

# SESSION WEEKLY

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BETTING ON YOUR LIFE  
ETHANOL, ENVIRONMENT AND ECONOMICS  
FOOD SHELVES HUNGRY FOR HELP  
AN ENERGIZED ELECTORATE

HF4189 - HF4203



## SESSION WEEKLY

Session Weekly is a nonpartisan publication of Minnesota House of Representatives Public Information Services. During the 2007-2008 Legislative Session, each issue reports House action between Thursdays of each week, lists bill introductions and provides other information. No fee.

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**On the cover:** Members of Citizens for a Safer Minnesota held a "lie-in" in front of the Capitol April 16. They were commemorating the Virginia Tech victims on the anniversary of the shootings, and to remember the 32 Americans murdered by gun violence on a "typical day." Seventy cities and towns across America held similar events to, in part, urge legislators to strengthen the Brady Act, requiring firearms dealers to request background checks on individuals attempting to purchase a firearm.

— Photo by: Tom Olmscheid



# A roll of the dice

Pair of bills seek to determine whose life (insurance policy) is it anyway?

By CRAIG GREEN

**C**arl Wolk started a business in Minneapolis 44 years ago, eventually expanding from one store to 16. In 2005, he was approached by other businessmen who offered to buy out a majority of Wolk's business with the understanding that he would receive a payout over five years.

Two years later, those same businessmen filed for bankruptcy. The deal and the promised payout were gone.

"So everything I had coming, it went down the tubes," he said. With few options, Wolk sold one of his few remaining assets: his life insurance policy.

Speaking April 1 before the House Commerce and Labor Committee, Wolk said that he was also having problems making payments on the life insurance policy because the premiums had gotten so high. With the sale of his policy, he was able to assure that he and his wife could live comfortably.

According to the Life Insurance Settlement Association, Wolk's situation is not unusual. A typical scenario could involve someone wanting to sell a life insurance policy valued at approximately \$2 million. If they were to surrender their policy to their life insurance provider, they may be able to recover \$50,000. But if they were to sell their policy to the "secondary market," they could possibly receive \$200,000.

Yet, with this growing market and the professed good intentions of some of the companies involved, there is a flip side. There are those who see the potential for a financial windfall, and are looking for ways to take advantage.

## The stranger among us

The 800-pound gorilla in the room is called STOLI, or stranger-originated life insurance. STOLI is life insurance issued on the life of someone as part of a transaction in which they

agree to transfer the policy to a "stranger." The new owner could be one person, or a group of investors.

Once the policy is transferred, the owner continues to pay the premium until the seller dies. When the insured dies, the investor gets paid. Those often targeted for this arrangement are seniors, ages 65 to 85, encouraged to sign up for new life insurance policies they will then sell for a buyout.

According to the nonpartisan House Research Department, investors are attracted to these arrangements — also known as "death bonds" — because their return on investment is not dependent on the stock market, or the insured's financial performance.

The goal is to make the investors money, not to provide financial security for the insured.

## Taking action

In California, two men were indicted in 2006 for conning dozens of members of a church to take out life insurance policies with promises of quick money for the church. The policies were sold to investors with the understanding that the return on the investment would be high because the church members "were predominantly African Americans and had a higher mortality rate than the average population," according to the indictment.

At least 20 states are considering legislation dealing with the life settlement industry and STOLI. This session, two bills have



First Reading continued on page 4

PHOTO BY ANDREW VONBANK; PHOTO ILLUSTRATION BY PAUL BATTAGLIA

been introduced in Minnesota.

HF3534, sponsored by Rep. Kate Knuth (DFL-New Brighton), calls for a five-year period between the time a life insurance policy is issued and the time any type of life settlement agreement could be reached. The bill is based on the Viatical Settlements Model Act of the National Association of Insurance Commissioners. It awaits action by the House Commerce and Labor Committee.

"A life insurance policy that is just made for someone else dying as an investment is bad," Knuth said. "The people who need a life insurance policy, and those who buy and sell them, no one wants it to get out of hand. The question is: How do we decide to regulate?"

A companion bill, SF3063, sponsored by Sen. Linda Scheid (DFL-Brooklyn Park), awaits action by the the Senate Commerce and Consumer Protection Committee.

Another bill takes a slightly different tact. HF3878, sponsored by Rep. Leon Lillie (DFL-North St. Paul), also focuses on restrictions to STOLI practices, but does not have the five-year waiting period. The bill adopts language supported by the National Conference of Insurance Legislators. It, too,

awaits action by the House Commerce and Labor Committee.

"It's hard to think of life insurance like a house, or as a product or property that someone might own, but it is." And with the bill that he has introduced, "you would be able to cash out if you want to."

Though he is still learning about many of the issues involved, Lillie agrees that the STOLI problems need to be addressed, even though the consumer issue is just as important. "If you own something, you should be able to sell it."

A companion bill, SF3495, sponsored by Sen. Dan Sparks (DFL-Austin), awaits action by the the Senate Commerce and Consumer Protection Committee.

### **For and against**

Representing the National Association of Insurance and Financial Advisors, Dominic Sposeto spoke in favor of any legislation that would help to guard against STOLI, saying that this practice was simply easy money for the secondary life insurance market.

Sposeto said STOLI is an attempt to get around the doctrine of life insurance, and it creates problems for the industry, agents and policyholders. If this trend continues, he said

insurance companies will be reluctant to write policies for seniors, and that will lead to increased costs for seniors who want insurance.

At the same time, Sposeto said, if there are legitimate businesses helping policyholders to sell their policies, they should have the right to do so. "We want to maintain true life settlements, but somewhere we have to draw the line."

Joe Sabes, CEO of GWG Life Settlements in Minneapolis, said that life settlements offer tremendous opportunities for seniors to sell their policies, and cautioned the committee about restrictive legislation that would hinder the practice. Sabes also said that it was his company that bought Wolk's policy, and had there been the five-year ban in place Wolk would not have been able to sell his policy.

Rep. Joe Atkins (DFL-Inver Grove Heights), chair of the House Commerce and Labor Committee, acknowledged that the issues are complicated and it will take time to resolve them all. But there is a desire for those parties involved to come to some type of compromise, he said.

"There is general agreement that something should happen," Knuth said. "There's not general agreement on exactly what." 🐼

## **OCCUPIED TIBET**



PHOTO BY TOM OLMSCHIED

**Tenzin Kunchok, 3, wears a pair of mock handcuffs, while her mother, Namgyal Norzon, holds a sign during an April 16 gathering in the Capitol Rotunda to pray for the victims of the latest repression of the Tibetan people, and to protest China's occupation of Tibet.**

**Editor's note:** The following Highlights are coverage of select bills heard in House committees and other House activities held April 10-17. Designations used in Highlight summaries: HF-House File; SF-Senate File; CH-Chapter; and \*-the bill version considered by the House or the bill language signed by the governor.

## BUDGET

### Conference committee at work

A number of fiscal questions are yet to be answered, but the issue of policy has apparently been resolved by the Omnibus Supplemental Budget Bill Conference Committee.

Rep. Lyndon Carlson (DFL-Crystal) and Sen. Richard Cohen (DFL-St. Paul), the committee co-chairs, requested April 14 that working groups be created within the separate divisions of the bill (HF1812/SF3813) to determine what policy in the respective provisions has a fiscal implication and what is just plain policy. The House file is loaded with policy provisions; the Senate not so much. Nonpartisan staff has been asked to help with the determination.

"The expectation is that policy bills will be created, so members don't lose what they've been working on," Cohen said.

Conferees hope to quickly get some sense from the chairs as to what works and can be incorporated into the final conference committee report.

Sen. Don Betzold (DFL-Fridley) and Rep. Tom Rukavina (DFL-Virginia) said it would be tough for discussions to occur without having a financial goal for the respective divisions. "Until a fiscal target is decided, how do we begin to discuss the end product?" Rukavina said.

An E-12 working group completed its work April 15, and a higher education group met April 16. An agriculture and veterans working group scheduled for April 18 was canceled.

Conferees also heard from various state commissioners on how potential budget changes would affect their agencies.

After meeting with Gov. Tim Pawlenty April 16, DFL leaders said a general understanding had been reached that the governor would not use \$250 million from the Health Care Access Fund as part of his budget-balancing plan. House and Senate proposals both use none of that money, saying it should be used to improve and expand health care.

However, Republicans countered that the governor only said that he understood the DFL position, but he did not agree to remove the cut from his proposal.

It was also announced that a coin flip resulted in Pawlenty being asked to present the first offer in the negotiations to erase a projected \$938 million biennial budget deficit.

M. Cook

## BUSINESS

### Fundraiser exemption for auctioneers

**Signed  
by  
the  
governor**

An auctioneer's job is to talk and sell — sometimes for private events, sometimes for charity.

Addressing the House Commerce and Labor Committee Feb. 28, Kurt Johnson, former president of the Minnesota State Auctioneers Association, said that the Office of the Attorney General recently became aware of an auctioneer who was asking for money at a nonprofit fundraiser.

In response, Johnson said, the office broadly interpreted current law to say that all auctioneers must be registered as professional fundraisers.

In an effort to clarify what an auctioneer can and cannot do at a charitable event, a new law states if an auctioneer is licensed and bonded, and he or she does not have access to the proceeds from the event, they do not have to register as a professional fundraiser.

Sponsored by Rep. Al Juhnke (DFL-Willmar) and Sen. LeRoy Stumpf (DFL-Plummer), the new law was signed by Gov. Tim Pawlenty on April 10. It is effective the next day.

HF3289\*/SF2979/CH181

— C. GREEN

### Fund management regulation

**Signed  
by  
the  
governor**

Changes will be made to regulations on the management and investment standards for entities holding funds for charitable purposes.

A new law signed by Gov. Tim Pawlenty April 10, adopts language recommended by the National Conference of Commissioners on Uniform State Laws and repeals the state's current version of the Uniform Prudent Management of Institutional Funds Act, which was enacted in 1973.

Specifically, the law focuses on supervision and investments in institutional funds, appropriation of endowment funds, compliance review and electronic signatures.

Sponsored by Rep. Melissa Hortman (DFL-Brooklyn Park) and Sen. Linda Scheid (DFL-Brooklyn Park), the law is effective Aug. 1, 2008.

HF1499\*/SF1406/CH188

— C. GREEN



PHOTO BY TOM OLMSCHEID

**House Speaker Margaret Anderson Kelliher addresses the press April 16 after budget talks in Gov. Tim Pawlenty's office. Also speaking with the press following the meeting are House Majority Leader Rep. Tony Sertich, Senate Majority Leader Larry Pogemiller and Assistant Senate Majority Leader Tarryl Clark.**



## CRIME

### Personal jurisdiction extended

**Signed  
by  
the  
governor**

Minnesota law currently prohibits state courts from exercising jurisdiction over foreign corporations or nonresidents when the cause of action is based on defamation or invasion of privacy. That restriction is about to be lifted.

Signed by Gov. Tim Pawlenty April 10, a new law permits jurisdiction in Minnesota for out-of-state acts that cause injury or property damage to Minnesota residents.

For example, if a Web site based outside the state violates the privacy of or defames someone in Minnesota, the person affected could sue.

Sponsored by Rep. Paul Thissen (DFL-Mpls) and Sen. Don Betzold (DFL-Fridley), the law takes effect Aug. 1, 2008.

HF117\*/SF181/CH185

— C. GREEN

### Police can coat car windows

**Signed  
by  
the  
governor**

Placing glazing material on the window of a motor vehicle is against the law in Minnesota, with a few exceptions, such as vehicles transporting a body to a funeral, and those vehicles where the driver has a prescription or physician's note. A new law adds police vehicles to the list.

Sponsored by Rep. Bud Nornes (R-Fergus Falls) and Sen. Dan Skogen (DFL-Hewitt), the law permits police departments to put glazing material over side and rear windows of police vehicles.

Nornes said the initial bill was in response to a K-9 police officer concerned about conditions for police dogs that ride in the back of police cars. An amendment was added to remove a "used to transport a police dog" exemption, and allow police departments to determine when vehicle window glazing is appropriate.

Signed into law by Gov. Tim Pawlenty April 10, the law is effective April 11.

HF2602\*/SF2381/CH186

— C. GREEN

## EDUCATION

### Legislators look toward next year

A bill that would drastically change the way schools are funded has a long way to go before it could emerge as a new proposal next year.

Rep. Mindy Greiling (DFL-Roseville), who sponsors HF4178, hopes a similar proposal

will be considered first thing when session convenes next year.

It was heard, but not acted upon, April 10 by the House K-12 Finance Division, which Greiling chairs. A companion bill, SF3828, sponsored by Sen. Terri Bonoff (DFL-Minnetonka), awaits action by the Senate E-12 Education Budget Division.

The bill would change the way school districts are funded, simplify the pupil count for schools, eliminate teacher performance pay and, in effect, fund all-day kindergarten. The bill would also eliminate property tax levies for general education revenue so that it would be provided through state aid and establish an agriculture credit for school bonds. She said districts now get so much of their money from property taxes that they have trouble passing referendums.

"It's a dynamic process and we want people's input," she said.

Greiling said the bill could be scalable, depending on the amount of funding that was available.

Rep. Randy Demmer (R-Hayfield) questioned how the bill would handle declining enrollment. "We don't want to be in a position of punishing schools for growing."

Rep. Sondra Erickson (R-Princeton) said some programs weren't represented in information supplied about funding. Because the information did not address certain areas, such as special education funding, the bill could lead to "a huge amount of misunderstanding" among the public.

Greiling said removing teacher performance

pay, also known as Q-Comp, could be controversial, but the reason was that some schools got it and some do not.

— T. HAMMELL

### Law simplifies conflict rules

**Signed  
by  
the  
governor**

School board members will be exempted from conflict of interest in cases where their spouse is a part of a labor bargaining unit.

Under the law, signed by Gov. Tim Pawlenty April 4, as long as the employee's spouse receives no additional monetary benefit from the rest of the group, school boards can contract with a class of district employees, even if a member of the board is a spouse of one of the members of that class. A board applying this exemption would need to have a majority of members vote to support the contract, have the school board member's spouse abstain from voting, and publicly establish the facts of the contract at the meeting where the contract is approved.

The law is effective April 5.

Sponsored by Sen. Don Betzold (DFL-Fridley) and Rep. Paul Gardner (DFL-Shoreview), the law comes from a situation in the Mounds View School District where a school board member's husband was the head of the school's custodial union and served on the bargaining team that negotiated the custodians' contract with the board. The board member said she would excuse herself from the vote, but was asked to step down.

HF2785 /SF2653\*/CH176

— T. HAMMELL

### READ-A-THON



PHOTO BY ANDREW VONBANK

**Rep. Larry Haws, donning a Cat in the Hat chapeau, reads to a group of preschoolers during the annual early childhood read-a-thon in the Capitol Rotunda April 16.**

## Work group finishes what it started

An E-12 working group charged with coming up with recommendations for the Omnibus Supplemental Budget Bill Conference Committee completed its work April 15.

The group, chaired by Rep. Mindy Greiling (DFL-Roseville) and Sen. LeRoy Stumpf (DFL-Plummer), pulled pure policy out of the deficit-reduction bill (HF1812/SF3813) with plans to include it in another bill.

In addition, the group recommended adding a rider to the budget-balancing bill to fund \$188,000 in value-added improvements to the state's school system. This language was originally carried in both the omnibus House K-12 bill (HF2475), sponsored by Greiling, and the omnibus E-12 education policy bill (HF3316), sponsored by Rep. Carlos Mariani (DFL-St. Paul).

Mariani was concerned that if too much policy was taken out of bills, then policy would effectively be decided by state departments.

"I think it's very much up to the legislative branch to do that," Mariani said.

Some legislators brought concerns about how this session is going.

"I have a concern as a legislator and a citizen," Rep. Kathy Brynaert (DFL-Mankato) said on taking the policy out of the bill. She called it a Catch-22, where segments were previously removed because they had a fiscal impact, now parts were taken out because they not have a fiscal impact.

In other sections, the group recommended that a virtual education program be dropped from the Senate deficit-reduction proposal, and an amendment that would end participation in No Child Left Behind be dropped from the House offer.

The group also recommended eliminating the General Fund offset for the Permanent School Fund. Instead of getting money directly from school fund lands, the money would come out of the General Fund. Supporters said if the offset is eliminated, districts would get the same appropriation, plus money from the Permanent School Fund, starting in 2011.

— T. HAMMELL

Energy Development projects — primarily wind turbines — and also own and operate C-BED projects of their own. The House Taxes Committee approved the bill April 14.

"What this bill does is allow counties to collaborate on C-BED projects to promote wind energy development in Minnesota," said Koenen, who explained that the bill's language is the product of several years of talks between power companies and rural and metro-area counties. He said the utilities support the bill, and noted that cities already have the authority to invest in C-BED projects.

Peter McLaughlin, a Hennepin County commissioner, said the bill would help counties stabilize energy prices by entering into long-term contracts with C-BED developers that can guarantee electricity prices.

"Every prediction on the price of electricity has the graph heading north, and we're trying to find a way to stabilize that," McLaughlin said.

Some committee members are concerned that the bill would put counties in direct competition with the private market. Rep. Dean Simpson (R-Perham) said that county governments would have an unfair advantage over private investors insofar as they could levy taxes to pay for the projects.

"If I'm not mistaken, C-BEDs were basically designed for local investors, and now we're going to put local government into the C-BED business," Simpson said.

Koenen rejected the idea, and suggested that the bill might actually help more privately funded projects come to fruition.

"If there's a project that's 90 percent of the way there or 95 percent of the way there, but doesn't have quite enough investment to get over the edge, the counties could fill in to complete the project," he said.

In response to objections raised by several committee members, Koenen amended his bill by striking provisions that would have granted counties the authority to issue tax-exempt bonds and levy a 0.015 percent property tax increase to pay for C-BED projects.

A companion bill, SF3160, sponsored by Sen. Gary Kubly (DFL-Granite Falls), awaits action by the full Senate.

— N. BUSSE

Control Agency to submit regular reports to the Legislature on progress made in meeting the state's greenhouse gas reduction goals. As amended by Hilty, it will also serve as the vehicle for several other energy policy initiatives, including:

- requiring that one-eighth of 1 percent of the state's 25-percent-by-2025 renewable energy standard be generated by solar-electric power (from HF3843, sponsored by Rep. Kathy Brynaert (DFL-Mankato));
- requiring producers and purchasers of gasses with a high "global warming potential" to report data on their sales and use in the state to the PCA (from HF3545, sponsored by Rep. Joe Atkins (DFL-Inver Grove Heights));
- forbidding the sale or purchase of mobile air conditioner refrigerant in containers of less than 15 pounds (also from HF3545);
- authorizing the Commerce Department to coordinate and arrange bulk purchases of wind turbines and related equipment for individuals, community-based energy developers and public entities (from HF3343, sponsored by Rep. Al Juhnke (DFL-Willmar));
- exempting wind and solar projects from having to obtain a certificate of need if the Public Utilities Commission deems them a "reasonable and prudent approach" to implementing the renewable energy standard (from HF3977, sponsored by Brynaert); and
- creating a pilot project for achieving energy efficiency through the strategic planting of trees and shrubs around buildings (from HF2946, sponsored by Rep. Rick Hansen (DFL-South St. Paul)).

Hilty said most of the original bills had been "thoroughly vetted" in multiple committee hearings and are currently awaiting action on the House floor. Still, committee members voiced concerns.

Rep. Joyce Peppin (R-Rogers) argued the one-eighth-of-1-percent solar power carve-out could lead to future carve-outs for other industries. Brynaert replied that it was not her intention to do so.

## ENERGY

### C-BED for counties

A bill that would allow counties to purchase wind energy at fixed prices and invest in their own wind power projects is on its way to the House floor.

HF3585, sponsored by Rep. Lyle Koenen (DFL-Clara City), would allow counties to enter into long-term power purchase agreements for electricity generated by Community-Based

### Energy policy bill takes shape

Proposals designed to boost solar and wind power and tighten greenhouse gas regulations are among provisions of the omnibus energy policy bill approved April 15 by the House Finance Committee.

HF3661/SF3337\*, sponsored by Rep. Bill Hilty (DFL-Finlayson) and Sen. Yvonne Prettner Solon (DFL-Duluth), originally contained language that would require the Commerce Department and Pollution

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House Minority Leader Marty Seifert (R-Marshall) asked whether the tree-planting pilot project would merely provide an opportunity for private residents to get their landscaping paid for by the state. Mike Bull, deputy director of the Office of Energy Security, replied that the program would be more carefully administered than that; however, he also confessed, "We are not excited about this provision."

The House Ways and Means Committee approved the bill April 17 and it now awaits action on the House floor. The Senate passed its version of the bill 52-14 on April 3. Hilty said that both House and Senate leadership support the expanded version of the bill.

— N. BUSSE

## GOVERNMENT

### Old rules down the drain

Rules for contracting bids and drainage authorities could be amended.

Sponsored by Rep. Paul Marquart (DFL-Dilworth) and Sen. Rick Olseen (DFL-Harris), HF3646/SF3622\* was passed 64-3 by the Senate April 3 and 115-17 by the House April 14. It awaits action by the governor.

The bill would increase the threshold amounts for the various methods of entering into contracts under the Uniform Municipal Contracting Law and would make related changes to the statute governing drainage authorities.

Marquart said the bill seeks to reach a balance between making sure that taxpayer dollars are protected by an above-the-board system of bidding, and making sure taxpayers do not face increasing expenses due the cost faced by cities and townships in meeting current bidding requirements.

The threshold amount for sealed bids in the UMCL would increase from \$50,000 to \$100,000, and the maximum amount for using quotations or open market solicitations would increase from \$10,000 to \$25,000.

Relating to drainage authorities, the bill would remove the specific dollar amount under which advertising for bids would not be required for drainage authorities; remove the dollar amount over which the drainage authority may not levy an assessment for repairs or maintenance; and strike the specific dollar amount threshold for bids for repair and reconstruction for drainage systems after a disaster. Each provision is tied to the updated UMCL regulations.

— B. HOGENSON

### APOs for DNR

A bill sponsored by Rep. Rick Hansen (DFL-South St. Paul) is igniting an old debate about whether administrative penalty orders — corrective actions used by executive branch agencies — unfairly supersede the court system.

Hansen sponsors HF3625, which would grant authority to the Department of Natural Resources to use APOs to enforce laws relating to state waters. The House Finance Committee approved the bill April 15 and referred it to the House Ways and Means Committee.

"Administrative penalty orders are another method to achieve compliance, rather than just the criminal process or the civil process," Hansen said, noting that the Board of Water and Soil Resources and Pollution Control Agency both have the ability to issue APOs.

Rep. Loren Solberg (DFL-Grand Rapids) said he hates APOs "with a passion" because they deprive people of the rights afforded to them in normal court proceedings.

"If we're going to have administrative fines, then let's do away with the court system and let the executive branch be the court," he said.

Solberg also questioned whether those who receive APOs would be given adequate opportunity to appeal the orders. In response, DNR Division of Waters Assistant Director Jim Japs said that individuals could request an expedited administrative hearing within 30 days of receiving an order, and could also file with the Court of Appeals as in regular criminal cases.

"We're really hoping that this serves more as a carrot than as a stick," Japs said, adding that the orders would likely only be used in cases of "egregious and repeat" offenders.

Rep. Jean Wagenius (DFL-Mpls) said she supports using APOs because it allows the state to enforce laws without having to initiate criminal proceedings.

"I am equally passionate as Rep. Solberg, but for administrative penalty orders, just because we can use them and not make people criminals," she said.

Another section of Hansen's bill would allow the DNR to use proceeds from the sale of administrative sites to remodel or upgrade other department facilities. Currently those proceeds go into the department's land acquisition account.

A companion bill, SF3056, sponsored by Sen. Dennis Frederickson (R-New Ulm), awaits action by the Senate Finance Committee.

— N. BUSSE

### Finishing the DOER dissolution

Loose ends resulting from last year's elimination of the Department of Employee Relations could be tied up.

Sponsored by Rep. Gene Pelowski Jr. (DFL-Winona) and Sen. Ann Rest (DFL-New Hope), HF3309/SF3202\* awaits gubernatorial action. It was passed 65-0 by the Senate April 3 and 127-2 by the House 127-2 April 14.

Pelowski said the bill clarifies the dissolution of DOER; transfers all of the titles to the Department of Finance; and clarifies duties of one deputy commissioner.

"We dissolved the department last year, and this just finishes the job," Pelowski said. "We have worked with the governor. This bill will be signed."

Rep. Paul Kohls (R-Victoria) praised the legislation. "Anything we can do to consolidate services and reduce the cost of government, I'm fully supportive of."

In 2007, the Legislature passed a law abolishing DOER and transferring its duties to other state agencies. The law required the transfer to be completed by June 1, 2008.

— B. HOGENSON

### Simplified land exchanges

A bill that would make it quicker and cheaper for the state and local governments to consolidate ownership of public lands is on its way to the House floor.

HF3280, sponsored by Rep. David Dill (DFL-Crane Lake), contains several measures designed to make it easier for the state to exchange lands with counties, cities, tribal and other local government units. He explained that the bill would allow governments to forgo "full-blown" land appraisals in favor of an abbreviated process. The House Ways and Means Committee approved the bill April 14 and sent it to the General Register.

"If you look at Minnesota, where there is a large amount of public land ... it looks like your grandmother's quilt," Dill said.

Dill said the proposal, which was brought forward by the Department of Natural Resources, would allow for better land management practices — especially in regard to state forests — and save the state \$66,000 annually. He described the bill as noncontroversial.

Committee Chairman Rep. Loren Solberg (DFL-Grand Rapids) noted that the \$66,000 in projected savings is "already spent" by HF1812, the House's omnibus supplemental budget bill.

A companion, SF2651, sponsored by Sen. Tom Saxhaug (DFL-Grand Rapids), awaits action by the Senate Finance Committee.

— N. BUSSE

### Political subdivision defined

Political subdivisions could be more clearly defined to allow for more consistency in the state auditor's oversight role.



The House passed HF1309/SF1436\* 132-0 on April 14. The bill awaits action by the governor. Senate approval was given on a 64-0 vote March 23.

Rep. Debra Hilstrom (DFL-Brooklyn Center), who sponsors the bill with Sen. Claire Robling (R-Jordan), described it as a housekeeping bill brought to her by the state auditor to remove archaic language in state law.

"The purpose is to define a political subdivision consistently for the use in chapter six, which refers to local government, and to make the state auditor's oversight role more consistent regarding all local units of government, including special districts," Hilstrom said.

The bill defines political subdivision to mean "a county, home rule charter or statutory city, town, school district, metropolitan or regional agency, public corporation, political subdivision or special district." It removes from the definition agencies audited by the legislative auditor such as the Metropolitan Airports Commission, Metropolitan Sports Facilities Commission and Metropolitan Mosquito Control Commission.

— B. HOGENSON

### Legislative reforms discussed

The House Governmental Operations, Reform, Technology and Elections Committee is exploring reforms to increase legislative efficiency.

Noting the deterioration of the legislative process he has witnessed over his more than two decades in the House, committee chairman Rep. Gene Pelowski Jr. (DFL-Winona) said the committee members have an opportunity to look at how things have been done under both Democrats and Republicans and make it better.

During meetings held April 15-16, Brenda Erickson, a program principal in the Legislative Management Program of the National Conference of State Legislatures, presented reforms the Legislature could adopt to help maintain the Legislature's part-time status and avoid the "end of session logjam."

According to Erickson, one thing that could make the legislative process more efficient, particularly since the Legislature has a limited number of legislative days it can use, would be formal organizational sessions before the start of the regular session.

Members would be sworn in, caucus leaders elected, rules and session deadlines adopted and the committee structure established.

Erickson also suggested there is a strong committee process, where issues can be worked out before a bill arrives on the floor.

She said a balance is being sought on any

procedural changes with the goal to find the perfect balance of majority rule and minority rights. "Minorities tend to use parliamentary procedures to make their points because they don't have the votes."

Other reform options the committee explored were:

- the use of "veto sessions," which are special sessions specifically convened to consider bills vetoed by the governor;
- deadlines for bill introductions, committee action, first and second house action, and conference committee work;
- members setting a priority of one, two or three for their introduced bills; and
- better use of the interim for planning purposes.

— B. HOGENSON

## HEALTH & HUMAN SERVICES

### Child services consolidation

The human services commissioner would be required to consult with the Legislature before closing or relocating an enterprise activity within state-operated services, under a bill passed 105-25 by the House April 16.

Sponsored by Rep. John Ward (DFL-Brainerd) and Sen. Paul Koering (R-Fort Ripley), HF2588/SF2368\* was amended to include the House language before its passage. It now returns to the Senate.

The bill is in response to the Department of Human Services proposed consolidation of the Brainerd and Willmar child service facilities, Ward said.

Staff from the Child and Adolescent Behavioral Health Services Program in Brainerd previously told a House committee its facility is consistently at bed capacity with needy and severely mentally ill children. But department statistics show Brainerd's inpatient services steadily declining since 2004. Therefore the department recommends consolidating services to save the state \$1.2 million annually. Staff said the consolidation would significantly impact the involvement of families in their children's treatment because of the long distance they would need to travel to another center.

Ward said he has been unsuccessful in his attempts to discuss a consolidation proposal.

Rep. Tom Emmer (R-Delano) said forcing the department to wait until the Legislature meets in session to be able to close a facility is more deficit spending "causing further stress on an already stressed budget."

"Over and over and over and over and over and over again state-operated services has dumped on our regional treatment centers

out in rural Minnesota," said Rep. Al Juhnke (DFL-Willmar). "This bill is necessary so that they will have Legislative involvement."

Current law prohibits the commissioner from closing a center, nursing home or certain programs at a facility without legislative approval.

Wes Kooistra, the department's assistant commissioner for chemical and mental health services, said the Brainerd facility is set up to operate under receipts for their services. The facility has been losing money since 2006, and by keeping it open the state is "covering, in many cases, empty beds," he said.

— P. OSTBERG

### Uninsured colorectal screenings

A colorectal screening program for the uninsured and underinsured would be created, under a bill receiving an informational hearing by the House Health and Human Services Committee April 15.

Sponsored by Rep. Maria Ruud (DFL-Minnetonka), HF2890 would provide colorectal cancer screening follow-up services



PHOTO BY ANDREW VONBANK

**Colon cancer survivor Cindy Hillger testifies before the House Health and Human Services Committee April 15 in support of a bill that would provide colorectal cancer screening for the uninsured.**

for abnormal tests and diagnostic services for eligible individuals. An applicant would have to:

- be at least 50 years of age, or under age 50 and at high risk for colon cancer;
- be uninsured, have insurance that does not cover routine colorectal cancer screenings, or be unable to pay the deductible or co-payment; and
- have a gross family income at or below 250 percent of the federal poverty level.

If an enrollee screened under the program is diagnosed with cancer, the treatment would be covered by medical assistance if they are uninsured or have insurance that doesn't cover treatment.

"I have a strong family history of colon cancer," Ruud said, noting her mother, brother and grandmother all had colon cancer.

The bill is modeled after the Minnesota cancer screening program that provides breast and cervical cancer screenings for qualified women, she said.

Dr. David Perdue, a gastroenterologist at the University of Minnesota, said colon cancer is the third-most common type of cancer and the second leading cause of cancer-related death. In Minnesota there are 2,600 new cases each year, resulting in the deaths of about 950 people, he said.

There was no opposition to the bill.

A companion bill, SF2698, sponsored by Sen. Kathy Sheran (DFL-Mankato), awaits action by the Senate Finance Committee.

— P. OSTBERG

### Studying Iron Range miners' health

House approval was given to a bill that would help fund a mesothelioma study.

Rep. Tom Rukavina (DFL-Virginia) sponsors HF3569 that would make a one-time \$4.9 million appropriation from the Workers' Compensation Special Compensation Fund for the University of Minnesota to lead a study of workers' health, including lung health. It would include comparing the effects of different exposure levels, and a comparison of current and former miners on their health status versus how long they worked in the mines. Other family members may also be tested because they were exposed to dust from taconite operations. Rukavina hopes that 70,000 people would be studied.

Following the 88-45 vote April 10, the bill was sent to the Senate where Sen. David Tomassoni (DFL-Chisholm) is the sponsor. It awaits action by the full Senate.

A rare, fatal form of cancer, mesothelioma comes primarily from asbestos fiber, which is naturally occurring in some Iron Range areas. The Department of Health found that 58 Iron Range miners have died from mesothelioma,

a disease that can take decades to develop following exposure.

The university will work on the study with the Health Department, Natural Resources Research Institute at the university's Duluth campus and other private and public organizations and affected groups. Work must be completed by 2013.

While agreeing a study is needed, some members believe funding should come from another source.

Rep. Denny McNamara (R-Hastings) unsuccessfully offered an amendment to have the money come from the Taconite Area Environmental Protection Fund, which is paid for by taconite production taxes collected from mining companies. Rep. Randy Demmer (R-Hayfield) said the fund is set up, in part, for "monitoring of mineral industry related health problems among mining employees."

The workers comp fund, they argued, is paid for by all Minnesota businesses. Further, McNamara said it would cost \$20 for every employee covered by the state's worker's compensation program. Plus, the governor opposes using this fund.

Supporters said the Workers Compensation Special Fund is the proper funding source.

What they learn on the range can help others across the state, said Rep. Tim Mahoney (DFL-St. Paul). "This is an appropriate place to fund this money because working people need answers."

House Majority Leader Tony Sertich (DFL-Chisholm) said if the mines were contributing to the health issues, he would go after the companies to make them pay.

— M. COOK

### Optometry practice changes

Optometry definitions first written in 1915 would be changed, under a bill passed 129-3 by the House April 14.

Sponsored by Rep. Cy Thao (DFL-St. Paul), HF2837 changes practice and licensing requirements for optometrists. For example, it further defines optometry as any person who shall in anyway "prescribe or administer legend drugs to aid in the diagnosis, cure, mitigation, prevention, treatment, or management of disease, deformity, or abnormality of the human eye and adnexa included in the curricula of accredited schools or colleges of optometry."

The bill would prohibit optometrists from:

- administering legend drugs intravenously, intramuscularly or by injection except for the treatment of anaphylaxis;
- performing invasive surgery, including the use of lasers;
- administering or prescribing schedule II

and III oral legend drugs and oral steroids;

- administering or prescribing oral antivirals for more than 10 days; or
- administering or prescribing oral carbonic anhydrase inhibitors to be prescribed or administered more than seven days.

The term "reciprocity" would be changed to "endorsement" to clarify the process for applicants from other states to work in Minnesota. An application fee of \$87 would be required for those seeking a state license.

Applicants who apply for state endorsement would be required to provide evidence of:

- having obtained a clinical doctorate degree from a board approved school or college of optometry;
- successful completion of both written and practical examinations for licensure in the applicant's original state of licensure that thoroughly tested the fitness of the applicant to practice;
- successful completion of an examination of Minnesota state optometry laws;
- compliance with the requirements for board certification;
- compliance with all continuing education required for license renewal in every state in which the applicant currently holds an active license to practice; and
- being in good standing with every state board from which a license has been issued.

The bill now goes to the Senate, where Sen. Tony Lourey (DFL-Kerrick) is the sponsor.

— P. OSTBERG

### Physical therapy changes

Licensed health care professionals and physical therapists would see definition and licensure changes, under a bill waiting for the governor's signature.

Sponsored by Rep. Paul Thissen (DFL-Mpls) and Sen. Yvonne Prettner Solon (DFL-Duluth), HF1189/SF1018\* would define a licensed health care professional or licensed health care provider as "a person licensed in good standing in Minnesota to practice medicine, osteopathy, chiropractic, podiatry, dentistry, or advanced practice nursing."

It was approved 66-0 by the Senate April 3 and 132-0 by the House 11 days later.

The changes are a result of meetings with interested parties last interim.

Rep. Steve Gottwalt (R-St. Cloud) said the bill "expands in a common sense way" for physical therapy treatment to continue without having to go back to a primary care doctor and pay an additional co-pay.

Physical therapists would be licensed to treat a patient for an initial period of 90 days, an extension from the 30 days in current law.

Physical therapists could also continue to treat patients with a referral from certain advanced practice nurses made in collaboration with a physician, chiropractor, podiatrist or dentist. The 90-day limitation would not apply to prevention, wellness, education or exercise.

Physical therapists licensed less than one year would be prohibited from treating a patient without a referral. They would also be required to practice one year with a physical therapist who has more than one year of experience, or under a physician's orders or referrals as verified by the board's records.

The Board of Physical Therapy would be required to report to the Legislature by Jan. 15, 2010, any disciplinary actions taken against physical therapists whose conduct resulted in physical harm to a patient, but only if that conduct was a result of the changes made in this bill.

— P. OSTBERG

### Pregnant women support

More women would be able to choose to keep a baby, rather than have an abortion, under a bill she sponsors, said Rep. Mary Ellen Otremba (DFL-Long Prairie). HF2640 received an informational hearing by the House Health and Human Services Committee April 15.

Also known as the Minnesota Pregnant Women and Parent Support Act, the bill would:

- remove health plan policy waiting periods due to pregnancy;
- eliminate health carriers using pregnancy as a preexisting condition;
- establish a grant program in postsecond-

ary institutions to provide counseling to students who are pregnant or have young children and would provide on campus child care services;

- require health care professionals providing prenatal care to women to provide information about the accuracy of alpha-fetoprotein testing;
- provide a \$1,000 tax credit for adoption expenses; and
- appropriate money for the Women, Infants and Children program and grants for battered women's shelters, child care and parent support programs.

"The bill looks to eliminate the stumbling blocks a woman with an unplanned pregnancy finds, should she choose to carry the child to term," said Pat Mullins, executive director for Democrats for Life of Minnesota. Many times it comes down to an economical situation, and he said the bill would remove some of those barriers.

While supportive of the goals, Rep. Steve Gottwalt (R-St. Cloud) agreed that more services should be offered, but that communities need to take care of these situations and not rely entirely on state funding.

A companion bill, SF3734, sponsored by Sen. Gary Kubly (DFL-Granite Falls), awaits action by the Senate Health, Housing and Family Security Committee.

— P. OSTBERG

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PHOTO BY ANDREW VONBANK

Alexandra Fitzsimmons, left, policy director of Minnesota Catholic Conference, and Pat Mullins, executive director of Democrats for Life of Minnesota, testify April 15 before the House Health and Human Services Committee in support of a bill to assist pregnant women.

## INSURANCE

### Aviation liability coverage redefined

Signed  
by  
the  
governor

On Aug. 28, 2003, Toby Pearson learned that his wife, Kathryn, was killed in a plane crash in northern Minnesota. Miraculously, their two daughters, Grace and Lily, survived the crash. Both suffered extensive injuries and required extended hospital stays.

Shortly after Pearson took his daughters home, the medical bills began to appear. It was then that he learned that the aviation insurance company for the pilot was denying coverage, claiming that the pilot was not factual on his application.

It took another three years of litigation before a settlement was reached.

This chain of events led to the creation of a new law, signed April 10 by Gov. Tim Pawlenty addressing aviation liability insurance. It takes effect Jan. 1, 2009.

Rep. Michael Paymar (DFL-St. Paul), who sponsors the law with Sen. Yvonne Prettner Solon (DFL-Duluth), said that "it narrows, but does not eliminate, the likelihood of another third party victim having to suffer through the chaos and struggles that the Pearsons had to experience."

The new legislation states that for an aviation insurance company to deny a claim, the pilot's actions, or failure to act, must have a direct effect on the loss.

At the end of last year's session, a working group was established to review the aviation insurance industry and third-party issues. The law is a result of the group's deliberations.

HF2898\*/SF2491/CH182

— C. GREEN

## LOCAL GOVERNMENT

### County treasurer duty assignment

Signed  
by  
the  
governor

A new law modifies the responsibilities of the treasurer in Big Stone County.

The law, sponsored by Rep. Aaron Peterson (DFL-Appleton) and Sen. Gary Kubly (DFL-Granite Falls), permits the county board, by resolution, to assign to the county treasurer all duties related to delinquent real property taxes, including forfeiture of real property for nonpayment of taxes. The law requires concurrence of the county treasurer and auditor.

The law, signed April 10 by Gov. Tim Pawlenty, makes permanent a waiver granted



to Big Stone County in 2006 by the state auditor. Peterson said that assigning the county treasurer those duties was deemed to be the most efficient way to return tax forfeited properties to the county's tax base in a timely manner.

The law is effective upon local approval.  
HF3157\*/SF2903/CH180

— B. HOGENSON

### Conflict of interest clarifications

A bill to help attract and retain volunteers to serve on municipal economic development authorities is on its way to the governor.

Sponsored by Rep. Loren Solberg (DFL-Grand Rapids) and Sen. Tom Saxhaug (DFL-Grand Rapids), HF3295/SF2806\* would further define actions to be considered a conflict of interest, and it establishes procedures to address such conflicts for authority members. The bill would make the rules similar to those for members of a housing and redevelopment authority. It was approved 66-0 by the Senate April 3 and 131-0 by the House April 14.

"If you're a member of an HRA or a city council member, you declare the potential conflict of interest, you abstain from discussion and you abstain from voting. The issue is debated and you resume participation," Ed Zabinski, president of the Grand Rapids EDA, told a House division last month.

A case in Grand Rapids spurred the bill, although Solberg said it could also be an issue in other communities.

"We discovered, last fall, that what we thought was standard operating procedure, frankly had the potential for resulting in a gross misdemeanor for several of our participants," Zabinski said. "We were assembling a loan fund so we could expedite some economic development in downtown. In the due diligence process, our attorneys discovered that the way we had been operating conflicts of interest and managing conflicts of interest was in violation of state statute."

Instead of being able to abstain from an action, a member who owns a store that sells and installs commercial windows resigned once he learned a conflict of interest may exist. Zabinski said current rules make it hard to fill EDA seats, even if many people in the local business community have the right skill-set and would like to participate.

"In this case, the guy could potentially sell a window to the business that has a loan through the EDA, and that became a potential conflict of interest, and he probably never even knew it," Solberg said.

— M. COOK

### Incorrect legal description rectified

Legal confusion over a boundary description is a signature away from being resolved.

Sponsored by Rep. Mike Jaros (DFL-Duluth) and Sen. Yvonne Prettner Solon (DFL-Duluth), HF3454/SF3084\* was passed 61-0 by the Senate March 17 and 132-0 by the House April 14.

It awaits action by the governor.

The bill would amend the legal description of the boundaries of the tracts of land administered by the Spirit Mountain Recreational Area Authority in Duluth that are incorrectly listed in the special legislation that created the authority.

Jaros said the bill simply corrects an error in the legal description of the authority and carries no tax implications.

— B. HOGENSON

### Appointive offices in Houston County

The Houston County offices of auditor and treasurer could be appointive in the near future.

Sponsored by Rep. Ken Tschumper (DFL-La Crescent), HF3577 was passed by the House 92-37 on April 16. The bill now goes to the Senate, where Sen. Sharon Erickson Ropes (DFL-Winona) is the sponsor.

The bill would allow Houston County to make the offices of auditor and treasurer appointed, pending an 80 percent vote of the county board and the decision would be subject to reverse referendum. The current officeholder would be permitted to serve the remainder of the current term.

"We need to stop this trend of subverting the local voters by appointing the county officers," said Rep. Torrey Westrom (R-Elbow Lake).

Under general law, a county may make the offices of auditor and treasurer appointive if approved by a referendum.

— B. HOGENSON

### Metropolitan Council term changes

Legislation to re-institute staggered terms for members of the Metropolitan Council was passed by the House 82-48 on April 16.

Sponsored by Rep. Sandra Peterson (DFL-New Hope) and Sen. Kathy Saltzman (DFL-Woodbury), HF2662/SF2605\*, was amended to insert the House language, now goes back to the Senate, where it was originally passed 56-7 on April 10. If the Senate does not agree, a conference committee could work out the differences.

According to its Web site, "The Metropolitan Council is the regional agency of government serving the Twin Cities seven-county metropolitan area. The Council establishes regional growth policies, and it plans for transportation, aviation, water resources and

regional parks and open space. It also provides essential regional services, including bus and rail transit, paratransit services for people with disabilities, and wastewater collection and treatment."

Sixteen of the 17 members represent a geographic district, and the chair serves at-large. Members are appointed by the governor and serve terms that end with the term of the governor.

Peterson said the council had staggered terms prior to 1994 and the bill would simply reinstate them. "It seems to me this is a bill whose time has come."

Rep. Mark Buesgens (R-Jordan) said the proposal was dangerous and could create a situation where 50 percent of the members would be beholden to nobody. "This is a horrible idea and should be rejected."

A supporter of the bill, Rep. Frank Hornstein (DFL-Mpls), said the bill was a step in the right direction, but he would prefer members of the council be elected in order to provide more accountability.

"This is not the end of the line as far as reform efforts," Hornstein said. "A lot more has to be done."

— B. HOGENSON

### Commission expansion OK'd

More could be merrier for the Nashwauc Public Utilities Commission.

Sponsored by Rep. Tom Anzelc (DFL-Balsam Township) and Sen. Tom Saxhaug (DFL-Grand Rapids), a new law increases the membership of the commission and modifies the term structure.

Under the law, signed April 10 by the governor, the commission will grow from three to five members, with the members serving three-year staggered terms. No more than one member of the city council will be able to serve on the commission.

Anzelc said that with Nashwauc becoming the home to a \$1.6 billion Minnesota Steel Industries project, city council leaders think it is in the public interest to have more participation by the community on the commission.

Public utilities commissions are responsible for the management of publicly owned water and electrical utilities. Under state law, a commission has three members that are appointed by the city council.

Grand Rapids was given similar expansion authority in 1999, while Delano and Shakopee were granted the same in 2002.

The increase in membership will be effective upon local approval.

HF2788\*/SF3192/CH183

— B. HOGENSON

## Auditor-treasurer could be appointed

The office of auditor-treasurer in Rock County is a signature away from being an appointed position.

Sponsored by Rep. Doug Magnus (R-Slayton) and Sen. Jim Vickerman (DFL-Tracy), HF3831/SF3474\* was passed by the House 106-22 on April 16, and is en route to the governor. The bill was passed by the Senate 52-12 on April 3.

"I have not heard of any concerns from the county," Magnus said. "I would not do this if there were objections from the county."

The bill would allow Rock County to make the office an appointed position pending an 80 percent vote of the county board, and the decision would be subject to reverse referendum. The current officeholder would be allowed to serve the remainder of the current term.

Under current law, a county may make the office of auditor-treasurer appointive if approved by a referendum.

— B. HOGENSON

## MILITARY

### A memorial for all veterans

Signed  
by  
the  
governor

There could be a new plaque honoring state veterans in the Court of Honor located on the Capitol grounds.

Gov. Tim Pawlenty signed a new law April 10 allowing for the memorial plaque to be furnished by AMVETS Mexican-American Post 5 in St. Paul. The law is effective April 11, 2008.

Sponsored by Rep. A. Willie Dominguez (DFL-Mpls) and Sen. Patricia Torres Ray (DFL-Mpls), the plaque's purpose is to "recognize the valiant service of all Minnesota veterans who have honorably and bravely served in the United States armed forces during both peacetime and war, since the founding of this great nation."

The design would need approval from the Department of Veterans Affairs commissioner and the Capitol Area Architectural and Planning Board.

HF3240\*/SF3006/CH184

— L. SCHUTZ

## TAXES

### Expanding R&D credits

If all goes well, Nanocopoeia, Inc. will grow to be a big player in the state among the biotech and medical device industry. It's a small start-up nanotechnology company in Minnesota that isn't making much money yet,

CEO Bob Hoerr said.

The company recently created six jobs that pay an annual salary of more than \$70,000 each. However, the company is being recruited to relocate to Ohio, a state with tax incentives, Hoerr said.

Rep. Tim Mahoney (DFL-St. Paul) sponsors HF3315, which would expand the state's research and development tax credits to entice companies like Nanocopoeia to stay or start up in Minnesota.

"We're looking at companies that are pre-revenue, that so-called 'valley of death,' where companies typically fail unless they get access to capital," Hoerr said.

Currently corporations can claim an R&D credit for 5 percent of the first \$2 million of research expenses and 2.5 percent after that. The proposal would allow a 20 percent credit, and the program would be capped at \$3 million per year. The credit would also be refundable, so companies could essentially pay no taxes and get a refund. Presently, the credit is nonrefundable, so it can only cover the company's tax liability.

The proposal would apply to "high technology" companies headquartered in Minnesota with fewer than 30 employees, and at least 51 percent of the employees located in the state.

House Taxes Committee Chairwoman Rep. Ann Lenczewski (DFL-Bloomington) questioned whether the Legislature should instead dole out grants.

"Tax credits are a nontransparent, in my estimation, illegitimate use of the tax system to create a behavior," she said. "If they want money to give a company to do a great thing, they should just give them the money."

Mahoney presented the bill, which was laid over for possible inclusion in the omnibus tax bill, to the committee on April 15. Sen. Terri Bonoff (DFL-Minnetonka) sponsors the companion, SF3106, which awaits action by the Senate Business, Industry and Jobs Committee.

— C. BLANCHARD

### Education tax credit equity proposed

Every year the Legislature seems to get an earful from public school officials asking for a stable source of funding. But private schools, by their nature, usually grapple with their funding issues off the Capitol grounds.

However, Tom McCarver, former director of education for the Archdiocese of St. Paul and Minneapolis, told the House Taxes Committee April 14 that the cost to educate each student is increasing faster than the ability for some families to pay.

"When we can't have families able to afford tuition, we make up for that by asking for

financial help" from outside sources, he said. "Four or five years down the road, and we will not be able to make it."

Rep. Paul Thissen (DFL-Mpls) proposes one solution — HF3586, which would encourage people to donate to foundations that fund public and private schools or programs that enroll low-income students. Single filers could deduct up to \$10,000, married couples up to \$20,000 and corporations up to \$100,000. The state would cap the program at \$10 million per year. The donations would be 100 percent tax deductible.

But critics say the bill could send taxpayer money to religious institutions. René Lara, legislative action specialist for Education Minnesota, said the bill proposes to take money that would have gone into the General Fund and refund it for donations to private schools. Currently 40 percent of the General Fund already goes to fund public education in the state, he said. "So it could conceivably result in a 100 percent redirection to private schools. It takes money away from K-12."

Thissen said all schools would be better off under the proposal.

"We clearly don't fund public schools — any of our schools — enough. This would draw private money into the system," he said. "For every 75 cents, we'd be bringing in another dollar."

The committee laid over the bill for possible inclusion in its omnibus bill. Sen. Dan Larson (DFL-Bloomington) sponsors the companion, SF2951, which awaits action in the Senate Taxes Committee.

— C. BLANCHARD

### Independent contractors

For a while the House Taxes Committee appeared baffled by a proposal to make a technical change to the state's tax code.

HF4168, sponsored by Chairwoman Rep. Ann Lenczewski (DFL-Bloomington), would change a provision that allows a worker to be qualified as an "independent contractor." The committee laid over the bill on April 16 for possible inclusion in the omnibus tax bill. There is no Senate companion.

Under current law, the tax code provides a safe haven for the employers to avoid tax withholding, Lenczewski said. The proposal would classify some workers as employees instead of independent contractors, subjecting them to withhold Minnesota's taxes.

But the reasons, possible repercussions and the current law itself (Section 530 of the Revenue Act of 1978), prompted frustration in the committee.

"I've never heard of Section 530, and I don't want to hear about it again!" said Rep. Loren Solberg (DFL-Grand Rapids).

About the proposal, testers said:

- it could lead to more tax compliance, so it could bring in more revenue;
- it would standardize the definition of an employee, following a recommendation by the nonpartisan Office of the Legislative Auditor;
- it would move away from federal conformity, and some workers would have to file a W-2 for their state taxes and a form 1099 for their federal taxes; and that
- carpenters would no longer be misclassified on state tax returns filed by construction firms. The proposal would change state law, and wouldn't grant access to federal benefits. However, the 26 percent of carpenters who should be classified as "employees" could lobby for access to federal benefits like workers' compensation and employee insurance, said Kyle Makarios, political director at the North Central States Regional Council of Carpenters.

— C. BLANCHARD

### Old debate reignites

A bill to exempt houses in disaster relief areas from a mortgage tax unleashed a debate about funding a study about cancer on the Iron Range.

Rep. Steve Drazkowski (R-Wabasha) sponsors HF3338, which was laid over April 16 by the House Taxes Committee for possible omnibus bill inclusion. A companion bill, SF3552, sponsored by Sen. Sharon Erickson Ropes (DFL-Winona) is part of the Senate omnibus tax bill, SF2869, sponsored by Sen. Tom Bakk (DFL-Cook), and passed April 3.

The mortgage registry tax averaged to \$53 per home in the Winona area after floods hit southeastern Minnesota last summer. Most of that money came from disaster relief funds, Drazkowski said.

"The way the bill lays now, it's forward-looking for the next disaster," he said. "It's an attempt to avoid this type of conflict in the next disaster in Minnesota."

Rep. Tom Rukavina (DFL-Virginia) questioned why Drazkowski would support state funds for tax exemption in a specific area, but not for a study on mesothelioma.

On April 10, the House passed HF3569, sponsored by Rukavina, that would fund a study on mesothelioma, a strain of fatal cancer that has killed nearly 60 people on the Iron Range. The \$4.9 million to fund the study would come from a state Workers' Compensation Special Compensation Fund. However, some members argued that the fund should come from a Taconite Area Environmental Protection Fund. Rukavina said that fund is, in part, collected in lieu of property taxes from mining companies.

## "TAX DAY"



PHOTO BY SARAH STACKE

Members of the Minnesota Welfare Rights Coalition unfurl a banner April 15, which spanned the width of the Capitol Rotunda. They were at the Capitol on the so-called "Tax Day" to speak out against legislators potentially taking money from welfare funds (TANF) to balance the state's budget.

"Our constituents are supposed to pay out of our local property taxes?" he said.

Rep. Randy Demmer (R-Hayfield) said the taconite fund is directed in statute to be used for suspected medical problems. "Nobody disagrees with the fact that we have to do this study," he said.

"I believe it was three weeks after the flood, this state came together to help southeastern Minnesota," Rukavina said. "My constituents have been waiting for relief for two years. Two years later and I still can't get \$4.9 million for a problem that some people have known has existed for 30 years."

The argument turned tense when Demmer tried to steer the conversation back to Drazkowski's bill. "I'm not going to go with this tit for tat anymore. The 'woe is me' that we're hearing about is unfortunate. We need to get back to Rep. Drazkowski ..."

Rukavina interrupted Demmer, saying that 58 people had died. "The 'woe is me' attitude is absolutely astounding, to me, that you would say that publicly."

— C. BLANCHARD

## TRANSPORTATION

### Moving a registrar office

On its way to the governor is a bill to provide a variance for a deputy registrar office.

Sponsored by Rep. Laura Brod (R-New

Prague) and Sen. Kevin Dahle (DFL-Northfield), HF3128/SF2755\* was passed sans discussion 131-0 by the House April 14. It was passed 65-0 by the Senate March 19.

The bill is needed because the State Bank of New Prague is moving four blocks to a new location; however, in doing so it crosses from Scott County to Le Sueur County. The bank has been providing deputy registrar services in the area for years, but because state law does not allow a deputy registrar office to move across a county line without a revision, the bill provides for one. The office move must take place by the end of the year.

— M. COOK

### Policy bill, part I

A report that screeched to a halt in 2007 has been given a green light this year.

Sponsored by Rep. Frank Hornstein (DFL-Mpls) and Sen. Steve Murphy (DFL-Red Wing), an omnibus transportation policy bill was approved 88-44 by the House April 14. If approved by the Senate, the bill would go to the governor.

HF1351 was approved by a conference committee on the final day of the last year's session, but was awaiting floor action when the final gavel was pounded. Hornstein said this is the first of two projected transportation policy bills for the year.

The bill changed slightly from last year. But a controversial addition is a provision calling



for the use of state funds for the federal Real ID Act of 2005.

According to the Department of Homeland Security, "REAL ID is a nationwide effort to improve the integrity and security of state-issued driver's licenses and identification cards, which in turn would help fight terrorism and reduce fraud."

Opponents call it an \$88 million unfunded mandate on the state. The bill says that if federal dollars would pay at least 95 percent of state costs, Minnesota could comply with the act. Further, it tries to ensure adequate security of resident data is in place.

"There is a building rebellion against this huge federally unfunded mandate with all sorts of huge, serious data privacy issues which begin to fly in the face of our U.S. Constitution," said Rep. Carlos Mariani (DFL-St. Paul). He added that the National Governors Association, which Gov. Tim

Pawlenty chairs, voted Feb. 24 to reject Real ID and called for full federal funding.

Previous Real ID language would have prohibited the Department of Public Safety from taking any steps towards complying with federal requirements. But conferees made a move towards the governor's position. Still, some Republicans said the provision will get the bill vetoed.

"I have grave concerns with Real ID," said Rep. Mark Buesgens (R-Jordan). "I think what the governor wants is ridiculous."

In part, the bill addresses traffic regulations, vehicle registration, Department of Transportation planning reports, towing authority, Metropolitan Council planning, railway safety and truck weight restrictions. Among the minor changes to last year's bill are shifting effective dates by one year from 2007 to 2008; removing obsolete or duplicative provisions, such as things included in the

transportation finance law passed earlier this year; and updating some verbiage.

Other provisions in the bill include:

- people who need to keep their address hidden, such as a stalking victim or battered woman, can use a post office box on their driver's license or state identification;
- MnDOT would evaluate the state's long-term transportation needs and identify strategies to meet the needs;
- the reopening of the Culkin Rest Area on Interstate 35 between Hinckley and Duluth; and
- the Public Safety Department would study allowing credit and debit card payments of vehicle registration taxes, title transactions and driver's license and identification card fees. A report would be due to the Legislature.

— M. Cook

## LATE ACTION

### Money for bovine TB issue

A bill that would provide more than \$6 million in 2008-09 to address the outbreak bovine tuberculosis affecting cattle herds in northwestern Minnesota passed the House 131-0 April 17. It now moves to the Senate, where Sen. Rod Skoe (DFL-Clearbrook) is the sponsor.

"This is having a huge impact to the cattle industry," said the sponsor of HF4075, Rep. Dave Olin (DFL-Thief River Falls).

The developing problem took center stage last week, when the federal government downgraded the state's bovine TB status, effectively stopping cattle shipments out of

the state unless the animals are certified as bovine-TB-free.

"It is not a good place for the state of Minnesota to be sitting. Now you need authority to take your cattle across state lines," Olin said.

The bill would offer ranchers inside an established bovine tuberculosis management zone the choice to voluntarily depopulate their cattle herds by Dec. 31, 2008. To that end, the Board of Animal Health would be allocated \$3.1 million in Fiscal Year 2008 to help cattle owners comply with new requirements that could include fencing or a buyout. Cattle owners in the zone would have until July 15, 2008 to decide whether to participate in a buyout program. Those who do would be paid market value plus \$500 per head by the

state and an annual payment of \$75 for each animal slaughtered until the area receives a bovine-tuberculosis-free status and the owner is authorized by the board to have cattle located in the zone. Ranchers choosing to keep their herds intact would be subjected to several testing and control requirements, including adequate fencing of their herd and grazing areas so they cannot be accessed by deer or elk. The state would provide a cost-share payment of up to \$75,000 or 90 percent of the cost of an approved fence.

The board would use \$2.7 million of the appropriation for monitoring, testing, outreach and other required activities to comply with federal regulations.

— L. Schütz

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# The ethanol question

Legislators disagree over ethanol's impact on the environment

By Nick Busse

**W**hen William Lee sat down to testify in support of a bill that would establish a low-carbon fuel standard in Minnesota on April 15, he might have been forgiven for not expecting such a lively response to his testimony.

Lee, the general manager of the Chippewa Valley Ethanol Company, told the assembled members of six House and Senate committees that HF2527, sponsored by Rep. Frank Moe (DFL-Bemidji), would create a win-win situation for the state's energy economy: not only would the bill reduce greenhouse gas emissions from transportation fuels 10 percent by 2020, he said, but it would also be a boon to the state's ethanol producers.

It's the kind of scenario politicians dream of: legislation that would create a cleaner environment while also giving a boost to an industry that infuses millions of dollars annually into rural Minnesota. But instead of soothing committee members, Lee's comments ignited a debate that has been simmering all session — an emerging dispute between those who think ethanol helps the environment and those who think it hurts.

"We are not taking into account the secondary environmental impacts of biofuel development," said Rep. Ken Tschumper (DFL-La Crescent). He alluded to myriad environmental problems created by new land use practices brought on by the demand for corn ethanol.

"Everywhere I go, I always hear criticism of ethanol," said Sen. Ellen Anderson (DFL-St. Paul), who went on to describe the political pressure being placed on some metro-area legislators to end ethanol subsidies.

"Literally, that's what they tell me when I go to district meetings: they say, 'Stop it. Take the money away. Don't give them any more support. It's bad for us,'" she said.

Other members raised even more concerns, running the gamut from rising food prices caused in part by the increasing demand for corn to the excessive consumption of water required by the ethanol production process.

The question of whether ethanol is good for the environment is an important one. Since the state first starting pumping millions of dollars into ethanol subsidies more than 20 years ago, one of the industry's main selling points for its product has been its perceived

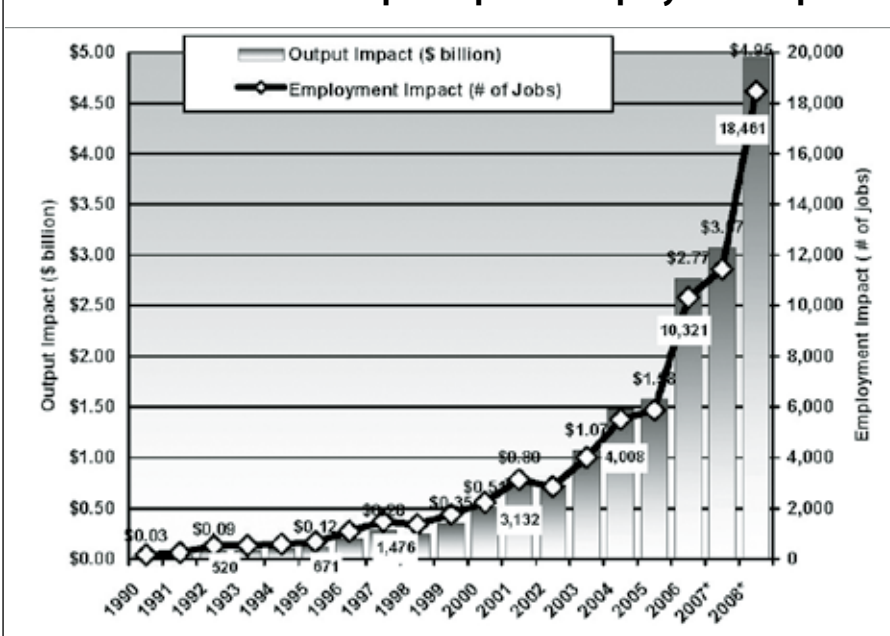
environmental advantage over fossil fuels. Moreover, as the state pursues new measures to reduce greenhouse gas emissions, ethanol's future may hinge on whether it can perform as well as petroleum in meeting any rigorous new air pollution standards imposed by the state.

## The public relations war

According to the Department of Agriculture, approximately 1 billion gallons of ethanol are expected to be produced in the state this year, creating an economic impact of nearly \$5 billion and employing some 18,000 Minnesotans. For many, the sheer economic impact of ethanol is reason enough not to hinder its future development, but Rep. Al Juhnke (DFL-Willmar) said there are environmental reasons to support ethanol as well.

According to Juhnke, ethanol burns cleaner than gas, and that mid-grade ethanol blends

**Minnesota Ethanol: Output Impact & Employment Impact**



\* projected

Courtesy of Agricultural Marketing Services, Minnesota Department of Agriculture



PHOTO BY TOM OLMSCHIED

**This plant in Buffalo Lake is one of 17 located in the state. Four more are currently under construction.**

like E10 and E20 have been shown to increase vehicles' fuel-efficiency. He also said next-generation biofuels like cellulosic ethanol, once they become commercially viable, will be much better for the environment and could be produced at the same ethanol plants producing corn-based biofuel right now.

Juhnke alluded to a recent report from the University of Minnesota stating that the production of ethanol actually creates more greenhouse gas emissions than conventional gasoline. He said such studies don't take into account advancements such as improved conservation practices and increased crop

yields. He also added that much of the negative press coverage of ethanol stems from a public relations war between environmentalists and biofuel producers.

"We're just not as good at promoting, I guess, as the other side is at this point in time. And we're not funding the studies on food vs. fuel and water use and other things like the other side is," Juhnke said.

Along those lines, Mike Bull, deputy director for the Office of Energy Security, said Minnesota's ethanol production processes are already more environmentally friendly than other states and countries.

"We have a number of producers in the state who are working hard to reduce the fossil inputs to their current ethanol production," Bull said. "We're making some of the most renewable ethanol in the world here in Minnesota."

### True costs

Meanwhile, Rep. Melissa Hortman (DFL-Brooklyn Park) raised a different perspective on the issue, asking whether serious comparisons between the relative costs of petroleum fuels vs. biofuels should factor in things like the cost of sending troops to wage war in oil-rich nations with politically unfriendly regimes.

"If we're going to include externalities like fertilizer in corn production, are we including externalities like weapons manufacturing for petroleum?" Hortman asked. "I think there was probably a lot of carbon emitted when the wells were on fire in Kuwait, and at various times when the wells have been on fire in Iraq, so I think it is definitely a carbon-intensity question."

No action was taken on the bill, which Moe said raised "significant unanswered questions" that would have to be addressed before the legislation could move forward. A companion bill, SF3830, sponsored by Sen. Kathy Sheran (DFL-Mankato), awaits action by the Senate Environment and Natural Resources Committee. 🐼

## Economics of ethanol

In an effort to grow the state's ethanol industry, the sector has benefited, over the years, from various tax credits, start-up loan initiatives and producer payments.

A controversial state subsidy, known as the producer incentive payment was enacted in 1986 to boost the budding industry, and is now under scrutiny.

Under the plan, any plant online before 2000 receives payments set at typically 20 cents per gallon, and limited to the first 15 million gallons of annual production. The payments are not to exceed \$3 million in any fiscal year, for no more than 10 years.

During Fiscal Years 1986-87, three plants received payments. Soon though, the producer payments gave banks the confidence to offer loans to new entrepreneurs and more plants went on line. Critics now say that subsidies should be stopped because the industry is profitable, and the money could instead be used to kick-start a biofuel indus-

try that would have more overall sustainability.

Currently, there are 17 ethanol plants in the state and four more are under construction, according to a Department of Agriculture report. Eleven of those are receiving producer payments. By 2010, these payments will be suspended, but for the 2007-08 biennium, the payments are expected to total \$30.3 million.

Because of the law's language, one ethanol plant, Gopher State Ethanol, continues to receive a subsidy even though it filed bankruptcy and closed in 2005. There is language in HF1812, the Omnibus Supplemental Budget Bill, which would discontinue a \$310,000 producer payment in Fiscal Year 2009, and reduce the amount of the payment in 2010 and 2011.

### Facts of Note:

- Minnesota produced 500 million gallons of ethanol from 16 plants in 2006.

- The state's net ethanol export was 290 million gallons, or 53 percent of the state's total annual ethanol output.
- At the 2006 production level, the state's ethanol industry generated an estimated \$2.77 billion in economic impact and was responsible for 10,321 jobs.
- The 1 billion gallon production output projected in 2008 could generate a \$4.95 billion economic impact and 18,461 jobs. The production would consume approximately 25 percent of the state corn crop.
- In 2006, Minnesota processed 196 million bushels of corn into ethanol.
- To meet the requirement of 20 percent blend of ethanol in Minnesota's gasoline by 2013, the state would need to produce 564 million gallons of the product.

— L. SCHUTZ

Sources: Department of Agriculture, nonpartisan House Research Department



# Will Minnesota leave 'No Child' behind?

Controversial federal education mandate has lawmakers looking for alternatives

By THOMAS HAMMELL

**I**f you ask 10 Minnesota legislators what they think of the federal No Child Left Behind Act, you will get 10 different answers.

**Some like it; some hate it and some are conflicted, but few would say they love every part of the sweeping federal law.**

Critics say that implementation of the law is expensive and federal funding has not matched federal demands, not to mention that the law mandates 100 percent proficiency by 2014 in reading and math, something some see as a pipe dream.

Since the law was enacted in 2002, states, including Minnesota, have tried to pass laws to nullify certain provisions in the act or petition the federal Department of Education for exemptions. Minnesota could now opt out entirely, if a provision sponsored by Rep. Pat Garofalo (R-Farmington), makes it in to HF1812, the Omnibus Supplemental Budget

Bill.

On April 15, an E-12 work group recommended removing the amendment opting out of NCLB from the Omnibus Supplemental Budget Bill. The work group recommendations are nonbinding and the conference committee still has to decide whether to include it in the bill that would be presented to Gov. Tim Pawlenty.

"No Child Left Behind, while well-intentioned, is federal oversight and federal control of our schools," Garofalo said, "I don't like Farmington teachers being told what to do by the federal government." Given the choice,

citizens would rather pay more for education if they could have local control.

Signed into law by President George W. Bush in 2002, the No Child Left Behind Act of 2001 increased federal funding for education by 24 percent, but included an unprecedented number of unfunded mandates and sanctions. David Shreve, federal affairs education counsel for the National Conference of State Legislatures, said in an interview the law was supposed to be renewed by October 2007, but with no congressional action, a provision allowed for the law to be automatically extended.

The act culminates more than four decades of federal expansion into public education, which began with the Elementary and Secondary Education Act of 1965, according to information from the NCSL. That act appropriated about \$2 billion to help improve educational opportunities for low-income students.

## Why not just opt out?

To consider the total cost of No Child Left Behind, Shreve said you have to look at two factors: what it costs to comply and what it



Jenny Heyer's kindergarten class at Island Lake Elementary School in Shoreview.

costs to meet the performance requirements of the law.

To meet the compliance goals, many states spend upwards of 6 percent of their education budget. Federal funding equals about 2 percent of a state's education budget. States are supposed to meet 100 percent compliance for the law by 2014, he said.

The money that comes from the federal government, on the other hand, equals about 2 percent of a state's education budget, so it costs a state roughly twice the amount of money they receive to comply.

The latest state data on the impact of NCLB, a 2004 report by the Office of the Legislative Auditor, found that costs could soon outstrip revenue from the federal government because of sanctions for underperforming schools. However, if the state had opted out of the accountability provisions, it would have lost \$216 million for 2005.

Part of the problem, Shreve said, is that when schools aim for higher achievement levels, their costs increase. That means a state can have a short-term cash problem.

"I sort of look at No Child Left Behind as the classic bait and switch," Shreve said.

Education Commissioner Alice Seagren said the biggest concern of opting out would be the potential loss of \$200 million in federal funding.

"I don't see the federal government backing out of No Child Left Behind," she said. She sees the act's 2014 goal as utopian, and said as that deadline looms, the Department of Education will likely be more flexible.

"There are just so many ways you cannot meet adequate yearly progress," she said.

Minnesota is not alone in its frustration or its reaction.

Shreve said states have been trying to opt out of the law, in some form or another, since its passage.

"It was pretty comprehensive, the reaction initially," he said. Utah toyed with the idea of opting out in 2003. In 2005, the state passed a bill saying the state would comply with NCLB only until the law got in the way of the state's accountability system.

An Arizona bill sponsored by Rep. David Schapira, a Democrat, would opt the state out by 2011, and fund the difference with state money. "Ideally, I hope that the feds will fix and fund it and we don't have to opt out," Schapira said.

Shreve said these bills could be looked at as a negotiating ploy in a time when NCLB is vulnerable. "You've got the law, and the supporters of the law, reeling on the ropes like a punch-drunk boxer."

### Member reaction

Members of the House K-12 Finance Division have mixed reactions to Garofalo's proposal to opt out of NCLB.

Rep. Marsha Swails (DFL-Woodbury) said the state is in the middle of a budget crisis, and now is not the time to start making changes.

"I do believe that schools are improving under it, I do believe that with all of my heart," she said. On the other hand, some of the measures are punitive and the testing does not show improvement in individual students.

"I think the message is loud and clear from states across the nation that we are tired of

mandates from the federal government," she said.

Rep. Jim Davnie (DFL-Mpls) is conflicted, he said. His daughter's school did not meet adequate yearly progress three or four years ago because two students in a subgroup were tested once but not again.

Though he has problems with NCLB, Davnie said schools need some form of accountability.

"Like it or not, standardized testing is probably a part of that," he said, and he would need to see an alternative before scrapping the program.

Rep. Randy Demmer (R-Hayfield) said it's hard to argue with the principles of NCLB.

Demmer said he is a strong advocate for local control, and this does not overstep that. He said the bill creates a framework that states and districts use, and a little accountability is not a bad thing.

"I think it's best for our children and best for our schools to continue to work with that program," he said.

### Where to find information

House Public Information Services  
175 State Office Building  
651-296-2146 or 800-657-3550

House Public Information Services is a nonpartisan office that provides committee meeting schedules; legislator information; and publications, including the Session Weekly newsmagazine, educational brochures, and member directories. All information is available at no charge.

Most of what this office publishes can be viewed on the House's Web page. To connect, point your web browser at: [www.house.mn](http://www.house.mn)



PHOTO BY TOM OLMSCHEID



# Hungry for help

Food shelf needs are growing across state

By PATTY OSTBERG

**M**ichelle Reagan is more often hearing a familiar refrain from her clients: "I've been giving to all of your drives for years and I never thought I'd have to be here."

Reagan, director of Friends in Need Food Shelf in St. Paul Park, said the elderly, disabled and working poor will always be food shelf users, but in the last few years, middle class families are increasingly showing up for help. "These are the people who could be any one of us. All of us are just a few paychecks away from being in this situation," she said.

In the 10 years she's been working at the location, the number of those needing assistance has increased from 3,000 to 13,000 people. "The need is out there," she said.

Food shelf use has increased 60 percent since 2000, according to Hunger Solutions Minnesota, a hunger relief organization providing assistance to food shelves. The number of those needing help from food shelves is only going to grow as the economy continues to show signs of souring, Executive Director Colleen Moriarty told the House Housing Policy and Finance and Public

Health Finance Division March 5. "Food has become a luxury."

Rep. John Benson (DFL-Minnetonka) sponsors HF3988, which would appropriate \$1.6 million for 2009 to state assisted food shelves.

The House Housing Policy and Finance and Public Health Finance Division approved the measure March 14. It now awaits action in the House Finance Committee. A companion bill, SF3676, sponsored by Sen. Terri Bonoff (DFL-Minnetonka), awaits action by the Senate Finance Committee.

"If the state has any responsibility, the

## Food Shelf Facts

- 55 percent of families that rely on food shelf assistance are working, but cannot make ends meet.
- Since the establishment of the state food shelf program in 1998, there has been no increase in funding.
- In 2007, the 300 Minnesota food shelves were visited 1.9 million times and they provided 47 million pounds of food to families and seniors.
- Between 2000-2007, food shelf visits in Minnesota increased from 1.2 million to 1.9 million.
- Food shelf usage has increased 60 percent since 2000.
- People who use food shelves average six visits a year, nearly 40 percent only once or twice a year.
- 85 percent of families using food shelves fall below the federal poverty guidelines.
- 11 percent of children served in Minnesota's food shelves are forced to skip meals because there is not enough food in the home.
- 20 percent of people visiting food shelves are seniors.

Statistics provided by Hunger Solutions Minnesota



PHOTO BY TOM OLMSCHIED

Robert Hass, left, packs groceries as fellow volunteer Dorothy King gathers items to fill an order at the Friends in Need Food Shelf in St. Paul Park.

fundamental responsibility is seeing children are not hungry in the state of Minnesota and their families," he said. However, since the state began sponsoring food programs in 1998, there has been no increase in appropriations. Because food costs are escalating rapidly it not only affects the poor, but the organizations that attempt to fill this food gap. It is estimated that 10 percent of the state's children live in poverty and one-third qualify for free and reduced lunches at public schools.

"Clearly the economic times are having a significant effect on the usage," said Rep. Rob Eastlund (R-Isanti). There is a tension of what nonprofits and government provide in programs. When government gives more money, the pressure is taken off local nonprofits and the community to provide, he said. "This is an area where people are truly best served when the communities they live in step up to the plate and provide those needs."

Food shelves distributed about 42 million pounds of food last year, said Connie Greer, self-sufficiency program director with the Human Services Department. Of that, the department provided \$1.3 million for food

**Food shelves continued on page 22**



# An energized electorate

With House up for election, can high caucus turnout translate into new volunteers?

By COURTNEY BLANCHARD

**A**lmost two months after Super Tuesday, DFL Senate District 64 Chairwoman Elizabeth Wefel held the first district meeting of the year on April 2. She looked out into the larger-than-normal crowd and asked how many people were new volunteers.

“More than half the room put their hands up,” she said. “That many people at a Senate district meeting, that’s people who are willing to actually be involved with the process, not just show up for one-time events.”

High turnout on Super Tuesday is now falling into the hands of local party organizers, who must try to hold onto a potential volunteer base that could easily slip through the cracks and never return to politics.

House leaders say their parties are using the excitement of the presidential race to recruit volunteers for local elections. The newcomers are potential fresh volunteers; door-knockers, new frontiers for lawn signs and additional sources of campaign contributions, House Minority Leader Rep. Marty Seifert (R-Marshall) said.

“Caucuses are the catalyst that get people initially involved,” Seifert said.

This year, it was all about timing, he said. The two parties moved their caucuses up to Super Tuesday on Feb. 5, even though state law designates caucuses are to be held the first Tuesday in March. However, Secretary of State Mark Ritchie said he wouldn’t intervene, effectively allowing the earlier caucus date.

That was good news for both sides, but especially the Republicans, Seifert said. If the straw poll had been held after Sen. John McCain (R-Ariz.) secured the nomination, turnout may not have been so high, he said.

## Broken records, high expectations

The Republican caucus broke the attendance record on Super Tuesday. The last record, 58,000

in 1988, was replaced with 63,000 this year.

Republican voters showed an enthusiasm for the election that’s expected to carry through to November, state party spokesman Mark Drake said. They also provided a new list of names for candidates to use for campaign back-up.

“A lot of the people are new,” he said. “It’s a good base of support.”

Across the political aisle, like many other DFL-caucuses, thousands of people crammed into the rooms at Highland Park Junior High in St. Paul on Super Tuesday. Many parked far away and stood in long lines to scratch their choice for a presidential candidate. When the ballots ran out, organizers turned to a Minnesota standard: the Post-It note.

“It was a very chaotic scene; what I tried to do was initial as many of those as I could as I was passing them out!” said Mitch Gordon, former DFL chair of Senate District 64.

The state’s DFL caucuses drew more than 213,000 people, compared to about 51,000 people in 2004.

The biggest draw to the caucuses was the presidential race, which presents a challenge to local politicians who want to tout their platforms, too.

“The presidential race has taken on a super-size feel. It started so soon that it’s taken the air out of local issues,” said House Majority Leader Rep. Tony Sertich (DFL-Chisholm). With so much attention focused on the national race, House members have to get new attendees energized about local elections, he said.

## Hanging on to new volunteers


The best way to get a local candidate to connect with voters is to knock on their doors and meet them in person, Sertich said. The same approach can be extended to a potential volunteer base. Candidates for a House seat get a rare chance to connect face-to-face with their volunteers. “That’s the advantage of living in the communities we represent,” Sertich said.

When Rep. Kate Knuth (DFL-New Brighton) took her first run for the House two years ago, volunteers from St. Paul piled into cars and drove to the suburbs to door-knock for her campaign, Gordon said. There were enough volunteers that they could essentially “adopt” House races outside of their districts, he said. That kind of strategy will likely be followed this year, too.

At the University of Minnesota, College Republicans President Abdul-Rahman Magba-Kamara said the group recruited new caucus attendees to send out to several campaigns, including one candidate with strong ties to the school – College Republicans Co-Chairman Ole Hovde, a junior at the University.

“That definitely is going to help energize people,” Magba-Kamara said. Hovde is running for seat 59B, which includes much of the University campus. His candidacy highlights the importance of local elections, Magba-Kamara said. The group will also focus on Minneapolis elections for city council and sheriff.

Volunteers won’t show up unless they have a candidate they are inspired to rally behind, Seifert said, in agreement with his colleagues across the aisle.

“I think most people get involved for a candidate or a cause more than a party,” Seifert said. “That’s what really jolts them into politics.” 

Food shelves continued from page 20

assistance, and distributed about 5 million pounds of food from the emergency food assistance program. “The local organizations make up the balance of that, up to this 42 million pounds of food, so there’s this tremendous contribution already from the local level,” she said.

Eastlund asked if food shelves look at resources such as bread companies that have day-old bread or grocery stores with produce that doesn’t get used.

Many food shelves work with America’s Second Harvest Food Banks, of which there

are five network members in Minnesota: Crookston, Duluth, Grand Rapids, Rochester and St. Paul. A Fargo member network serves one Minnesota county. Part of its collection involves food recovery. Also, the Emergency Food Shelf Network: Minnesota’s Free Food Bank works with restaurants to pick up food that can be distributed to food shelves and shelters, Moriarty said.

More frequently there are fewer food products available from grocery stores and food processing plants because of technological advances. In years past when a company had a bad run and mislabeled jars of food or boxes

of cereal, food shelves would benefit, she said. Much of that product has also been shifted to dollar stores instead of being donated. Many food shelves are only open a few days a week now because they don’t have enough food to distribute. The need continues to build resulting in less opportunity for food. If the state does nothing, “what we’d have is the return to long lines at meal programs and soup kitchens in our community like we’ve seen before in history,” Moriarty said. We don’t want to return to the soup kitchen era, she said. “They are us, they are no strangers.”



BILL INTRODUCTIONS

APRIL 14 - 17, 2008  
HOUSE FILES 4189 - 4203

Monday, April 14

- HF4189-Davnie (DFL)**  
**Finance**  
First class metropolitan area cities financial status study and report required on conventions and event centers.
- HF4190-Kahn (DFL)**  
**G o v e r n m e n t a l     O p e r a t i o n s ,**  
**Reform, Technology & Elections**  
First class cities provided election of certain council members elected by ward after reapportionment.
- HF4191-Eken (DFL)**  
**Environment & Natural Resources**  
Heartland Trail modified.
- HF4192-Kahn (DFL)**  
**Governmental Operations, Reform, Technology & Elections**  
Candidacy affidavit required to state candidate’s residence address and telephone number, and candidate ballot placement prohibited if residency requirements not met.
- HF4193-Clark (DFL)**  
**E-12 Education**  
Early childhood education for homeless children pilot project established.

Wednesday, April 16

- HF4194-Solberg (DFL)**  
**Environment & Natural Resources**  
Outdoor heritage fund provided.
- HF4195-Marquart (DFL)**  
**Health & Human Services**  
Health care directive registry established by the Office of the Secretary of State, and money appropriated.
- HF4196-Morrow (DFL)**  
**Finance**  
School finance system modified, and a new education funding framework created.
- HF4197-Haws (DFL)**  
**Finance**  
Education license plates authorized.
- HF4198-Cornish (R)**  
**Public Safety & Civil Justice**  
Postsecondary institution authority to establish policy rescinded regarding the carrying and possession of firearms by students on public postsecondary institution property.

- HF4199-Mahoney (DFL)**  
**Local Government & Metropolitan Affairs**  
Delinquent vacant building registration fees collection as special assessment authorized.
- HF4200-Drazkowski (R)**  
**Finance**  
Goodhue County; nursing facility payment rates increased.
- HF4201-Bunn (DFL)**  
**Taxes**  
Metropolitan counties; number of years changed for vacant platted land to be valued at market value, and vacant platted land phase-in modified.

Thursday, April 17

- HF4202-Clark (DFL)**  
**Transportation Finance Division**  
Towing vehicles with disability plates or certificates prohibited.
- HF4203-Lesch (DFL)**  
**Finance**  
St. Paul; capital improvement bond local law amended.

| Frequently called numbers                |                                |   |
|--|--------------------------------|---|
| Area code 651                            |                                |   |
| <b>House Public Information Services</b> | <b>House Index</b>             | Voice mail/order bills.....296-2343     |
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| <b>Committee Schedule Hotline</b>        | <b>Senate Information</b>      | 110 Capitol .....296-2887               |
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| <b>Chief Clerk of the House</b>          | <b>Secretary of the Senate</b> |   |
| 211 Capitol .....296-2314                | 231 Capitol .....296-2344      |   |

## REMOVING BARRIERS



PHOTO BY SARAH STACKE

**Elaine Howe, who communicates using a DynaVox 5, attends an April 15 ceremony in the Rotunda that recognizes citizens, educators and organizations committed to removing barriers to independence through the use of assistive technology. Howe can create sentences and prepare paragraphs with the DynaVox 5, an inventive communication device.**

### Constitutional Officers

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MAJORITY LEADER: ANTHONY "TONY" SERTICH

MINORITY LEADER: MARTY SEIFERT

## MINNESOTA INDEX

### Waste management

|  |          |
|--|----------|
| Pounds of waste generated per American per day in 2006 .....   | 4.6      |
| Of that, pounds that were recycled.....  | 1.5      |
| Percent of nation's waste that is organic, and could be converted to soil .....  | 25       |
| Millions of tons of municipal solid waste generated in Minnesota in 2006 .....   | 6.1      |
| Millions of tons in 1999 .....   | 5.4      |
| Millions of tons in 1991 .....   | 3.9      |
| Per capita generation of municipal solid waste, in tons, in Minnesota in 2006 .....  | 1.167    |
| In 2005 .....  | 1.166    |
| State recycling rate in 2006, as percent.....  | 48.7     |
| Percent in 1989.....   | 23       |
| Millions of tons of recyclable materials collected by recycling programs in 2006.....                                      | 2.5      |
| Percent increase over 2005.....  | 1.7      |
| Estimated tons of plastic, metal and glass recycled by Twin Cities residents in 2006.....                                  | 270,000  |
| Percent of garbage that is paper and paperboard.....   | 40       |
| Millions of tons of recyclable material in 2006 that remained in the state's waste stream.....                             | 1.3      |
| Market value of that recyclable material, in millions.....   | \$312    |
| Percent increase in statewide electronics recycling from 2000 to 2006.....   | 287      |
| Billions contributed annually to the state economy by Minnesota's recycling manufacturers.....                             | \$2.98   |
| Millions in annual wages related to recycling activities.....  | \$760    |
| Energy equivalent of barrels of oil saved by one ton of recycled aluminum cans.....  | 36       |
| Gallons of gasoline saved.....   | 1,655    |
| Energy reduction, as percent, by using recycled glass instead of new materials.....  | 40       |
| Date of Earth Day 2008 .....   | April 22 |
| Sheets of copy paper used by the average office worker each year .....   | 10,000   |
| Tons of letter and legal white paper purchased by the House in a 15-month period from Feb. 28, 2006, to May 31, 2007 ..... | 61.14    |
| Sheets used per person, on average, during that time .....   | 29,000   |
| Millions of sheets used per month by the House from Jan.1 to May 31, 2007, a budget session.....                           | 1.4      |
| Millions of sheets used per month by the House from Feb. 28 to May, 23, 2006, a non-budget session.....                    | 1.18     |
| Sheets used per month by the House in the last seven months of 2006, when the House was not in session.....                | 296,285  |
| States, including Minnesota, that use legal-size paper in the House of Representatives....                                 | 6        |

— M. Cook

**Sources: Report of 2006 SCORE Programs, A summary of waste management in Minnesota, Pollution Control Agency, December 2007; Office Paper Reduction at MN House of Representatives: Assessment Findings and Next Steps, Pollution Control Agency, February 2008; Minnesota Office of Environmental Assistance; U.S. Environmental Protection Agency; Recycling Association of Minnesota.**

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