hearing in the Senate Commerce and Utilities Committee.

Schools savings plan

A bill making it easier for schools and municipalities to enter into long-term energy savings plans was approved Feb. 25 by the House Local Government and Metropolitan Affairs Committee.

Sponsored by Rep. Lynn Wardlow (R-Eagan), HF394 now moves to the House floor.
The bill would extend the maximum length of a guaranteed energy savings contract from 10 to 15 years. Under a 1983 law, school districts and municipalities can enter into agreements for energy efficiency improvements, such as new lighting and heating and cooling systems. The upgrades are paid from the energy cost savings over a period of time; no upfront cash payment is required. The entity receives the full benefit of lower energy costs after the upgrades have been paid.

Extending the maximum contract length would make it easier for entities to purchase back-up generators, said Perry Schmidt, president of Energy Services Group in Minneapolis. Generators often can't be paid off in 10 years due to the cost of the machine and the amount of the rate rebate from the utility company, he added.

The bill does not require that contracts be fixed at 15 years; a lesser number of years would be allowed.

Schmidt said 47 states in the nation have similar statutes, with the maximum contract length varying from 10 to 25 years.

Wardlow said he has not encountered any opposition. Informed of the bill were associations representing townships, cities, and counties, as well as the Minnesota State Colleges and Universities system.

A Senate companion bill (SF300), sponsored by Sen. Steve Kelley (DFL-Hopkins), awaits a committee hearing.

GOVERNMENT

Trimming state budgets

Under Gov. Tim Pawlenty's budget reduction plan for the next biennium, the budgets for the Legislature and the state's constitutional officers would be reduced by 15 percent.

That was just one idea presented to the House State Government Finance Committee Feb. 25. No action was taken at the meeting.

"The governor wanted to provide a very broad brush in these areas," said Merrill King, an executive budget officer with the Department of Finance.

That same 15 percent reduction is proposed for the Administration, Employee Relations, and Finance Departments.

However, the Department of Revenue would face just a 6 percent base reduction, which cannot come from areas that would affect the state's ability to collect revenue.

The Department of Military Affairs would be reduced by just 1.5 percent to help ensure that there are sufficient numbers of soldiers to respond to federal and state emergencies that may arise. The reductions are proposed so as not to affect the state's tuition reimbursement program for those in the National Guard with whom there are educational reimbursement contracts.

Rep. Michael Paymar (DFL-St. Paul) asked about the total reduction in grants to the Vinland Center, which helps disabled veterans in their efforts to overcome barriers to employment. Rep. Bill Haas (R-Champlin), the committee chair, said that department officials told him there are similar services available federally, but at a better rate.

Included under the heading of reorganizations and consolidations is the moving of the Capitol Area Architectural and Planning Board to the Administration Department with a 20 percent reduction to its base budget.

Furthermore, $500,000 in funding is approved for moves associated with reduced budgets or reorganizations. "The goal is to reduce space and rent costs," King said.

The governor's plan also calls for the Minnesota Gambling Control Board and MInnesota Racing Commission to become entirely supported by fees. Tom Barrett, executive director of the Minnesota Gambling Control Board, said fees now cover about 37 percent of the agency's budget.

Pawlenty is also recommending that the Campaign Finance and Public Disclosure Board and Minnesota Amateur Sports Commission become self-sufficient, primarily through fees that would then be deposited in the state's general fund to offset the agency appropriation.

Finally, money for public broadcasting would be reduced by 24 percent. Haas said in lieu of money given to public broadcasters for equipment upgrades in recent years, such as $7.8 million two years ago, they should look into having the broadcasters provide legislative television coverage for free.

HEALTH

Reporting changes

Saying he hoped to strip away some legislatively imposed red tape, Rep. Fran Bradley (R-Rochester) brought a bill before the House Health and Human Services Policy Committee Feb. 24 that would eliminate some reporting requirements for Minnesota hospitals.

The bill (HF278) would repeal a law requiring health care providers other than nursing homes to report expenditures above $500,000 in value. Such expenditures could include buying new pieces of medical equipment, offering new types of medical services, or expanding facilities.

BUDGET FORECAST RELEASED

State Economist Tom Stinson announces that the state is projected to be an additional $11 million short for the current biennium and $14 million short for 2004-05 biennium during the Feb. 27 release of the February economic forecast.

Dan McElroy, the state finance commissioner, said that the budget proposal offered by Pawlenty on Feb. 18 includes changes that would solve the $11 million deficit for the fiscal year that ends June 30.

Although stating there are no big surprises in the forecast, McElroy and Stinson said the threat of war and hopes of a fiscal stimulus package at the federal level will determine if the forecast will result in an additional downturn. Although it would be unusual, McElroy did not rule out releasing another forecast before the legislative session concludes.
The reports, submitted to the Department of Health, are not required before the money is spent, but the department has authority to curtail an organization’s future spending if it does not consider the project necessary.

The law represents a way for the state to make sure extravagant or unnecessary purchases aren’t adding to the increase in health care costs.

“This reporting requirement was put into place in the early ’90s when we were informed about rapidly rising health care costs,” said Rep. Thomas Huntley (DFL-Duluth). “We all know those costs are on the rise again at two to three times the rate of inflation.”

Bradley said if anything, the reports submitted in conjunction with the law have proven that such expenditures are not the cause of rising costs. Out of 600 reports submitted since the law’s adoption in 1992, the Health Department has only taken action on two, Bradley said.

Rep. Char Samuelson (R-New Brighton) said hospitals deserve a break from government bureaucracy. “I think there are too many times when facilities like hospitals and nursing homes have to spend a lot of time as well as money preparing reports that end up going somewhere else, like into the circular file, when it’s all over,” she said.

Huntley said he agrees with decreasing hospitals’ reporting loads, but he would prefer to see the $500,000 requirement raised rather than repeal the law altogether.

The committee approved the bill and referred it to the House Health and Human Services Finance Committee. A Senate companion (SF505), sponsored by Sen. Sheila Kiscaden (IP-Rochester), awaits committee action.

**HIGHER EDUCATION**

**Governor recommendations**

In the 2004-05 biennium, Gov. Tim Pawlenty is recommending funding reductions to both the University of Minnesota and Minnesota State Colleges and Universities (MnSCU) system.

“The university and MnSCU share in a 14 percent reduction in operational funding, $179 million for the university and $174 million for MnSCU,” state Finance Commissioner Dan McElroy wrote in a letter to legislators.

However, Susan Hoggard from the governor’s office told the House Higher Education Finance Committee Feb. 24 that Pawlenty’s plan would help lessen the impact to students in a couple of ways.

First, Pawlenty proposes that tuition increases be limited to 15 percent annually, thereby forcing the systems to use other methods to reduce costs, such as freezing employee benefits and salaries.

In addition, $30 million from each system would be moved to the State Grant Program in the Higher Education Services Office. This is “to ensure financial access and choice for Minnesota’s students,” McElroy wrote. Total state grant funding would equate to a 23 percent increase over the current biennium level.

Heather Johnston, a budget officer with the Department of Finance, said that state grant funding is expected to be about $54 million short of demand this biennium and the money would also account for an expected 3 to 4 percent enrollment increase at the university and MnSCU institutions. She said a cap would remain in place for private college students.

The grant program stopped taking applications Jan. 10 to ensure grants it already promised for this year could be fulfilled.

Rep. Lyndon Carlson (DFL-Robbinsdale) questioned whether the $54 million number is accurate, noting that Higher Education Services Office officials have a record of requesting more money for grants needed, receiving it, and then not using it. The unused money was then cancelled back to the general fund instead of going elsewhere for higher education. “I don’t mind a little fudge factor, but not millions of dollars,” he said.

Hoggard said Pawlenty understands those concerns and is recommending that office officials consult with people outside their office when forecasting state grant need. “We do agree that over the last 10, 20 years there have been some remarkable inconsistencies, some of that has been within their control and some has not,” she said.

Many members had questions about how the systems will respond to the proposed reductions, and how will that affect tuition rates.

Rep. Doug Stang (R-Cold Spring), the committee chair, said answers to those questions should be received next week when representatives of the university and MnSCU are expected to begin testifying.

**HOUSING**

**Living arrangement woes**

Low-income individuals, as well as those of color or with disabilities, would have their housing subsidies and assistance programs cut or reduced under the governor’s 2004-05 biennial budget plan.

The situation was spelled out Feb. 26 by the Minnesota Housing Finance Agency before the House Jobs and Economic Development Finance Committee.

According to the housing agency’s legislative director, Tonja Orr, the budget cuts would result in the following:

- 418 fewer housing units being served under the Challenge and Urban Indian programs, both of which fund new construction and rehabilitation of housing for rental and homes-for-ownership;
- 30 fewer households receiving rental assistance under the Bridges program, which serves extremely low-income individuals with serious and persistent mental disabilities while they wait to qualify for federal or other permanent housing subsidy programs;
- 300 fewer households being granted home foreclosure counseling or homeowner training under resident and organizational and support programs, that fund homebuyer education and foreclosure prevention;
- 450 fewer households receiving down payment and closing-cost assistance under the homeowner assistance program;
- 16 fewer households receiving mortgage or rehabilitation assistance under the Tribal Indian Housing program; and
- 63 fewer households receiving deferred loans for home rehabilitation under the rehabilitation loan program.

The latter three programs, which constitute the home ownership loan programs, are funded through a combination of state appropriations, bond proceeds, and repayments of loans.

In addition, an unknown number of households wouldn’t be created or rehabilitated, and some existing rentals wouldn’t receive rental assistance under the Housing Trust Fund. The fund helps extremely low-income households that in fiscal year 2002 had a median income of less than $6,000. More than 40 percent of those residents were people of color.

And, an unknown number of landlords may opt out of the federally assisted housing program (Section 8 funding) due to a reduction in special Minnesota Housing Finance Agency incentives and rehabilitation loans for new or existing owners. Federally subsidized housing tenants are generally among the lowest income households served by the agency, according to documentation provided by officials.

The proposed 2004-05 state allocation for the agency is $69.5 million — a 12 percent, or $9.6 million, reduction from the previous biennium.

State appropriations are less than 15 percent of the total agency budget. Bond proceeds represent 44 percent, with federal funds and agency resources comprising the balance.
People with disabilities, many in wheelchairs, packed a hearing room Feb. 25 to protest the proposed elimination of state funding for the Centers for Independent Living.

The centers help people with disabilities live independently, at times helping them move from nursing homes or helping them remain in their personal residences. Their clients' disabilities include cognitive, mental and emotional, physical, hearing, and vision disorders.

Gov. Tim Pawlenty's proposed 2004-05 biennial budget eliminates $1.87 million annual funding beginning in 2004 to the Centers for Independent Living, leaving them without state funding. The agencies receive about $1.39 million in funding from the federal government.

"This cut hurts," said Harry Mares, commissioner of the state Department of Economic Security. His comments came at the meeting of the House Jobs and Economic Development Finance Committee.

There are eight Centers for Independent Living in the state: Hibbing, Rochester, Mankato, St. Cloud, East Grand Forks, Moorhead, Marshall, and the Twin Cities. The agency also provides independent living skills training, information and referral services, peer counseling, and advocacy services.

Independent living encourages individuals to make their own decisions. Assistance may include offering wheelchair ramps, interpreters for those with hearing impairments, or audiotape versions of printed material for those with visual impairments.

The unique feature of the agency is that no one is turned away based on diagnosis, geographic location, age, income, or severity of disability.

"We catch the people that fall through the cracks," said David Hancox, executive director of the Metropolitan Center for Independent Living, on behalf of all the centers. "We serve the people that nobody else will serve."

The agency served 3,537 people in 2002. Thirty-five people were moved from nursing homes and 225 individuals were aided in avoiding institutionalization, saving the state $2.6 million, Hancox said.

Budget cuts would mean the agency could only serve 707 people. Only seven individuals could be moved from nursing homes and 45 prevented from institutionalization, Hancox said.

Budget reductions would require the agency to lay off 48 full-time employees, many of whom have disabilities, he added.

Nearly 400 letters protesting the budget cuts have been sent to legislators and the governor from Centers for Independent Living clients.

The committee took no action on the proposed cuts at the meeting.
INSURANCE

Terrorism coverage
Insurance coverage for acts of terrorism, which now is automatic on commercial property fire insurance policies, would be offered only for an additional fee under a bill that received committee support Feb. 13.

Sponsored by Rep. Tim Wilkin (R-Eagan), HF267 was approved by the House Commerce, Jobs, and Economic Development Policy Committee and will be forwarded to the House floor.

As it stands now, federal law requires commercial property fire insurance policies to include acts of foreign terrorism, even if the policy expressly states that terrorism is not covered. The special terrorism measure, which was temporary, was invoked through the federal Terrorism Risk Insurance Act following the Sept. 11 terrorist attacks in 2001.

Under HF267, insurance companies would no longer be required to automatically provide terrorism coverage on fire insurance policies. Clients instead would be given the choice to purchase the additional coverage.

The bill applies only to commercial property; residential insurance is excluded.

Beverly Turner, a government affairs representative for the St. Paul Companies, said her firm supports the bill, as does the American Insurance Association and the Insurance Federation of Minnesota. Wilkin added that he has received bipartisan support for the measure.

Sen. Linda Scheid (DFL-Brooklyn Park) is sponsoring a companion bill (SF176) in the Senate. It awaits a committee hearing.

LAW

Awarding damages
Minnesota's joint and several liability law, which provides a way for an injured person or organization to collect damages even if a liable party is unable to pay its portion, would be significantly altered, under a bill passed by the House Feb. 24.

Sponsored by Rep. Jeff Johnson (R-Plymouth), HF75 was approved 81-51.

Current law states that courts can force a defendant assigned at least 15 percent of the liability in a civil case to pay any costs other defendants are unable to pay themselves.

The bill would move the 15 percent threshold to 50 percent and would eliminate a provision that can force defendants found less than 15 percent liable to pay up to four times that percentage under the same circumstances.

On the floor, Johnson called the existing law "blatantly unfair."

"We don't tell our jurors about this system," he said. "We require them to apportion fault, but we don't tell them that the person they found 20 percent at fault may be required to pay up to 100 percent of the damages."

Bill supporters said current law is unfair to both local governments and to the rich.

"School districts and local units of government are often seen as the 'deep pockets' when the person or entity most responsible for the damage is unable to pay," said Rep. Joe Opatz (DFL-St. Cloud).

Rep. Eric Lipman (R-Lake Elmo) said, "If you are wealthy, you are held to a different legal standard, because you can pay. That's not in the best traditions of justice."

Holding up photos of two young men killed by drunk drivers, House Minority Leader Matt Entenza (DFL-St. Paul) said many such cases deal with drunken drivers who frequently do not have insurance. Current law has allowed victims and families to get more compensation for medical expenses from insured bar owners who, while not mostly at fault, knowingly served the intoxicated person alcohol and did not keep them from driving.

Rep. Tom Pugh (DFL-South St. Paul) estimated that less than 1 percent of personal injury cases fall under the disputed law. "It's a rare instance, and it's a dilemma. Who should pay more than their fair share?" he asked. If someone with 80 percent liability is unable to pay anything, Pugh said, the bill would leave the victim stuck with 80 percent of medical costs even though they were awarded the full amount. "I'd say, in that instance, let's have one of the wrongdoers pay more," he said.

The bill would increase the burden on the judiciary at a time when budget cuts are already forcing cuts in to the state's courts, said Rep. Steve Smith (R-Mound).

The House passed a similar bill in 2001, but it never reached a vote in the Senate. This year's Senate companion (SF95), sponsored by Sen. Linda Scheid (DFL-Brooklyn Park), awaits committee action.

Clean up your work
A bill aimed at reducing the amount of graffiti appearing on Minnesota walls, fences, and train cars was approved by the House Civil Law Committee Feb. 25.

While graffiti is already punishable in criminal courts, HF339 would allow graffiti victims to collect up to three times the actual property damages from the offender in civil court. Courts may order offenders to clean up the graffiti themselves as an alternative to paying damages. If the offender were a minor, the bill would make parents liable for up to $1,000 in damages, plus attorney's fees.

The bill's sponsor, Rep. Jim Davnie (DFL-mpls), told committee members that graffiti — defined as any unauthorized markings scratched or painted onto someone else's property that are visible to the public — is destructive and unsightly, and often produces fear in the community.

Davnie, another Minneapolis resident, and two law enforcement officials all testified that the bill would help bring more offenders to
Justice because of lower standards of evidence required in civil courtrooms. "A criminal court requires either an eyewitness or a confession," said Jack Baker, an attorney and resident of Minneapolis Lyndale neighborhood. "In the civil courts, a preponderance of the evidence is sufficient to impose liability."

A letter to the committee from the Minnesota Defense Lawyer's Association opposed the provision making parents pay for their children's damages, saying the high costs of attorney's fees combined with the $1,000 sanction was "further punishing parents for acts of children of which they had no knowledge and probably no control."

The group also worries about giving civil courts the power to order a defendant to clean up their graffiti. "The association believes it is best left to the criminal courts to determine appropriate community service for those who violate criminal statutes, rather than create this kind of statutory indentured servitude."

The committee approved an amendment that would give rail cars and other forms of transportation the same protections.

A companion bill (SF40), sponsored by Sen. Linda Berglin (DFL-Mpls) awaits action by the full Senate.

LOCAL GOVERNMENT

Clarifying fund uses

With the majority of the state's 800-plus cities and 87 counties railing against proposed cuts in local government aid, nonpartisan House Research staff released documentation Feb. 24 examining revenue calculations.

The research came in response to testimony by cities and counties before the House Taxes Committee in the days since the Feb. 18 release of Gov. Tim Pawlenty's proposed 2004-05 biennium budget. City and county representatives say the cuts, based on 2000 city revenues, are flawed due to inclusion of funds that are restricted to a certain use and therefore cannot be used to plug budget holes elsewhere.

House researchers placed the funds on a scale of "clearly fungible," meaning that this money could be used in a variety of ways, to "mostly restricted."

Examples of restricted funds are hotel/motel tax proceeds, which must be spent on tourism promotion; tax increments dedicated to tax-increment financing debt service, local sales tax, and special assessments.

A specific example of special revenues that are restricted comes from Granite Falls, said Gary Carlson, representing the League of Minnesota Cities. The city received special funding from the Federal Emergency Management Agency in 2000 to deal with tornado damage. That money was counted as part of the revenue base from which state cuts are calculated.

Considered "clearly fungible" were property taxes, franchise taxes, gravel and gambling taxes, local government aid, Homestead Credit Aid (HACA), taconite aid, interest earnings, and net transfers from enterprise funds.

Pawlenty's proposal would cut city aid by 29 percent from previous funding forecasts. Cuts in aid, as a percent of total city revenues for 2000, would average 3.8 percent in calendar year 2003 and 7.3 percent in 2004. The maximum cut to any one city is proposed at 5 percent in 2003, and 9.5 percent in 2004.

If ultimately approved, total aid to cities would be set at $1.07 billion in 2004-05, a reduction of $435 million.

County aid concerns

Calling proposed cuts in state aid an extreme challenge, county representatives spoke Feb. 25 before the House Taxes Committee against specifics of a proposed 20 percent cut in overall state aid during the next biennium.

Gov. Tim Pawlenty's proposal would reduce county aid as a percent of total county revenues by an average of 1.6 percent in calendar year 2003 and 2.8 percent in 2004. The maximum cut to any one county would be 2 percent in 2003 and 3 percent in 2004. Aid to counties would total $722.8 million in the next biennium, a reduction of $189.4 million.

However, the reduction number climbs to $450 million with the imposition of new fees, said Jim Mulder, executive director of the Association of Minnesota Counties.

Those increases come with the elimination of programs the counties are financially committed to, and imposition of new fees and charges. Programs involved are wetland mitigation and preservation, state-mandated county audits, intermediate care facilities for the mentally retarded, and the proposed placement of certain felons in county jails.

Unlike local government aid for cities, state funds for counties are given directly to programs, which in many cases must be offered by the county, according to state law. In this way, Mulder said, Minnesota counties are essentially an extension of the state and have little control over budgeting in certain programs, he added.

The spectrum of county services include:
- highway maintenance,
- tax collection,
- planning and zoning services,
- public health offices,
- criminal prosecution,
- jails,
- human services,
- soil and water conservation districts,
- county extension services,
- economic development,
- solid waste management (recycling),
- recording of land records, and
- out-of-home placements for children in unsafe homes.

The latter alone cost counties $180 million in 2002, Mulder said.

"Counties will face some heavy lifting to meet the challenges presented by the governor's budget proposal," said Jan Fransen, county coordinator for Jackson County.

For instance, she said, property tax levy limits allowed Jackson County to gain only an additional $40,500 over 2002. However, employee insurance costs rose by 17 percent, or $158,000, of which the county paid $64,000, requiring employees to contribute the remainder.

Counties also expressed concern about the governor's desire to change the county aid programs to a new formula based partly on need.

Sharing revenues

The city of Biwabik would have to share property tax revenues from a golf and ski resort with a township, under a bill approved Feb. 26.

Following approval by the House Local Government and Metropolitan Affairs Committee, HF306 now moves to the House floor. Rep. Tom Rukavina (DFL-Virginia), the bill's sponsor, said the matter started a few years ago when Biwabik wanted to annex the Giant's Ridge Golf and Ski resort from White Township. A dispute ensued due to White Township's concern about loss of property tax revenues.

Rukavina said the region was already troubled by the 2001 closure of the LTV Steel Mining Company plant in Hoyt Lakes, which had been a large employer. So, he said, he asked the two local government entities to work through their issues.

The process eventually settled following mediation, said Don Samuels, who added that
he had encountered no matter more difficult than this in 23 years on the White Township Board.

"The whole process took almost two years," Samuels said.

The September 2002 agreement, spelled out in a 20-page document, contains a permanent revenue sharing provision that would be enacted upon final approval of HF306. The bill would become effective upon approval of both the Biwabik City Council and the White Township Board.

The state statute that would ensue with passage of HF306 would be applicable for only six years. However, the agreement between Biwabik and White Township would continue into perpetuity.

A companion bill (SF279), sponsored by Sen. David Tomassoni (DFL-Chisholm), awaits committee action.

Agency reorganization

A bill that would change the composition of an Alexandria area economic development agency was approved Feb. 25 by the House Local Government and Metropolitan Affairs Committee.

A similar bill was passed last year, allowing the city of Alexandria and the townships of Carlos, Alexandria, and La Grand to form an economic development authority. It failed to become effective when Carlos backed out of the agreement. Since then the town of Garfield has come on board.

Sponsored by Rep. Torrey Westrom (R-Elbow Lake), HF245 would require economic development authority members to levy a tax to fund its activities, with each entity's share based on its taxable market value. The bill would not allow the economic development group to sell general obligation bonds for capital projects.

Also provided are provisions for additional entities joining, as well as for the withdrawal of current members.

Jason Murray, representing the Alexandria Area Economic Development Commission, said all participating entities have signed agreements to join the economic development authority.

Rep. Ron Abrams (R-Minnetonka) said last year's bill was the first he could remember allowing an economic development authority through a joint powers agreement between cities and townships. He approved of the arrangement, he added.

The bill now moves to the Senate Taxes Committee.

A companion bill (SF151), sponsored by Sen. Dallas Sams (DFL-Staples), was approved Feb. 13 by the Senate State and Local Government Operations Committee and referred to the Senate Taxes Committee.

Firefighter pensions

A new means of calculating population would help growing communities pay firefighter pensions, under a bill approved Feb. 26 by the House Local Government and Metropolitan Affairs Committee.

Sponsored by Rep. Steve Strachan (R-Farmington), HF427 now moves to the House floor.

Under current law, the state distributes aid to municipalities for firefighter retirement funds based on a formula that considers the municipality's market value and its population in the last statewide federal census. The bill would allow the population figure to be drawn annually from accounts by the Metropolitan Council, the state demographer, or the census — whichever is the most recent.

In this case, municipalities are defined as cities, towns, park districts, the University of Minnesota, and as an American Indian tribal government entity located on a reservation.

Strachan said the bill would make the funding mechanism fairer for growing municipalities.

Growing communities would benefit while those with declining populations would lose, said Nyle Zikmund, spokesperson for the Minnesota State Fire Chiefs Association, who noted that he does not have a position on the bill. Calculating the population annually brings the matter in line with market value, which has always been determined annually for fire pension state aid.

Zikmund said firefighter pensions vary. Firefighters in larger cities may receive $250,000 after 20 years of service while those in small town may get $10,000. But larger city firefighters could respond to 100 interior structure fires in their career compared to two on the part of a small-town firefighters.

HF427 has no Senate companion.

MILITARY

Earning full pay

State and local government employees in the military reserve could soon receive a salary differential payment when called to active duty.

The House Governmental Operations and Veterans Affairs Policy Committee approved HF294, which would require a state employer to pay any net amount of salary lost to an employee if called to service. The bill now moves to the House State Government Finance Committee.

Rep. Rob Eastlund (R-Islanti), the bill sponsor, told the committee Feb. 26 that a similar bill was passed in 1991 during the Persian Gulf War and repealed in 1996.

Col. Dennis Lord, executive director of the
Minnesota National Guard, explained that lower ranking soldiers are paid less by the military than in most civilian jobs. Because of the salary difference, some soldiers are suffering great financial hardship in serving the country for periods of time ranging from 12 to 24 months. “This bill will show your support for those going over and participating in the war,” Lord said.

He further explained that Minnesota has about 18,000 reservists, 500 of whom are state employees. He said that many of them are of higher rank in the military so the salary differential wouldn’t apply to them. But for the lower ranking soldiers who are paid less, the bill would help them significantly.

The bill defines an eligible member as a United States Armed Forces reservist, or a National Guard member who was a state employee when ordered to active military service on or after Sept. 11, 2001. The committee did not discuss whether any costs may be associated with the bill.

A Senate companion (SF117), sponsored by Sen. Don Betzold (DFL-Fridley), awaits committee action.

**RECREATION**

**Golf course funding**

Representatives of the Minnesota Amateur Sports Commission told the House Capital Investment Committee Feb. 26 that ground is to be broken for the National Children’s Golf Course this spring, instead of the originally intended timeframe three years past.

Legislators demanded to know why the $3.1 million one-time state funding had been spent, but most of the golf facility does not exist.

Paul Erickson, the commission’s executive director, attributed the delay to complications regarding 340 acres of land adjacent to the project that must be retained by the Metropolitan Airports Commission. The commission was initially given the land by the Federal Aviation Administration (FAA).

Erickson said that because the course will partially be built on commission land the FAA must analyze the project, a process sometimes known to take up to nine years. He said commissioners weren’t aware of those circumstances when funds were appropriated in 1998.

A February 2003 legislative audit found no wrongdoing with regard to the progress of the project, but noted, “The Amateur Sports Commission must bear some responsibility for the controversy that has developed regarding the use of these appropriations.”

Erickson said the commission should have been clearer in the language written to give the commission funds to “develop” a golf course.

He said he was called into a 1998 conference committee at 3 a.m., and asked to write language appropriating funds for the course.

Rep. Philip Krinkie (R-Shoreview), the committee chair, told commission officials most of the problems could have been solved with an “easy response” of informing legislators about delays in the project. He said he brought the commission before the committee after a private citizen inquired about the golf course.

Herb Brooks, a commission board member, wanted to know why previous legislative concerns were first discussed with commissioners, but this time he first learned of the controversy by reading it in the newspaper. He said there have previously been formal discussions about the issue. Then he pointedly asked Krinkie if it was he who spoke with the media before talking to the commission, saying, “The media says it was you.”

Krinkie said he hadn’t and reiterated that a private citizen informed him of the situation. Brooks asked for a name or if the citizen worked in the golf business. Krinkie responded that the issue is not about how and why the committee is meeting. “We need to get back to the issue,” he said.

When completed, the project would include a three-hole learning center, driving range, 18-hole putting course, a nine-hole course for small events, an 18-hole course, and a multi-purpose clubhouse facility. It is located near the National Sports Center in Blaine.

Committee members requested a timeline of the construction set to begin this spring. Also, they requested information on the private funds collected to help in the total estimated cost of the $9 million to $12 million project.

**SAFETY**

**Changes to conceal carry bill**

Business owners and event organizers who don’t want handguns carried onto their premises would need to purchase a “locked, personalized, storage space” for patrons to place their guns under a provision added to this year’s incarnation of “conceal-carry” legislation in the House.

The amended version of HF261, approved by the House Judiciary Policy and Finance Committee Feb. 26, would also require those establishments to post a sign stating their policy near the main entrance.

The bill’s sponsor, Rep. Lynda Boudreau (R-Faribault), said the added language was a response to business groups that wanted to ensure establishments had the option to refuse entry to people carrying guns under the relaxed handgun permitting restrictions the bill would set up. It is modeled, in part, after a law in Arizona, which Boudreau said has the country’s strongest restrictions on where guns can be carried in public.

No representatives from the business community testified at the hearing, but Rep. Michael Paymar (DFL-St. Paul) expressed concern that the provision would force businesses in his district to purchase lockers and keys for use by gun owners without allowing them to recoup the cost. Under the provision, businesses are not allowed to charge owners a fee for gun storage.

The bill, which supporters say would make more consistent law enforcement’s role as to whom a permit to carry a handgun in public
could be granted, specifies that signs posted at events and in businesses must be printed in black block letters at least 1.5 inches high on a lime green background. The sign must be at least 648 square inches and placed no more than 4 feet from the entrance at a height of 4 to 6 feet above the floor.

Business owners would have the right to ask someone to leave if they do not lock up their gun. A person refusing to leave would face a fine up to $25, but would not have to give up their weapon.

The committee rejected an amendment offered by Rep. Cy Thao (DFL-St. Paul), which would have excluded the cities of Minneapolis, St. Paul, and Duluth from having to recognize handgun permits issued under the bill.

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

Its Senate companion (SF222), sponsored by Sen. Pat Pariseau (DFL-Farmland), awaits committee action. A Republican effort to pull the bill out of committee for a Senate floor vote failed on Feb. 20.

TRANSPORTATION
★

Transportation Department budget

Officials from the state Department of Transportation testified before the House Transportation Finance Committee Feb. 25 and 26 about their proposed budget for 2004-05.

The department and the governor recommend a $3.8 billion budget for the coming biennium, a reduction from $4.6 billion in 2002-03. State funding for the department primarily comes from the trunk highway fund. Expenditures in the department are reflective of collecting funds from various sources and distributing the money through a program of state, county, and local road and bridge improvement projects.

The department also receives a significant amount of federal funds for projects and programs.

Kevin Gray, chief financial officer for the department, presented the proposed budget in terms of products and services provided. They were broken down into four main areas:

- $384 million for multi-modal functions, such as transit and transit administration, airports, freight regulation, and motor carrier regulation;
- $1.9 billion for state road projects;
- $1.36 billion for local roads; and
- $122 million for general department support, such as the commissioner's office, finance operations for the department, human resources, maintenance, and administration, and technology developments.

Gray said the department has proposed reducing general fund expenditures, which make up less than 1 percent of the department's proposed 2004-05 budget of $3.6 million for the biennium. Those reductions would affect Greater Minnesota transit operations.

Donna Allan, director of the department's transit office, said the staff would make sure that cuts are distributed equitably to the various smaller transit authorities throughout the state. She said they would begin with a 10 percent cut to all organizations, but would evaluate cuts to keep transit systems from shutting down as a result of cuts.

The remainder of the cuts for the biennium would come from trunk highway fund expenditures – primarily those in the administrative areas of the department.

Of the proposed $84 million in reductions, Gray said, $53.5 million would come from state road operations, and $27.5 million from agency support. The road funding cuts would not affect specific projects, Gray said, but instead would be absorbed by MnDOT programs such as investment and planning, operations and road maintenance, and electronic communications.

According to budget documents, "The time to get bare pavement will increase following snow events; incident management response may deteriorate and contribute to higher levels of traffic delay, project letting dates will not be evenly distributed; our ability to field inspect and manage multiple construction projects will be impacted, which may result in project start and completion delays."

However, Gray testified, key performance indicators will not be affected by the reductions.

Of the other administrative cuts proposed, many of them would be absorbed by communications staff in the department, Gray said.

Overall, the department anticipates reducing employees by about 295. Gray said that is within normal attrition rates and the department expects actual layoffs to be minimal.

Several members expressed concern about the staff reductions. Rep. Al Juhnke (DFL-Willmar) asked for a specific breakdown of the full-time positions to be eliminated.

According to budget documents, the trunk highway fund reductions would free up money for additional construction projects, which will be proposed later this session.

No reductions are proposed for local road projects in the budget.

In addition, the budget proposal would reduce the aeronautics fund budget by $846,000. A separate hearing on that aspect of the budget is planned for a future date.

The committee took no action on the proposals at the meetings.

LIQUID LOBBYISTS

Jessie Rock, left, of Moorhead and her niece, Hannah Brady, right, a sixth-grader from Glyndon, are among the hundreds of Minnesotans from across the state gathered in the Capitol Rotunda Feb. 25 to participate in the Protect Our Water Lobby Day rally, sponsored by the Minnesota Environmental Partnership.
‘Tree Army’

Bill would move Minnesota Conservation Corps from the Department of Natural Resources to the nonprofit sector

BY NICOLE WOOD

In response to the state’s fiscal woes, Gov. Tim Pawlenty has directed state agencies to step back and review their core missions. Certain programs that don’t meet those primary function criteria would be made independent, under the governor’s budget proposal for the next biennium.

One program poised to make that transition is the Minnesota Conservation Corps, a public service organization that provides young men and women between the ages of 15 and 26 with practical outdoor work experience protecting and enhancing the state’s natural resources.

The House Environment and Natural Resources Policy Committee reviewed a bill Feb. 25 that would transfer the program from the Department of Natural Resources to an existing private nonprofit corporation.

“This is a chance to be more entrepreneurial and grow the program ... without being tied into the state budget cycles,” said Rolf Hagberg of the Friends of the Minnesota Conservation Corps, then-profit designated under the bill (HF407) to assume responsibility for the operation July 1, 2003.

Minnesota Conservation Corps participants build trails, restore wetlands and prairies, plant trees, and respond to natural disasters such as the 1999 Boundary Waters wind storm and the 2000 Granite Falls tornado.

Corps members logged more than 20,000 hours inspecting boats and educating anglers about harmful exotic species in 1999 and 2000, according to the program’s Web site.

Conservation corps members make up one-third of the state’s wildfire fighting force, Hagberg told the committee.

Natural Resources Department officials have said that their plan to cut the program is not a reflection of the work of the corps volunteers and employees. Rather, the program is viewed more as a jobs program than a core natural resources function.

Under the bill, future funding would come from federal grants, corporate and individual donations, service fees, and an annual state appropriation reduced from $2.4 million in fiscal year 2002 to a proposed $1.2 million beginning in fiscal year 2004.

The bill would allow the program to take with them tools, equipment, and whatever funds remain at the end of the fiscal year. Also, the nonprofit would retain office space in state facilities and would be granted preferred bidding status on state contracts. State agencies would, however, be required to certify that Minnesota Conservation Corps contract workers would not displace state employees.

The Minnesota Conservation Corps “kind of a copycat of the old CCCs,” said the bill’s sponsor Rep. Larry Howes (R-Walker), referring to the Civilian Conservation Corps, a Depression-era public works program initiated by President Franklin D. Roosevelt. Between 1933 and 1942 more than 3 million unemployed men participated in Roosevelt’s Tree Army, as it was commonly called.

“This kind of work must go on,” wrote Roosevelt in a 1934 letter to CCC Director Robert Fechner. “I believe that the Nation feels that the work of these young men is so thoroughly justified and, in addition, the benefits to the men themselves are so clear that the actual annual cost will be less than without much opposition or much complaint.”

“Why are you participating in the greatest conservation movement the country has ever known and as a direct result of this participation you have gained a revitalized outlook on life,” wrote Fechner to the enrollees in his 1936 Christmas greeting, as quoted in David R. Benson’s Stories in Log and Stone: The Legacy of the New Deal in Minnesota State Parks.

The concept of public service to the environment was briefly revived as a federally-funded Youth Conservation Corps in the 1970s. The Minnesota Conservation Corps in place today was created by the 1981 Legislature.

The bill now moves to the House Governmental Operations and Veterans Affairs Policy Committee.

A Senate companion (SF336), sponsored by Sen. Dallas Sings (DFL-Staples), awaits its first committee action.
Serving the state

Five candidates are recommended by a joint House-Senate committee to sit on the university’s Board of Regents

BY MIKE COOK

Three people are one vote away from being part of a board that has great power in determining the future of Minnesota. Two others are one vote away from returning.

Clyde E. Allen, Jr. of Moorhead, John Frobenius of St. Cloud, David Metzen of South St. Paul, and Patricia Simmons from Rochester were recommended at a Feb. 26 joint meeting of House and Senate education committees to serve on the University of Minnesota Board of Regents.

Though not initially recommended, Board Chair Maureen Reed of Stillwater was also nominated.

The quintet must now be confirmed at a March 3 joint convention of the House and Senate. By law, regents must be selected by May 7 of each odd-numbered year or a date agreed to by concurrent resolution.

The only governmental body in the state that is elected by the Legislature, the 12-member board governs the university. One-third of the board is open for appointment every two years. Therefore, members serve staggered, six-year terms.

Regent candidates Clyde Allen Jr., left, answers a question as Arthur Brandli, center, and former Senate Majority Leader Roger Moe, right, look on during a Feb. 26 joint meeting of the House and Senate education committees. The committee recommended Allen to be named a University of Minnesota regent to represent the Seventh Congressional District.

Even in troubled times, a spot on the university’s board is highly sought after.

“Every business, every agency, every institution has to play the hand it’s dealt. If everybody jumped off the boat when the waves got high, we’d have nobody steering the boat,” Reed said. “It’s more fun during easy times, but it’s more rewarding during tough times.”

Metzen, like Reed a regent for six years, said everyone also has a love for the institution. “Whatever I am today I owe to the University of Minnesota,” he said, noting that he has three degrees from the institution. He calls serving “the ultimate public service for me.”

State law says there must be one regent from each of Minnesota’s congressional districts and four at-large members, one of whom must be a university student.

Provisions to select the regents were established as part of the university charter in 1851, and incorporated into the state constitution seven years later.

Currently those seeking to be regent must file an application with the Regent Candidate Advisory Council. The 24-member council then reviews the applicants and selects candidates to interview for the four seats up for reappointment each odd-numbered year. The council received 66 regent applications this time and interviewed 18 applicants in January.

State statute requires that between two and four names be forwarded to the joint education committee for each open position.

Rondi Erickson, the council chair, said “The breadth of experience and expertise of applicants made the process of elimination very difficult” and all finalists would “serve the university with distinction.”

This council’s role in the selection process has been in place since 1988. Before then candidates simply nominated themselves and were not screened. The governor appointed candidates until a court ruling gave those powers to the Legislature in 1929.

However, the Legislature does not always fulfill its role.

In 2001, lawmakers anticipated some political maneuvering during the joint convention and could not agree to meet.

Because no joint meeting of the bodies convened that year, former Gov. Jesse Ventura chose the five regents on July 31, 2001. There was an additional choice that time because a replacement was needed for a regent who died during his term.

However, this year, lawmakers do not anticipate a repeat of the 2001 situation, though moves may be made during the joint convention to adjust the current slate of candidates.

“I don’t know what the outcome of any votes will be on the floor, but hopefully the broader Legislature will conclude that we are forwarding a balanced slate of names,” said Sen. Steve Kelley (DFL-Hopkins), chair of the Senate Education Committee.

Additionally, state law permits the Legislature to take action on those appointed by a governor two years prior — it has done that four times since 1929.

In 1935, three of Gov. Floyd B. Olson’s four 1933 appointments were approved by the Legislature. Four years later the Legislature rejected all regents selected by Gov. Elmer Benson. Gov. Wendell Anderson fared much better in 1975 when all of his 1973 appointments were approved, as were five others.

The education committees recommended Ventura appointees Frank Berman, Peter Bell, current chair of the Metropolitan Council, Richard “Pinky” McNamara, and student-regent Lakesha Ransom be approved. McNamara was the only one recommended by the joint education committees in 2001.

The joint committee recommended that the other Ventura appointee, Jean Keffeler, a regent from 1989 until resigning in 1996, be replaced by Reed.

After the meeting, Reed and Keffeler exchanged pleasantries with Keffeler saying, “You know the university will have my continued support.” Reed said she knew it would.
The next big thing
Small Minnesota town looks for state help to be on the leading edge of emerging technology

BY MIRANDA BRYANT

Suspend your beliefs about the workings of nearly every product you’ve ever known. Imagine instead prescription drugs treating pain the moment they touch your mouth’s membrane. Supercomputers functioning from a wristwatch. Airplanes becoming invisible by blending into their surroundings. Buildings and machines repairing themselves. And clothing alerting its wearer to environmental hazards.

The technology for such advances — called nanotechnology — is not relegated to imagination. It’s well on its way. And if a group of business people has its way, it’s a science that will be partially funded by the state of Minnesota.

A bill to fund the Rushford Institute for Technology, still on the drawing board, has been approved by one House committee.

In simple terms, nanotechnology is the direct manipulation of atoms and molecules at the atomic level, or the most basic level at which matter exists. According to Thomas Kenny of Stanford University, a nano’s size equates to the amount by which fingernails grow each second, or the thickness of a drop of water spread over a square meter.

To understand why nanotechnology can go where no science has before, consider how Minnesota Technology Magazine described it. “Typically, creating a product, such as a chair, means taking something larger than the desired finished product, such as a tree, and whittling it down. Nanotechnology starts with individual molecules and builds them up.” This construction method is similar to Mother Nature’s own building mechanism.

The beauty of nanotechnology, according to industry experts, is that it has applications in nearly every aspect of modern life. The University of Minnesota says nanotechnology will revolutionize science, medicine, and manufacturing and will prove crucial to the continued success of many of Minnesota’s leading companies.

And how did the small, southeast Minnesota town of Rushford, population 1,600, get involved in a race for dominance in a little-known industry that, according to one account, generates $45.5 billion a year in sales worldwide? It began when the University of Minnesota conducted a nanotechnology summit in April 2000. Experts attended, including the U.S. president’s advisor on nanotechnology. But of the cities invited to explore becoming potential hosts to the nanotechnology industry, only Rushford showed.

“We asked ourselves could we do it?” said Kevin Klungtvedt, program coordinator for the Rushford Institute of Nanotechnology. A trio of Rushford businessmen decided its small town would be ideal for small high-tech nanotechnology companies. The industry can be based virtually anywhere, due to its small-scale operations and transferable qualities. And Rushford has the added benefit of a low cost of living, they said.

So the businessmen set out to make Rushford into a nanotechnology center. They educated the community about the industry and hoped the word would spread about Rushford’s willingness to host the next biggest thing to the Industrial Revolution. It did.

Aveka Inc., a 3M spin-off firm located in Woodbury, decided to open a plant in Rushford to make nano-sized metal-particle products. “This is the type of industry the Rushford Institute of Nanotechnology plans to attract and develop for the area,” Klungtvedt said.

As for the Rushford Institute for Technology, if created, it would be a non-profit organization, consisting of a research laboratory, business services, and an education division. Start-up ventures wishing to conduct research would be the lab’s focus, with businesses paying royalties on products successfully developed from the laboratory.

Already underway is the education component of the institute. The local school system was the first in the country to develop a nanotechnology graduation standard. And a partnership with Winona Technical College is creating what is only the second two-year technical degree in the country.

The Rushford Institute for Technology started its state financing campaign recently by seeking $5 million over the next three years from the state. Sponsored by Rep. Greg Davids (R-Preston), HF176 made its first appearance Feb. 11 before the House Commerce, Jobs, and Economic Development Policy Committee. However, Davids amended the bill to make the appropriation open-ended. Delineating the appropriation in the midst of a budget crisis could limit the bill’s success, he said.

The bill was approved and forwarded to the Senate Finance Committee, where it awaits a hearing. A companion bill (SF243), sponsored by Sen. Bob Kierlin (R-Winona), awaits action at the Senate Finance Committee.

While Minnesota lawmakers study financing a new industry, others wonder if doing so won’t create increased competition for state funds. Rep. Tony Sertich (DFL-Chisholm) said that funding a next-century venture to create jobs sounded like the idea behind the Minnesota Minerals 21st Century Fund. Sertich and other Iron Range legislators criticized Gov. Tim Pawlenty’s 2003 budget fix, which used $49 million from a fund, intended to help start-up and enterprising mining facilities.

At the federal level, nanotechnology received President Bush’s support in the form of a $710 million request in his 2003 budget.
A tireless advocate

Former governor Freeman fought for Minnesotans, others as governor, federal agriculture secretary, and citizen activist

BY JEFF JONES

M innesota's first DFL governor, Orville L. Freeman, died from complications from Alzheimer's Disease Feb. 20 at age 84.

Freeman, governor from 1955-61, would go on to become the U.S. Secretary of Agriculture for two presidents and a life-long advocate of ending hunger worldwide.

Freeman grew up in south Minneapolis and entered the University of Minnesota during the Great Depression where his research and rhetorical skills impressed classmate Hubert H. Humphrey, who recruited him for the debate team. The two became close friends and traveled the country debating the merits of President Roosevelt's New Deal policies. Freeman's charisma also got him elected president of the student body All University Council, where he first met Jane Shields, who had been elected secretary. The two were married in 1942.

"Every decision, every problem — we shared them," he said later in life. "Through the years, she was right there."

Serving as a U.S. Marine, Freeman's jaw was shattered by a sniper's bullet in the South Pacific in 1943. Eight months of hospitalization and speech therapy allowed him to speak again, but he bore a noticeable scar on the side of his face.

While finishing law school, Freeman worked with then-Minneapolis Mayor Humphrey to form the Democratic-Farmer-Labor Party. The two were said to represent the party's right wing.

Freeman helped Humphrey win election to the U.S. Senate in 1948 and became party chairman before losing a race for attorney general in 1950 and his first bid for governor in 1952.

Two years later Freeman edged incumbent Gov. C. Elmer Anderson, by running on a platform of improving schools and highways, eliminating government waste and red-tape, and improving the morale of state employees. He was 36 at his inauguration.

As governor, Freeman supported an income tax over a sales tax to fill state coffers and fund social programs during the economic prosperity of the 1950s. He oversaw an expansion of business and industry in the state, led trade delegations to Scandinavia and East Asia, and convened a legislative committee to examine ethics in state government. That committee issued recommendations about lobbying, campaign financing, and conflicts of interest in the legislative and executive branches.

DFL and Labor Party representatives controlled the House during Freeman's six years in office, but conservatives in the state Senate blocked many of the social reforms he advocated.

A pivotal moment in Freeman's tenure came in 1959 when he decided to intervene in a potentially violent strike at the Wilson Meat Packing Co. in Albert Lea. At the request of local officials, he called on National Guard troops to shut down the plant and declared martial law. A federal court later rebuked his decision.

Despite the resulting loss of labor support, Freeman sought an unprecedented fourth two-year term as governor in 1960. He gave John F. Kennedy's nominating speech at the Democratic National Convention that year and was rumored to be his second choice for vice president.

Sensing Kennedy's Catholicism was hurting him among Minnesota Lutherans, Freeman prepared a statewide television address to denounce religious bigotry. The move backfired and cost Freeman more votes in the gubernatorial election.

In the end, Kennedy won the state by 22,000 votes and Freeman lost to Republican Elmer L. Andersen by about the same margin. Freeman's support was not forgotten, however, as Kennedy called on him to become secretary of agriculture.

In a 1999 interview, Freeman recalled telling Kennedy, "'One of the greatest paradoxes is we have a big food surplus and a world full of hungry people, and I want to do something about it.' He agreed wholeheartedly with that."

As secretary, Freeman began what would become his true life's work. He traveled the globe to help develop assistance programs for the poor in the United States and around the world.

After Kennedy's assassination, Freeman stayed on as agriculture secretary for President Johnson until 1969.

He spent the next 25 years advocating for use of American knowledge and capital to help improve the agricultural economies of developing nations.

"I have said more than once that the world's two biggest problems are the Big Bomb and the small farmers," he wrote in 1983. "If we could increase the income of the billion small farmers around the world ... most of the world's problems would be well on their way to solution."


Freeman retired to Minnesota in 1994. He would later help his son, Mike, who ran for governor in 1998.

"I have been very fortunate to have had these opportunities," he said in 1999. "I have done my best to contribute to a better world."
Making connections
Demmer brings backgrounds in agriculture, business, and education to his new role as state representative

BY TOM LONERGAN
Most legislators take notes, but the tools of modern technology, such as personal digital assistants (PDAs), are only slowly creeping into legislators’ daily lives. For first-term Rep. Randy Demmer (R-Hayfield), all tools toward learning his new job are valuable.

“Back home I’m known as the computer guy,” said Demmer, who brings a varied background in business, education, and agriculture to the Legislature. The 46-year-old owns a computer and accounting software company, is part owner of three auto parts stores, and was a school board member in Hayfield for more than 10 years.

Deb Towey has been an employee of Demmer’s computer business for the past 19 years. “When I introduce him as ‘my boss,’ he goes, ‘No, we work together,’” she said. The company helps small businesses and farmers in southeastern Minnesota automate and update their financial records.

Wendy Shannon, superintendent of Byron Public Schools, has worked with Demmer on education issues. “He’s going to be helpful to school districts in the state,” Shannon said. “He has really learned what our issues are. He understands the negotiations process and budget issues.”

Demmer said “an interest in being a part of making decisions” was why he ran for the House. For a decade, he was a constituent of House Speaker Steve Sviggum (R-Kenyon) and Sen. Dick Day (R-Owatonna). Sviggum urged Demmer to run after re-districting in 2002 moved Hayfield, Demmer’s home, into a newly drawn district with an open House seat. “The timing was good for me,” said Demmer, who has also raised corn and soybeans and now rents the farmland he owns.

“I don’t come with a specific agenda,” Demmer said. “But I’m not one to sit back and do nothing. I want to be effective and learn how things work.” The University of Minnesota graduate has a degree in agricultural business administration. He’s a member of the House Agriculture Policy, Agriculture and Rural Development Finance, Education Finance, and Education Policy committees.

His district 29A, west of Rochester, includes Dodge County and part of Olmsted. New residential subdivisions characterize the eastern portion of Demmer’s district, which includes two Rochester precincts. Rochester’s job growth in health care and information technology during the 1990s led to a residential boom in small towns like Byron, west of the city. As a result, land management and annexation issues have become increasingly important, Demmer said.

“The challenge is how to manage a growing rural residential population with agriculture. The state and county have a role, but it (annexation) starts as a local issue. We should not be telling someone in Byron, Minnesota what they should be doing with their farmland.”

— Rep. Randy Demmer

The state works with school districts to eventually balance their books. During the 2001-02 school year, 33 districts, including Hayfield, were in statutory operating deficit, as were eight charter schools. The state works with school districts to eventually balance their books.

Demmer favors a state education policy that’s more focused on elementary and secondary school basic academics. Toward that end, he’s sponsored HF517, which would rename the department the Minnesota Department of Education, as recommended by Gov. Tim Pawlenty. “Changing the name of the agency is just one small step to take us in that direction,” Demmer said.

He struggles to define what should be included under the K-12 education umbrella. Adult and community education programs in school districts are valuable, Demmer said, “but are really outside of the kids. While it’s very important that a 30-year old immigrant gets help with learning English, should that be under K-12 education?”

Demmer won his election last November by more than 3,000 votes (18 percent) in a district he describes as conservative. “Even the Democrats are conservative,” he added. The Independence Party candidate garnered 11.45 percent of the vote.

His campaign motivator was his wife, Kathy, a nurse with Mayo Health Systems. “She’s the biggest reason I’m here,” Demmer said. They have three daughters, ages 20, 18 and 13.

DISTRICT 29A
2002 population: 36,793
Largest City: Rochester
Counties: Dodge, Olmsted
Location: southeast Minnesota
Top concern: “We have some major challenges. As we go forward, my hope is that we listen to people on both sides of the aisle and not act out of haste.”

— Rep. Randy Demmer
Lifetime advocate

After years of working in the community to organize others to make change, Hornstein wants to do the same in the House

BY PATTY JANOVEC

Watching the news and keeping abreast of current events was a family affair while Rep. Frank Hornstein (DFL-Mpls) was growing up. Although his family wasn't politically active, some very specific values came through during his formative years: faith, justice, and respect for others.

Hornstein's parents survived the Holocaust, and immigrated to the United States after World War II. As a result, he was always aware of the need to fight for those who struggle with injustice. His family has "seen the worst, and America has provided us with the best."

He traces his political activism back to the first Earth Day in 1970. Hornstein was in fifth grade, and he said was so moved by the thought of protecting the environment that he walked home from school instead of taking the carpool. Later he picked up litter around the neighborhood.

Growing up at a time of war in Vietnam and during the fight for civil rights, the idea of making change through collective action impressed him greatly, he said. In college he learned he could make a career of organizing people to do just that. Soon he was helping residents in St. Paul's Frogtown neighborhood deal with crime issues and affordable housing. Later, while helping to organize Minnesota's chapter of Clean Water Action, he said he became more familiar with electoral issues because of his exposure to the environment.

Hornstein's district contains both lakes Calhoun and Harriet, an area he said has a diverse constituent base with many renters and homeowners. An issue important to his district is education. As part of that, he said he strongly believes that the budget "should not be balanced on the backs of hard working public employees," including the state's teachers. He said teachers need to be compensated with competitive wages and benefits and he's heard from constituents that have expressed great disappointment with the governor's proposed wage freeze on teachers.

A key bill he will be working on this year would give tax credits to individuals who purchase hybrid cars. He says a whole range of national security and environmental issues can be addressed by promoting the use of technology already in existence.

Hornstein said he hopes to meld his faith-based values, rooted in Judaism, with his commitment to public service. His wife, Marcia Zimmerman, is senior rabbi at Temple Israel in Minneapolis. The Legislature is a place for people to bring their religious values to work, but not impose them on others, he said.

"No one can separate the personal and political, you are who you are, your faith tradition," he said.

A few personal goals include being an effective representative and advocate of the district by responding to calls and letters from his constituency, trying to enact legislation even though he's not a member of the majority caucus, and being a strong voice on behalf of the environment, children, and immigrants.

"These are the reasons people sent me here."

By Patty Janovec

The top issue on his list is education. As part of that, he said he strongly believes that the budget “should not be balanced on the backs of hard working public employees,” including the state’s teachers. He said teachers need to be compensated with competitive wages and benefits and he’s heard from constituents that have expressed great disappointment with the governor’s proposed wage freeze on teachers.

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— Rep. Frank Hornstein

While promoting recycling and reducing landfills, he said he got excited about how faith and environmental groups were interested in a metropolitan agenda. At the time the Metropolitan Council was addressing issues of affordable housing, urban sprawl, and transportation, but there was nobody holding it accountable, he said. Hornstein then formed the Alliance for Metropolitan Stability, which still exists.

Gov. Jesse Ventura appointed Hornstein to the Met Council in December 2000, which was his first experience in direct public service. The new role enabled him to work on the key issues that were important to him from the beginning: affordable housing and the environment. He served the council until January 2003.

He's now making a different kind of impact as a legislator, and he says there is a certain power vested in public officials to bring forth the ideas of their constituents. He’s "really proud to represent constituents in so many ways, it really reflects the things I've worked on all along."

Although Hornstein didn't have an opponent while running for the House, Melissa Manderschied, events coordinator for the campaign, said that didn't stop him from pounding the pavement.

"He felt it was important to meet those in his district even though he didn't have to," she said, adding that he is sincerely genuine when meeting people. She said she feels that's one of the reasons he makes a great legislator. She explained how he shows “follow up and care over an extended period of time” with those he meets.

Hornstein’s district contains both lakes Calhoun and Harriet, an area he said has a diverse constituent base with many renters and homeowners. An issue important to his district includes one that city and suburbs can come together on: transportation. Even though the political parties have different philosophies, he says common ground can be found.

The top issue on his list is education. As part of that, he said he strongly believes that the budget “should not be balanced on the backs of hard working public employees,” including the state’s teachers. He said teachers need to be compensated with competitive wages and benefits and he’s heard from constituents that have expressed great disappointment with the governor’s proposed wage freeze on teachers.

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“No one can separate the personal and political, you are who you are, your faith tradition.”

— Rep. Frank Hornstein
A new challenge

After more than two decades in local government, Simpson sees move to state level as the next logical step

BY PATTY JANOVEC

For Rep. Dean Simpson (R-New York Mills), his decision to run for office was part commitment to public service and part love of policy dialogue.

As mayor of New York Mills for 25 years, Simpson said he gained plenty of experience, not to mention what he learned by owning and operating two grocery stores in the area.

He started the businesses from the ground up with no staff, and he says he now employs between 75 and 100 people.

He first considered running for the position when the former representative for his district, Roxann Daggett, asked if he’d be interested in the House seat. With his children grown and out of school, Simpson said he felt it was his next step in the process of public service.

“I have the look of a rural person with a strong business background,” he said. With experience in maintaining a good-sized payroll, developing advertising, and living in rural area, he says he knows what it takes to be successful. And he said he believes those same skills will help in the decision-making process of representing his district.

Allan Berube, Simpson’s campaign treasurer, said that Simpson “takes an active role,” when working with people. “He’s always asked ‘What can we do as a team?’ The two have been friends for years and are cabin neighbors.

At one point while Simpson was mayor, the city looked to upgrade its park equipment. Berube explained how Simpson took initiative in the project, getting developers and financiers in place. “He started the ball rolling in getting donations.” Along with parks, Simpson also supported efforts to build more apartments in the city. Again, Berubesaid, Simpson’s initiative was at the forefront, saying “He’s able to look at issues in a broad sense.”

Simpson says his district consists of 14 towns ranging in population from 100 to 5,000. While the district has concerns of a small community, big businesses such as Lund, a boat producer, employ many residents. “We have a lot of excellent manufacturing companies out there, but a lot of products are hauled in,” he said. Because of that, Simpson said, he looks forward to making sure the district continues to have access to roadways.

“Economic development is a huge issue, with the struggling of the farm economy it’s just making it harder and harder,” he said.

Otter Tail County was one of the leading dairy producers in the state, but the industry is downsizing so rapidly that the district needs to provide other ways of employing people. Simpson said, “We have to create jobs for those people, those people have children, those children go to school, we need to maintain our school systems,” he said. “Declining enrollment is an issue throughout the state.”

He also said the small farmers use the services and goods in the community to supply their farms. On the other hand the big manufacturers in the district tend to bring in semi loads of goods “from whomever, wherever” to fulfill their needs. “The downturn is hard on a small community,” he said.

On a state level, Simpson said, you can’t control prices in such a global market. But the state can keep tax rates at a competitive edge for farmers, and develop other sources of income like ethanol and biomass products. “Whether it’s less dependency on foreign oil, whether it’s wind power on our farms, homegrown products we need to promote,” he said.

Admittedly not happy about the cuts to ethanol, Simpson said the governor did what he had to do and respects him for that. However, in moving forward with the next round of budget cuts, Simpson said he and other Greater Minnesota representatives will have to work hard to give their communities a voice and help maintain long-term viability.

“I have to believe with the help of the outstate legislators, that we’re going to get through this budget proposal and make strong commitments to rural Minnesota.”

— Rep. Dean Simpson

DISTRICT 10B

2002 population: 36,552
Largest city: Wadena
Counties: Becker, Otter Tail, Wadena
Location: west-central Minnesota
Top concern: “Creating jobs in rural areas is my top issue.”

— Rep. Dean Simpson
Believing in herself
After defeating a longtime incumbent, Soderstrom brings her trust, faith to the House of Representatives

BY MIKE COOK

When you walk into the office of Rep. Judy Soderstrom (R-Mora), you see her district everywhere you look.

Adorning the walls are pictures and other items for the annual Mora Vasaloppet cross-country ski race, items from a fur trading shop in Pine City, and a pie tin from Braham, which in 1990 was officially recognized as the Homemade Pie Capital of Minnesota. On the tables are books about the city of Sandstone and Kanabec County, and the fire of 1894 that destroyed much of Hinckley, along with brochures from many communities she represents.

The one thing missing is a sign from the realty company she has owned for 13 years. Instead those signs are all around the district that she grew up in and to which she returned to raise her family after leaving for a few intervening years.

After seven years working in Minneapolis, Soderstrom returned to Mora in the late 1960s. She and her husband, Ronald, then started attending local Republican party meetings, which eventually led to her attendance at numerous state conventions.

Soderstrom ran for a House seat in late 1997 when former Rep. Leroy Koppendrayer was appointed to the Public Utilities Commission, but she was defeated by Rep. Sondra Erickson (R-Princeton) for the party endorsement. The two remain friends and are now seatmates on the House floor.

Undeterred, she continued her party involvement and when the redistricting boundaries were announced last year, Soderstrom said she knew right away that she would run.

“I saw that the district included all of Kanabec County,” she said. “Being in real estate for 20 years I know all the roads and lots of people. Plus with my real estate company named Soderstrom Realty there was instant name recognition.”

She laughs a little when noting how that led to confusion for a few folks who thought their neighbors were moving when they saw the Soderstrom campaign sign in the yard thinking it was a realty sign.

“I knew I was going to do this and I thought it would be so exciting,” she said of her decision to run. Her husband of 40 years is retired and was not as enthusiastic at first, but once she received the party endorsement she said he began saying things like “We could put signs here and do this or that.”

One of Soderstrom’s two daughters, Bethany, said her dad calls himself “Mr. Judy Soderstrom.”

Bethany is also in St. Paul, working as a legislative assistant for the Education Policy Committee and for Erickson.

Soderstrom defeated former Rep. Loren Jennings, a nine-term DFL incumbent, by 7.2 percent in the general election. There were also two third-party candidates. “It was very satisfying because not many people thought I could beat him,” she said.

Bethany wasn’t one of skeptics. “I knew right away that she’d win,” she said. “I didn’t have any doubt.”

Those who know her well say this has to do in large part with Soderstrom’s personality.

“She’s such a committed person, compassionate, and a woman of faith,” Erickson said. “It’s against her being to tell a lie,” said Bethany, who added, “We have friends that are hardcore Democrats and they said they would vote for her because they trust her.”

Soderstrom, who was born the same day and year as Rep. Jim Rhodes (R-St. Louis Park), sits on the House Health and Human Services Policy, Judiciary Policy and Finance, and Local Government and Metropolitan Affairs committees.

“I asked for judiciary,” she said. “The reason is that I have regularly gone into the Mora jail (Kanabec County Jail) and the Pine City jail (Pine County Jail) with Bible study, and I probably have about 30 people I correspond with in prisons around the state because I’ve met them (in jail).” She also recently organized a group of legislators for a tour of the Lino Lakes prison.

Soderstrom said she wishes more could be done at the local level possibly with groups, such as local churches, taking interest in the first-time offenders or offenders that have long been a part of the system, and are ready to make a change.

Being on three diverse committees could be considered a challenge, but she sees a connection between them. For example, “A lot of people that are in the prison system, their families are on welfare or they need to be cared for that way,” she said.

Soderstrom said she knows that solving the budget deficit will be difficult. She said she thinks the governor has a good proposal, yet she remains open to other ideas. She has heard from a number of people who will be affected.

“I feel badly that they’re going to feel the pain,” she said. “Nobody wants to cut.”

“I would like to help improve government efficiency by funding only what is essential. Also, I would like to encourage government to work more closely with nonprofit, private, and faith-based groups.”

— Rep. Judy Soderstrom

DISTRICT 8B

2002 population: 36,998
Largest city: Mora
Counties: Isanti, Kanabec, Pine
Location: east-central Minnesota
Top concern: “I would like to help improve government efficiency by funding only what is essential. Also, I would like to encourage government to work more closely with nonprofit, private, and faith-based groups.”

— Rep. Judy Soderstrom

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<tr>
<th>District/Member/Party</th>
<th>Room*</th>
<th>Phone (651) 296-</th>
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<tr>
<th>District/Member/Party</th>
<th>Room*</th>
<th>Phone (651) 296-</th>
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<td>...</td>
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</tbody>
</table>

- All rooms are in the State Office Building unless otherwise noted. St. Paul, MN 55155
### 2003 Minnesota Senate Members

<table>
<thead>
<tr>
<th>District/Member/Party</th>
<th>Room</th>
<th>Phone (651) 296-</th>
</tr>
</thead>
<tbody>
<tr>
<td>Anderson, Ellen (DFL)</td>
<td>120 Cap.</td>
<td>5537</td>
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<tr>
<td>Bachmann, Michele (DFL)</td>
<td>141 SOB</td>
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<td>Bakk, Thomas (DFL)</td>
<td>301 Cap.</td>
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<tr>
<td>Belanger, William (DFL)</td>
<td>113 SOB</td>
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<td>Berglin, Linda (DFL)</td>
<td>309 Cap.</td>
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<td>Betzold, Don (DFL)</td>
<td>111 Cap.</td>
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<tr>
<td>Chaudhary, Satveer (DFL)</td>
<td>317 Cap.</td>
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<tr>
<td>Cohen, Richard (DFL)</td>
<td>317 Cap.</td>
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<tr>
<td>Day, Dick (R)</td>
<td>147 SOB</td>
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<tr>
<td>Dibble, D. Scott (DFL)</td>
<td>111 Cap.</td>
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<tr>
<td>Dille, Steve (R)</td>
<td>103 SOB</td>
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<td>Fischbach, Michele (DFL)</td>
<td>129 SOB</td>
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<tr>
<td>Foley, Lee (DFL)</td>
<td>G-24 Cap.</td>
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<tr>
<td>Frederickson, Dennis (R)</td>
<td>139 SOB</td>
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<tr>
<td>Gaither, David (R)</td>
<td>107 SOB</td>
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<tr>
<td>Hann, David (R)</td>
<td>G-27 Cap.</td>
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<tr>
<td>Higgins, Linda (DFL)</td>
<td>328 Cap.</td>
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<td>Horttinger, John (DFL)</td>
<td>208 Cap.</td>
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<td>Johnson, Dean (DFL)</td>
<td>121 Cap.</td>
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<td>Johnson, Debbie (R)</td>
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<tr>
<td>Jungbauer, Michael (R)</td>
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<tr>
<td>Kelley, Steve (DFL)</td>
<td>205 Cap.</td>
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<td>Kojetin, Bob (DFL)</td>
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<td>Kiscaden, Sheila (DFL)</td>
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<tr>
<td>Kleis, Dave (R)</td>
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<tr>
<td>Knutson, Duey (DFL)</td>
<td>133 SOB</td>
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<tr>
<td>Koegel, Paul (DFL)</td>
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<tr>
<td>Kubly, Gary (DFL)</td>
<td>306 Cap.</td>
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<tr>
<td>Langseth, Keith (DFL)</td>
<td>122 Cap.</td>
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<tr>
<td>Larson, Cal (R)</td>
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<td>LeClair, Brian (R)</td>
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<td>Limmer, Warren (DFL)</td>
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<tr>
<td>Lourey, Becky (DFL)</td>
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<tr>
<td>Marko, Sharon (DFL)</td>
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</tr>
</tbody>
</table>

### Minnesota House and Senate Membership

### Session Weekly

For phone numbers, contact Senate Information at 651-296-5004.
Monday, Feb. 24

HF561—Gerlach (R)
Commerce, Jobs & Economic Development Policy
Tobacco sales to minors uniform mandatory penalties imposed, mitigating circumstances defined, and electronic age verification required.

HF562—Blaine (R)
Environment & Natural Resources Finance
Little Falls; Hennepin Paper Company property environmental cleanup funding provided, bonds issued, and money appropriated.

HF563—Rukavina (DFL)
Taxes
Mining occupation tax rate and computation modified, and taconite tax production inflation adjustment implementation delayed.

HF564—Borrell (R)
Governmental Operations & Veterans Affairs Policy
Open meeting law violations administrative remedy provided, and civil penalties prescribed.

HF565—Borrell (R)
Civil Law
Government data practices complaints administrative remedies provided.

HF566—Howes (R)
Environment & Natural Resources Policy
Turtle license exemption provided to supply turtles for nonprofit turtle racing.

HF567—Marquart (DFL)
Taxes
Detroit Lakes tax increment pooling authorized to meet certain debt service obligations.

HF568—Marquart (DFL)
Environment & Natural Resources Finance
Red River basin water management funding provided, and money appropriated.

HF569—Holberg (R)
Transportation Finance
Lakeville; Cedar Avenue bus transit way funding provided, bonds issued, and money appropriated.

HF570—Gerlach (R)
Transportation Finance
Bloomington; Cedar Avenue bus transit way funding provided, bonds issued, and money appropriated.

HF571—Marquart (DFL)
Transportation Policy
Restricted farm work license conditions for operating a motor vehicle modified.

HF572—Samuelson (R)
Health & Human Services Policy
Adult foster care license capacity expanded.

HF573—Blaine (R)
Environment & Natural Resources Policy
Crow Wing County tax-forfeited land sale authorized.

HF574—Latz (DFL)
Transportation Finance
St. Louis Park; Trunk Highway 100 reconstruction and expansion authorized, bonds issued, and money appropriated.

HF575—Gerlach (R)
State Government Finance
Art expenditures in state-financed buildings limited.

HF576—Wasiluk (DFL)
Governmental Operations & Veterans Affairs Policy
Teacher retirement association rule of 85 early retirement incentive extended to a specified 1983 retiree.

HF577—Juhnke (DFL)
Governmental Operations & Veterans Affairs Policy
State vehicle assignment prohibited to governor’s staff, commissioners, and deputy and assistant commissioners.

HF578—Brod (R)
Jobs & Economic Development Finance
Arlington regional sludge management project grant contract extended.

HF579—Juhnke (DFL)
Environment & Natural Resources Policy
Deer hunting extended period authorized for sick minors unable to hunt during the regular season.

HF580—Erickson (R)
Education Policy
School district curriculum and instruction required premised on abstinence until marriage.

HF581—Sykora (R)
Education Finance
Education price index created, general education formula allowance adjusted, and money appropriated.

HF582—Olson, M. (R)
Local Government & Metropolitan Affairs
Local Government and Metropolitan Affairs long-term capital gains.

HF583—Nornes (R)
Health & Human Services Policy
Certified public accountants authorized to perform annual audits for county nursing homes.

HF584—Opitz (DFL)
Education Policy
Tenth grade students allowed to participate in the post-secondary enrollment options program.

HF585—Nornes (R)
Governmental Operations & Veterans Affairs Policy
Rural Minnesota Catch-Up Credit tax credit provided for job creation and retention.

HF586—Hilstrom (DFL)
Taxes
Age-based income tax exclusion authorized for long-term capital gains.

HF587—Urdahl (R)
Health & Human Services Policy
Child-care assistance fraud prevention provisions adopted.

HF588—Sykora (R)
Taxes
Local government aid tax base definition modified to include tax increment financing captured tax capacity.

HF589—Lenczewski (DFL)
Health & Human Services Policy
Liquid oxygen access and regulation study required.

HF590—Abeler (R)
Health and Human Services Finance
Supportive housing and managed care pilot project funding provided, and money appropriated.

HF591—Westrom (R)
Judiciary Policy and Finance
Harming a service animal criminal penalties and restitution provided.

HF592—Hilstrom (DFL)
Taxes
Duluth economic development tax increment financing district established for aircraft related facilities.

HF593—Abeler (R)
Health and Human Services Finance
Supportive housing and managed care pilot project funding provided, and money appropriated.

HF594—Lenczewski (DFL)
Health & Human Services Policy
Rural Minnesota Catch-Up Credit tax credit provided for job creation and retention.

HF595—Abeler (R)
Veterans Affairs Policy
Child-care assistance fraud prevention provisions adopted.

HF596—Abeler (R)
Health and Human Services Finance
Supportive housing and managed care pilot project funding provided, and money appropriated.

HF597—Hilstrom (DFL)
Taxes
Duluth economic development tax increment financing district established for aircraft related facilities.
HF598—Jaros (DFL)
Taxes
Aircraft repair facility construction materials and equipment sales tax exemption provided.

HF599—Huntley (DFL)
Taxes
Duluth restaurant, hotel, and motel tax proceeds dedicated to debt service on DECC and Great Lakes Aquarium improvements.

HF600—Marguart (DFL)
Education Finance
Referendum tax base replacement aid made permanent.

HF601—Peterson (DFL)
Jobs & Economic Development Finance
West Central Growth Alliance pilot marketing program funding provided, and money appropriated.

HF602—Erickson (R)
Commerce, Jobs & Economic Development Policy
Auto glass repair and replacement regulation provided.

HF603—Kielkucki (R)
Education Policy
Low-performing school student enrollment options established.

HF604—Olson, M. (R)
Transportation Finance
Highway 10 reconstruction design funding provided, bonds issued, and money appropriated.

HF605—Olson, M. (R)
Environment & Natural Resources Finance
State park fees modified, state park campsite required to remain open in peak months, and report required.

HF606—Smith (R)
Health & Human Services Policy
Health care services prior authorization requirements modified, provider contracting requirements established, claims payment provisions modified, utilization profiling regulated, and certain disclosures required.

HF607—Huntley (DFL)
Taxes
Duluth tax increment expenditures outside the boundaries of the district authorized.

HF608—Solberg (DFL)
Taxes
Hospital and clinic construction materials exempted from the sales tax for a specified facility.

Thursday, Feb. 27

HF609—Kelliher (DFL)
Local Government & Metropolitan Affairs
Minneapolis authorized to establish a community planning and economic development department.

HF610—Kohls (R)
Civil Law
Civil actions against long-term care providers regulated, government data use prohibited, non-economic damages limited, and time period imposed on bringing actions based on tort against a long-term provider.

HF611—Boudreau (R)
Health and Human Services Policy
Oncologist referrals regulated.

HF612—Knoblach (R)
Governmental Operations & Veterans Affairs Policy
Legislative candidate expenditure reporting requirements provided.

HF613—Kahn (DFL)
Regulated Industries
Minneapolis authorized to issue an on-sale wine and malt beverage license to the Southern Theatre.

HF614—Lipman (R)
Transportation Finance
Highway 5 in Lake Elmo and Baytown Township safety improvements funding provided, bonds issued, and money appropriated.

HF615—Biernat (DFL)
Transportation Policy
Installation of illegal motor vehicle window and window treatments prohibited.

HF616—Finstad (R)
Health & Human Services Policy
Prescription drug assistance program established through the Board on Aging, and appropriations transferred.

HF617—Soderstrom (R)
Health & Human Services Policy
Prescription drug assistance program established through the Board on Aging, and appropriations transferred.

HF618—Smith (R)
Health & Human Services Policy
Abortion; reporting required on notification before abortions are performed on a minor or specified other women, and civil penalties imposed.

HF619—Rhodes (R)
Governmental Operations & Veterans Affairs Policy
Sports board gambling authorized.

HF620—Kielkucki (R)
Governmental Operations & Veterans Affairs Policy
Social dice game conduct provisions clarified.

HF621—Ellison (DFL)
Regulated Industries
Minneapolis authorized to issue an on-sale wine and malt liquor license to the Guthrie Lab.

HF622—Strachan (R)
Regulated Industries
Emergency 911 telephone system modified to require multi-line systems to provide caller location; and special county, city, and school district levies provided.

HF623—Hackbarth (R)
Environment & Natural Resources Policy
Vapor recovery equipment required for gasoline deliveries in the metropolitan area.

HF624—Seifert (R)
Governmental Operations & Veterans Affairs Policy
Local government impact notes provided for state agency rule proposals, and aggregate cost of compliance determined.

HF625—Westrom (R)
Local Government & Metropolitan Affairs
Central Lakes Region sanitary sewer district established.

HF626—Nornes (R)
Education Finance
Electronic library funding provided for schools, libraries, and other media centers.

HF627—Kuisle (R)
Transportation Finance
Transportation funding provided, and money appropriated.

HF628—Kohls (R)
Civil Law
Emergency notification actions liability limitation provided.

HF629—Walker (DFL)
Civil Law
Equal rights for women provided by proposed constitutional amendment.

HF630—Marquart (DFL)
Taxes
Truth in taxation notice of proposed property taxes and public hearings dates advanced.

HF631—Sieben (DFL)
Education Policy
Teachers authorized to take a two-year leave of absence to teach in a charter school.

HF632—Abeler (R)
Health & Human Services Policy
Long-term care insurance availability and quality expanded, and legislative task force established.

HF633—Solberg (DFL)
Taxes
Business incubator property tax exemption extended.

HF634—Holberg (R)
Civil Law
Health data released to county human and social services departments in order to coordinate benefits and services.

HF635—Paymar (DFL)
Governmental Operations & Veterans Affairs Policy
Lobbyist and principal filing report requirements modified.
HF636—Hausman (DFL)  
Environment & Natural Resources Finance  
St. Paul; park and trail improvements funded in the Meeker Island lock historic site area, bonds issued, and money appropriated.

HF637—Hausman (DFL)  
Environment & Natural Resources Finance  
St. Paul; park and trail improvements funding provided for the Meeker Island lock historic site area, and money appropriated.

HF638—Cornish (R)  
Taxes  
Military pension income tax deduction provided.

HF639—Juhnke (DFL)  
Environment & Natural Resources Policy  
Economic Development Policy  
Commerce, Jobs & Economic Development Policy  
HF640—Powell (R)  
Transportation Finance  
Dakota County Highway 42 improvements funding provided, bonds issued, and money appropriated.

HF641—Than (DFL)  
Health & Human Services Policy  
Governmental Operations & Veterans Affairs Policy  
HF642—Stang (R)  
Governmental Operations & Veterans Affairs Policy  
Fantasy sports leagues authorized at retail establishments licensed to sell alcoholic beverages.

HF643—Kuisle (R)  
Transportation Policy  
Motor vehicle registration, dealer transaction, insurance regulatory responsibilities, truck weighing, and drivers' license expiration provisions modified.

HF644—Anderson, I. (DFL)  
Governmental Operations & Veterans Affairs Policy  
State procurement general preference extended for in-state vendors.

HF645—Paulsen (R)  
Commerce, Jobs & Economic Development Policy  
Technology business licensing provisions modified.

HF646—Buesgens (R)  
Governmental Operations & Veterans Affairs Policy  
Gaming machines provided, and horse racing purses payments established.

HF647—Swenson (R)  
Health & Human Services Policy  
Nicollet County nursing home construction moratorium exception provided, and special provisions for moratorium exceptions modified.

HF648—Swenson (R)  
Environment & Natural Resources Policy  
Private wildlife shooting preserves authorized anywhere in the state.

HF649—Swenson (R)  
Agriculture Policy  
Chronic wasting disease control and wildlife health management provided, and money appropriated.

HF650—Biernat (DFL)  
Transportation Policy  
Traffic signal enforcement authorized through use of photographic evidence.

HF651—Boudreau (R)  
Taxes  
Mitterford local sales and use tax authorized.

HF652—Lesch (DFL)  
Judiciary Policy & Finance  
Child endangerment crime expanded to include manufacture of controlled substances in the presence of a child.

HF653—Olsen, S. (R)  
Health & Human Services Policy  
Post-adoption services requirements modified to require release of non-identifying history of birth family.

HF654—Bernardy (DFL)  
Judiciary Policy & Finance  
Controlled substance analog definition and treatment provided, and penalties prescribed for sale and possession of amphetamine and gamma hydroxybutyric acid.

HF655—Biernat (DFL)  
Transportation Policy  
I-94 designated as the Purple Heart Trail.

HF656—Lenczewski (DFL)  
Governmental Operations & Veterans Affairs Policy  
Hennepin County supplemental retirement plan modified to allow county administrator to approve certain participation requests.

HF657—Nelson, P. (R)  
Local Government & Metropolitan Affairs  
Counties authorized to require dedication of land for public parks.

HF658—Slawik (DFL)  
Transportation Policy  
Safe School Zone Law modified relating to speed limits.

HF659—Gerlach (R)  
Commerce, Jobs & Economic Development Policy  
Auto insurance authorized to cover damage to glass on the same basis as damage to other parts of an automobile.

HF660—Samuelson (R)  
Transportation Finance  
I-35W expansion and reconstruction planning funds provided, bonds issued, and money appropriated.

HF661—Rhodes (R)  
Taxes  
Hopkins tax increment financing district extended.

HF662—Abeler (R)  
Health & Human Services Policy  
Health plan coverages for handicapped children regulated to include requirement of notice regarding termination of coverage upon attainment of the limiting age.

HF663—Borrell (R)  
Transportation Finance  
St. Michael, Highway 241 reconstruction as a four-lane expressway funding provided, bonds issued, and money appropriated.

HF664—Eastlund (R)  
Civil Law  
Child support guidelines provided.

HF665—Murphy (DFL)  
Taxes  
Proctor authorized to impose an additional sales tax if approved at election, and fund uses specified.

HF666—Murphy (DFL)  
Governmental Operations & Veterans Affairs Policy  
Duluth teacher retirement association employee and employer contributions payment authorized for a specified current employee.

HF667—Thissen (DFL)  
Governmental Operations & Veterans Affairs Policy  
Military certificates of discharge classified as private data.

Frequently called numbers  
(Area code 651)

Information, House  
175 State Office Building .......... 296-2146  
102 Capitol ............................................ 296-6196  
130 Capitol ............................................ 296-3391  
175 State Office Building ............... 296-2146  
231 Capitol ............................................ 296-0504  
211 Capitol .......................... 1-800-657-3550  
231 Capitol ............................................ 296-2314  
Chief Clerk of the House  
211 Capitol .......................... 1-800-657-3550  
Secretary of the Senate  
231 Capitol .......................... 1-800-657-3550  
Toll free ...................................... 1-888-234-1112  
Toll free ...................................... 1-800-657-3550  
Toll free ...................................... 1-888-234-1112  
175 State Office Building ............... 296-2146  
130 Capitol ............................................ 296-3391  
102 Capitol ............................................ 296-6196  
180 State Office Building ............... 296-2803
MONDAY, March 3

11:45 AM
THE HOUSE MEETS IN SESSION

12:00 PM
Joint House-Senate Convention
House Chamber

TUESDAY, March 4

8:15 AM
Health and Human Services Policy
Room: 10 State Office Building
Chair: Rep. Lynda Boudreau
Agenda: To be announced.
Note: that this is not the regularly scheduled day for the committee.

Transportation Finance
Room: 5005 State Office Building
Chair: Rep. William Kuisle
Agenda: M nDOT budget presentation: state road construction, state road operations and maintenance, federal funds, general support and buildings.

Education Policy
Room: 200 State Office Building
Chair: Rep. Barb Sykora
Agenda: H F517 (Demmer) Department of Children, Families and Learning renamed the Department of Education.
H F365 (Johnson, J.) Kindergarten through grade 12 unneeded mandates eliminated.

Environment and Natural Resources Finance
Room: 5 State Office Building
Chair: Rep. Dennis Ozment
Agenda: Office of Environmental Assistance review of Governor's proposed budget. Continuation of Department of Natural Resources fee increase proposal.

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

10:15 AM
Judiciary Policy and Finance
Room: Basement Hearing Room
Chair: Rep. Steve Smith
Agenda: Overview of governor's recommendations by the Public Defense Board.

Education Finance
Room: 10 State Office Building
Chair: Rep. Alice Seagren
Agenda: Continuation of comments and review of the governor's 2004-2005 budget proposal.

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

Taxes
Room: 200 State Office Building
Chair: Rep. Ron Abrams
Agenda: H F535 (Krinkie) Duplicating and printing service requirements relating to administration department repealed, and outside service contracts authorized.
H F534 (Sefert) Good cause rule exemption notice requirements imposed.
H F407 (Howes) Minnesota Conservation Corps transferred to the Friends of the Minnesota Conservation Corps, assets transferred, and money appropriated.
H F585 (Nornes) Certified public accountants authorized to perform annual audits for county nursing homes.

12:30 PM
Governmental Operations and Veterans Affairs Policy
Room: Basement Hearing Room
Chair: Rep. Jim Rhodes
Agenda: H F555 (Krinkie) Duplicating and printing service requirements relating to administration department repealed, and outside service contracts authorized.
H F365 (Johnson, J.) Kindergarten through grade 12 unneeded mandates eliminated.

Commerce, Jobs, and Economic Development
Room: 10 State Office Building
Chair: Rep. Greg Davids
Agenda: H F359 (Rukavina) Mining owners and operators duties specified when operations are discontinued.
H F536 (Simpson) Joint underwriting association coverage and market assistance responsibilities modified.
H F276 (Lipman) Washington County Baytown special well construction area disclosure required before property sales and development.

Transportation Finance Subcommittee on Transit
Room: 200 State Office Building
Chair: Rep. Mary Liz Holberg
Agenda: To be announced.

Agriculture and Rural Development Finance
Room: 5 State Office Building
Chair: Rep. Elaine Harder
Agenda: M innesota Board of Animal Health: Dr. William Hartmann, DVM, M S; D r. Benjamin Pomeroy, M innesota Veterinary M edical Association.
Agricultural Utilization and Research Institute: Edgar Olson, Executive Director; M ax Norris, Director of Technology and Commercial Development- Marshall.
M innesota Horticulture Society: Marjee Righemer, CEO, Executive Director.

2:30 PM
Local Government and Metropolitan Affairs
Room: 200 State Office Building
Chair: Rep. Jerry Dempsey
Agenda: H F213 (Blaine) 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.
H F312 (Dill) Cook County hospital district levy inflation adjustment authorized.

State Government Finance
Room: 500N State Office Building
Chair: Rep. Bill Haas
Agenda: Presentations by the following: Office of the Attorney General; Office of the Secretary of State; and Office of the State Auditor.

Civil Law
Room: 5 State Office Building
Chair: Rep. Mary Liz Holberg
Agenda: H F110 (Smith) Family law reform and recodification including provisions relating to marriage dissolution, child custody, child support, maintenance, and property division.

WEDNESDAY, March 5

8:15 AM
Transportation Finance
Room: 200 State Office Building
Chair: Rep. William Kuisle
Agenda: H F251 (Beard) State airports fund transfers restoration required.

Environment and Natural Resources Finance
Room: 5 State Office Building
Chair: Rep. Dennis Ozment
Agenda: H F462 (Tingelstad) Metropolitan parks system operation and maintenance funding provided, and money appropriated.
HF255 (Dill) Snowmobile trail easements acquisition funding provided to connect the Willard Munger State Trail to the North Shore State Trail, and money appropriated.
HF498 (Dill) Cook County leased state lands lease rates modified.

Health and Human Services Finance
Room: 10 State Office Building
Chair: Rep. Fran Bradley
Agenda: Continuation of governor’s budget proposals presentation by the Minnesota Department of Human Services.

Jobs and Economic Development Finance
Room: Basement Hearing Room
Chair: Rep. Bob Gunther
Agenda: To be announced.

10:15 AM
Judiciary Policy and Finance
Room: Basement Hearing Room
Chair: Rep. Steve Smith
Agenda: Overview of governor's recommendations by the Minnesota Department of Corrections.

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

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

12:30 PM
Agriculture Policy
Room: 5 State Office Building
Chair: Rep. Howard Swenson

Governmental Operations and Veterans Affairs Policy
Room: Basement Hearing Room
Chair: Rep. Jim Rhodes
Agenda: HF361 (Kielkucki) Special election procedures for town officials provided. HF390 (Erickson) Elections conducted by mail; county auditor approval requirement eliminated.
HF391 (Olson) School district authorized to convert, by election, from election by district to election at large.
HF471 (Knoblach) School district election primaries required.
HF503 (Kielkucki) Ballot preparation provisions clarified.
HF504 (Kielkucki) Ballot questions limited to those meeting all deadlines.
HF539 (Dorman) Campaign and election contributions and solicitations prohibited during special legislative sessions.
HF553 (Kielkucki) Optional election of certain town offices provided.

Higher Education Finance
Room: 3005 State Office Building
Chair: Rep. Doug Stang
Agenda: University of Minnesota response to the governor’s budget recommendations for fiscal years 2004 and 2005. Testimony from University of Minnesota President Robert Bruininks.

Transportation Policy
Room: 200 State Office Building
Chair: Rep. Ron Erhardt
Agenda: Discussion of traffic congestion in the Twin Cities metropolitan area.

2:30 PM
State Government Finance
Room: 500N State Office Building
Chair: Rep. Bill Haas
Agenda: Presentation by the following:
Department of Military Affairs; Department of Veterans Affairs; and related veterans organizations.

Civil Law
Room: 5 State Office Building
Chair: Rep. Mary Liz Holberg
Agenda: HF327 (Hackbarth) Shooting range generally accepted practices defined; and relation to local ordinances, closing and relocations, and nuisance liability provided.

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

Regulated Industries
*** Note: *** Change in meeting room
Room: 10 State Office Building
Chair: Rep. Torrey Westrom
Agenda: To be announced.

THURSDAY, March 6
8:15 AM
Health and Human Services Finance
Room: 10 State Office Building
Chair: Rep. Fran Bradley
Agenda: Continuation of governor’s budget proposal presentation by the Minnesota Department of Human Services.

Environment and Natural Resources Finance
Room: 5 State Office Building
Chair: Rep. Dennis Ozment
Agenda: To be announced.

Education Policy
Room: 200 State Office Building
Chair: Rep. Barb Sykora
Agenda: HF472 (Olson) School district opt out procedures provided regarding certain state mandates.
Other bills will be added.

Jobs and Economic Development Finance
Room: Basement Hearing Room
Chair: Rep. Bob Gunther
Agenda: Budget overviews, Department of Trade and Economic Development, Department of Labor and Industry.

10:15 AM
Judiciary Policy and Finance
Room: Basement Hearing Room
Chair: Rep. Steve Smith
Agenda: To be determined.

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

Taxes
Room: 200 State Office Building
Chair: Rep. Ron Abrams
Agenda: Presentation of Study on Local Government Aid by State Auditor Awada.
Other business that may properly come before the committee.

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

12:30 PM
Commerce, Jobs and Economic Development
Room: 10 State Office Building
Chair: Rep. Greg Davids
Agenda: Bills to be announced.

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

Ways & Means
Room: 200 State Office Building
Chair: Rep. Jim Knoblach
Agenda: To be announced.
Republican wins seat

The third special election so far this year was won by Kurt Zellers (R-Maple Grove) in District 32B Feb. 25.

Zellers, the House Republican Caucus director of public affairs, won with 58.32 percent of the vote, compared to the 38.24 percent for DFLer Mick Ganley. Will Lines, the Independence Party candidate, earned 3.35 percent.

With the Zellers win, Republicans now hold an 81-53 margin in the House.

His room number and committee assignments had not been finalized when this edition of Session Weekly went to press. His office phone number will be (651) 296-5502.

The special election was needed because former Rep. Rich Stanek resigned in January to become commissioner for the Department of Public Safety.

Rep. Duke Powell (R-Burnsville) and Rep. Rebecca Otto (DFL-Marine on St. Croix) also won special elections earlier this year.

Minnesota State Agencies

(Area code 651)

Administration 296-6013
Agriculture 297-2200
Toll Free 1-800-967-2474
Children, Families and Learning 382-8200
Commerce 296-4026
Corrections 642-0200
Economic Security 296-3711
Toll Free 1-888-GET-JOBS
Employee Relations 297-1184
Job Information Hotline 296-2616
Finance 296-5900
Health 215-5800
Human Rights 296-5663
Toll Free 1-800-657-3704
Human Services 287-3933
Labor and Industry 284-5000
Toll Free 1-800-342-5354
Military Affairs 282-4662
Natural Resources 296-6157
Toll Free 1-888-MN-NDAH
Pollution Control Agency 296-6300
Toll Free 1-800-657-3864
Public Safety 282-6565
Driver and Vehicle Services 296-6911
Fire Marshal 215-0500
Alcohol and Gambling Enforcement Division 296-6979
State Patrol 282-6871
Revenue 296-3781
Toll Free 1-888-MN-NDAH
Taxpayer Assistance 296-3781
Trade and Economic Development 297-1291
Toll Free 1-800-657-3858
Office of Tourism 296-5029
Toll Free 1-800-657-3700
Transportation 296-3000
Toll Free 1-800-657-3744
Veterans Affairs 296-2562

As the Legislature battled over what should be taxed to secure state financial stability some 75 years ago, it was looking for a more equitable method for everyone to pay a fair share of the costs for running the state.

At that time, the state relied on a few specific taxes, including the ore and railroad taxes, but personal income taxes had not yet been widely approved. As a result wealthy individuals who had moved west, or those who directed mining interests from the east coast, controlled successful businesses and industry and did not pay specific taxes based on the success of those businesses to support the state’s coffers.

The state moved into the 20th century as a thriving economy, partially because of its isolation in the Upper Midwest with no competition from Chicago some 410 miles away. The insight and productivity of knowledgeable individuals and wealthy entrepreneurs who moved to the area helped to build the state as an important resource for the rest of the country.

The cities of St. Paul and Minneapolis became a railroad hub that connected the west with cities east of the Mississippi River. Duluth thrived as a port for exporting ore and grain across Lake Superior to the east, and immigrants from western Europe moved to mine the Iron Range, work in manufacturing in Minneapolis and St. Paul, and till the fertile land and raise animals to feed others in the east and south.

Minnesota’s lumber industry was also in its prime as thousands of trees were cut on a weekly basis to be used for papermaking and building construction.

However, the good times were not going to last forever.

During the 1920s, agricultural grain prices declined as the flourmill industry diversified to make breakfast cereals and other products. A major wealthy owner in the lumber industry moved his company to the Pacific Northwest, while the owners of the mines were returning few revenues to the state on the Iron Range.

In hopes of stopping the downward slide, legislators pushed for a wider range of taxation during the mid- to late-1920s, but with no success.

One factor they wanted to enhance by 1928 was the average wage for all industries. Including farm labor, the average was only $1,490 per year. That may have seemed like a lot to some because at the time Coca-Cola cost 5 cents per bottle, bread was 9 cents a loaf, chickens cost 38 cents per pound, 47 cents would buy a dozen eggs, and a top of the line Elgin bicycle cost $32.45.

Just when things were starting to turn around, the October 1929 crash of the stock market and eventual failures of more than 10,000 banks started “The Great Depression” in the state and across the country.

It took a few years, but the Legislature finally settled on new personal income tax laws to change the state’s revenue base.

Darker days behind them, the state and its people would once again become economically strong within a few years.

— Le Clair Grier Lambert

Photo courtesy of the Minnesota Historical Society

Reflections

A Minneapolis grocery store in 1920.

Where to find information

House Public Information Services
175 State Office Building
(651) 296-2146 or 1-800-657-3550
HousePublicInformationServices@on.partisan.onservice that provides committee meeting schedules, legislator information; and publications, including the Session Weekly news magazine, educational brochures for all ages, and member directories, and televised coverage of the legislature. All information is available at no charge.

Most of what this office publishes can be viewed on the Legislature’s World Wide Web page. To connect, point your Web browser at: http://www.leg.mn
Minnesota State Parks

Approximate number of acres in Minnesota State Park system ........................................ 244,000
Number of state parks .............................................................................................................. 66
State recreation areas .................................................................................................................. 6
Approximate acres of land within state parks that are under privately owned ........ 43,000
Funds in 2002 bonding bill dedicated for land acquisition ultimately ......................... $3
Funds needed for those currently willing to sell, in millions .............................................. $6
Of the top 25 travel attractions in the state, number that are state parks .............. 6
Number of visitors to Minnesota parks in 2000, in millions ........................................ 8.5
Approximate percentage from out of state ................................................................. 20
Annual operating budget for state parks, in millions ...................................................... $23.6
Percentage derived from user fees ................................................................................. 33
Average spent per day in local communities by day visitors to state parks .......... $22
Average spent by those that stay overnight ................................................................. $28.50
Parks where the camping and lodging season was shortened through ...................... 24
Memorial Day 2003 due to budget reductions ................................................................. 24
Number of seasonal naturalist and interpretive intern positions cut ......................... 24
Percentage reduction in resource management efforts ..................................................... 30
Cost of annual state park vehicle permit effective May 1, 2003 ............................. $20
Daily permit ......................................................................................................................... $4
Cost of a semi-modern campsite (with showers) ............................................................ $12
Site without showers ......................................................................................................... $8
Number of historic districts or landmarks in state parks .............................................. 62
Parks that contain Rustic Style resources, a design philosophy that emphasizes natural features rather than man-made ones, which are listed on the National Register of Historic Places .................................................... 22
State rank in terms of oldest park system in the country ................................................. 2
Year Itasca State Park became state’s first park ............................................................ 1891
Largest number of state parks added in a single year (1963) ....................................... 11
Acreage in the Big Bog Recreation Area, the largest bog in the 48 contiguous states .......................................................... 9,100
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Sources: Department of Natural Resources, Minnesota Historical Society, Parks & Trails Council of Minnesota, Minnesota Office of Tourism