

SESSION WEEKLY

A black and white photograph of a Native American man in traditional regalia, including a large feathered headdress and a fringed vest with geometric patterns. He is holding a staff and looking upwards with an open mouth, as if singing or shouting. The background shows the ornate architecture of the Minnesota State Capitol building.

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PARADE OF OMNIBUS BILLS
FISHING FOR MORE ANGLERS
SHARING THE FINANCIAL PAIN
HARVESTING WILD RICE

HF2324 - HF2347

SESSION WEEKLY

Session Weekly is a nonpartisan publication of Minnesota House of Representatives Public Information Services. During the 2009-2010 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: Justin Huenemann of the Native Pride Dancers performs a Men's Northern Traditional dance as part of the HIRE Minnesota rally in front of the Capitol April 20. Participants were urged to tell legislators that communities need green jobs and infrastructure hiring and training opportunities. The Men's Northern Traditional dancer symbolizes the male warrior and honors all great warriors of the past, present and future. All steps of the dance move forward.

— Photo by: Tom Olmscheid



PHOTO BY TOM OLMSCHIED

There was a flurry of activity April 20 as lobbyists and other interested parties grabbed a copy of the just-released omnibus tax bill.

Mustering courage and bold reform

'Tough' choices made in tax bill; new bracket created, some loopholes closed

BY SONJA HEGMAN

The wear of this session can be seen on the faces of many representatives. With the April 20 release of the House omnibus tax bill, it might have been slightly more prevalent for Rep. Ann Lenczewski (DFL-Bloomington).

"The choices are not good," she said of fixing the state's projected \$4.6 billion biennial deficit. "Cuts hurt people, tax increases hurt people. I don't think anyone has any joy about the situation. This is a reasoned, balanced approach to do both."

In the bill she sponsors, HF2323, cigarette taxes would go up by 54 cents a pack, the liquor tax would rise for the first time since 1987 and top income-earners would be subject to a new 9 percent income tax rate under the \$1.5 billion tax bill.

The bill also would eliminate \$1.6 billion in tax breaks by removing many deductions, closing corporate loopholes and converting

the state's mortgage interest deduction into a credit so that all taxpayers qualify for an equal percentage of tax benefit.

"We've got a deficit, so let's have some courage around here and do some bold reform," said Lenczewski, chairwoman of the House Taxes Committee.

She said the bill is modeled after President Reagan's overhaul of the federal tax code in the 1980s and similar to what then-Gov. Al Quie allowed to become law. During that time, several tax breaks were thrown out and massive reform took place.

"I'll tell you, sometimes you got to walk the plank, don't you?" said Rep. Tom Rukavina

(DFL-Virginia) after casting the final vote to move the bill out of the House Taxes Committee 16-14, adding that he isn't sure if he'll vote for it again.

During the April 21 bill discussion, Rukavina unsuccessfully tried to attach a temporary across the board 2.5 percent income surtax to the bill, replacing the tax increases to liquor and tobacco.

"We know who smokes cigarettes. It's the poorest of the poor," he said. "There are some very good parts of this bill, but there are parts that have troubled me. I have been tossing and turning for the last two nights. But I realize that we have to have a tax bill and I don't think anybody on this committee can forget that from the first day of this committee I've been saying that we've gotta raise revenue."

He added that, like alcohol, income taxes haven't been raised in more than 20 years. "The top rate used to be 14 percent," he said. "Madam Chair, you're just raising it to 9 (percent) and you'd think you were the

First Reading continued on page 4

Wicked Witch of Minnesota for doing it.”

Nearly 20 amendments were presented during the four-hour markup of the bill April 21. Several were adopted before the bill was passed and sent to the House Ways and Means Committee, which approved the measure 12-9 the next day. It was scheduled to be heard on the House floor sometime between April 24 and 27. The Senate omnibus tax bill, SF2074, sponsored by Sen. Tom Bakke (DFL-Cook), was scheduled to be heard by the Senate April 24.

Four-year budget balancing

Earlier this session, Gov. Tim Pawlenty signed into law a four-year balanced budget requirement, which states that not only does the state’s budget have to be in balance for the 2010-11 biennium, but also for the 2012-13 biennium.

“The balanced budget amendment is something Minnesota has never considered before,” Lenczewski said, adding that the state used to balance budgets for one year, then it was changed to two years and now it’s four years. “I think everyone is sort of struggling with how we figure that out.”

Questions were raised by Rep. Laura Brod (R-New Prague) during hearings on the tax omnibus bill regarding the 2012-13 target being short.

“I don’t think it’s appropriate for us to leave \$1.1 billion out there, in terms of our responsibility, without telling Minnesotans how we’re going to account for it,” she said. “This piece is a big deal.”

During the April 22 floor session, Brod opposed the adoption of the tax committee report stating the same reason: The bill is out of balance. Her motion to reject the report was defeated 77-54.

Questioned again April 22 during a House Ways and Means Committee hearing on her bill, Lenczewski said the shortfall would be dealt with in the future as she is waiting to see how the governor will approach his four-year target. The budget-balancing law was passed after Pawlenty had released his proposed budget in January.

“Can you tell me what’s causing this to happen if you’re increasing taxes \$1.5 billion?” asked Rep. Mary Liz Holberg (R-Lakeville). “Are you expecting revenues to go down in ‘12-’13? I’m trying to figure out if revenues are going down in the out years or if spending in the tax bill is going up. What’s happening that you’re short a billion dollars?”

Lenczewski said revenues are not going down in this tax bill, but the target for the 2012-13 biennium goes up. Based on the current bill, there is a shortfall for that biennium.

“Between now and that biennium we’re going to have five (fiscal) forecasts so things are going to change a lot,” she said. “But the way I’ll approach it is that I’ll reach the target I am given. I would imagine the House majority will continue to do what it’s doing now, which is a blend of cuts and revenue.”

She added that one change from the current biennium is the use of one-time money that would need to be replaced, but that’s not in the tax area, it’s in the overall budget.

Local control

As a way to deal with cuts to various county and city aids, Rep. Paul Marquart (DFL-Dilworth), House Property and Local Sales Tax Division chairman, proposed in his division report, which is included in the omnibus tax bill, to give counties the option to impose a half-cent local option sales tax to offset cuts to aids.

The sales tax option would help save some anticipated state cuts to local government aid, which is often used to pay for essential services, like police.

The half-cent option could be adopted by a majority vote of a county’s commissioners. The tax could be overturned in a countywide referendum that would take place if 10 percent of the county’s registered voters or 500 people, whichever is greater, called for one.



PHOTO BY TOM OLMSCHIED

Ann Lenczewski, chairwoman of the House Taxes Committee, explains the procedure for taking amendments to the omnibus tax bill during the committee’s April 21 hearing.

Other provisions:

- eliminating individual and corporate franchise tax preferences for JOBZ, Biotechnology and Health Science Industry Zones (BHSIZ) and International Economic Development Zones (IEDZ), with exception of the JOBZ jobs credit
- extending the five-year rule to eight years for tax increment financing districts certified between Jan. 1, 2004, and July 1, 2010
- establishing a property tax working group and requiring the House and Senate tax committees to prepare a resolution on targets and benchmarks for use during the biennium
- allowing a city or county to reduce its library maintenance of effort requirement if general purpose county or city state aids and credits are cut
- changing the date for mailing the proposed truth-in-taxation notices from Nov. 10-24 to Oct. 15-24 and eliminating the truth-in-taxation public hearing and the newspaper notice effective for taxes payable in 2010 and later
- terminating participation in the agricultural land preservation program if the owner is subject to a final enforcement action for a violation of agricultural chemical or water protection laws occurring on the property
- freezing city local government aid at certified 2009 aid levels for 2011 and after
- expanding the sales tax to digital products

Currently there are 23 Minnesota cities with a local option sales tax. Any cities in counties that pass the half-cent increase would lose their local option sales tax, Marquart said. Counties would then be obligated to fund projects that had been funded through the city tax. Only three cities could be exempted from the elimination: Minneapolis, St. Paul and Duluth.

But, Marquart said, counties would have a stable and growing revenue source, with more than half the money going to property tax relief.

Marquart said this provision was crafted to be similar to one the governor has signed in the past. Lenczewski said the local option sales tax is reminiscent of the one Pawlenty signed, which allowed Hennepin County to raise its sales tax to help fund construction of Target Field for the Minnesota Twins.

Some members said that state voters just approved a three-eighths of 1 percent sales tax increase for the arts and the outdoors that takes effect this summer, and if local option sales taxes are imposed, it would be in addition to the arts and outdoors tax.

Marquart said the big concern was the great inequities local option sales taxes cause. “If everyone has them, this minimizes the inequities.” 🏠

Editor's note: The following Highlights are coverage of select bills heard in House committees and other House activities held April 16-23. 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.

AGRICULTURE

Millions for ag-related water issues

Money could be expended from the Clean Water Fund to help the Agriculture Department address water protection issues as they relate to agricultural practices.

Approved April 21 by the House Agriculture, Rural Economies and Veterans Affairs Finance Division, HF2301 would provide more than \$8.8 million in the 2010-2011 biennium to the department for these efforts.

Sponsored by Rep. Al Juhnke (DFL-Willmar), the division chairman, the bill now moves to the House Cultural and Outdoor Resources Finance Division for possible incorporation into its omnibus bill. There is no Senate companion.

The bill would provide over the biennium:

- \$4.9 million for an agricultural best management practice loan program;
- \$2.6 million for research, pilot projects and staffing related to ways agricultural practices can contribute to restoring impaired waters; and
- \$675,000 for pesticide water degradation monitoring.

The bill would fund three new positions to provide technical assistance related to ways agriculture practices can contribute to restoring impaired water. Rep. Andrew Falk (DFL-Murdock) tried unsuccessfully to amend the bill to limit administrative and staff expenditures in that provision to no more than 15 percent of the allocation.

Rep. Mary Ellen Otremba (DFL-Long Prairie) questioned how the department could add positions when a hiring freeze is in place. Joe Martin, the department's assistant commissioner, said that a case could be made to deem these positions as critical.

— L. SCHUTZ

BUDGET

Cash flow study

It won't solve this year's budget deficit, but a bill sponsored by Rep. Loren Solberg (DFL-Grand Rapids) would help the state keep

enough money tucked away for the future.

HF2038 would ask Minnesota Management and Budget to examine how the state calculates how much money to keep in its budget reserve and its cash flow account, which is used to cover cyclical deficiencies between state revenue collections and expenditures.

Under the bill's provisions, MMB would regularly review the formula it uses to calculate the recommended amount of money to keep in the budget reserve. For the cash flow account, MMB would be required to conduct a study on how to improve the long-term cash flow of the state.

"This really says to the department — and they want to do this — to have a decent study of what the cash flow account really needs to be," Solberg said.

The House Finance Committee approved the bill April 20 and referred it to the House Ways and Means Committee. Sen. Richard Cohen (DFL-St. Paul) sponsors the companion, SF1481, which was laid over April 15 by the Senate State Government Budget Division.

The bill was trimmed down from an earlier

version that would have established the Office of Long Range and Strategic Planning as an independent state agency. Solberg said the provision costs too much to be feasible this year.

Rep. Steve Simon (DFL-St. Louis Park) questioned the value of using formulas to determine how much money the state needs to keep in its budget reserve, arguing it is largely a policy decision for lawmakers and the governor.

"I'm just interested, in general, in why there needs to be mathematical precision on something that's really kind of a policy choice. Some people want a big one, some people want a small one," Simon said.

— N. BUSSE

Stimulus oversight money approved

State agencies would get \$1.1 million to help report and oversee use of money from the American Recovery and Reinvestment Act of 2009 — better known as the federal stimulus funding package — under a bill approved April 20 by the House Finance Committee and April 22 by the House Ways and Means Committee.

Rep. Loren Solberg (DFL-Grand Rapids) sponsors HF2251 that would appropriate \$700,000 to Minnesota Management and Budget and \$384,000 to the Office of the State Auditor to monitor stimulus spending by state and local agencies. The bill now awaits action by the full House.

The money would be made available for the current fiscal year and would be available until June 30, 2011. Solberg said MMB requested the funding to comply with federal oversight requirements.

"As you know, the federal government is requesting a great deal of accountability," Solberg said.

Noting that MMB had originally requested \$1.6 million for stimulus oversight compliance, Solberg said the remainder of that request is included in SF2082, the omnibus state government finance bill.

The bill would also set up a special account in the state treasury to accept Minnesota's share of the fiscal stabilization funds included in the stimulus. Stabilization money would have to be directly appropriated from the account.

Sen. Richard Cohen (DFL-St. Paul) sponsors SF1938, the companion to Solberg's bill, which awaits action by the full Senate.

— N. BUSSE

BRIDGE SURVIVOR



PHOTO BY ANDREW VONBANK

Mercedes Gorden, a survivor of the Interstate 35W bridge collapse, testifies April 21 before the House State Government Finance Division during a review of the compensation fund process. The division heard testimony by special masters, survivors and attorneys.

EMPLOYMENT

Economic outlook still bad

Minnesota's economic outlook has gone "from pitch black to very dark," a state official told members of a House division April 21.

Dan McElroy, commissioner of the Department of Employment and Economic Development, told lawmakers the economy is showing faint signs of improvement — but also cautioned that the slight improvements mask grim realities in some parts of the state.

"I've been asked if I see any light at the end of the economic tunnel. My response is, 'No. I see some evidence that there may be light bulbs being unwrapped,'" McElroy told the House Higher Education and Workforce Development Finance and Policy Division.

McElroy said the number of initial unemployment insurance claims in the state had dropped slightly since January, and said national trends with some indicators like orders for manufactured goods are showing early signs of improvement. However, he noted the state unemployment rate reached 8.2 percent in March, the highest it's been since 1983.

Several division members used the hearing as an opportunity to voice criticism of McElroy and his department. Rep. Tim Mahoney (DFL-St. Paul) faulted DEED for not having a comprehensive economic development plan for the state.

"What is the state of Minnesota doing to help our state get out of this? ... Because I've been trying to find that out all session and I just don't have the answer I'm looking for just yet," Mahoney said.

McElroy countered that although there is no "single document" guiding economic development policy, Minnesota has numerous programs to grow industry and help unemployed workers find jobs.

Republican members defended McElroy, arguing that recent job losses in the state have more to do with Minnesota's high business tax rates. Rep. Bud Nornes (R-Fergus Falls) criticized DFLers for proposing tax increases to help fix the budget deficit.

"One of the things we can't do is add more fees and taxes to our businesses in the state — the job providers. That's the least we can do to help the situation," Nornes said.

Division Chairman Rep. Tom Rukavina (DFL-Virginia) rejected that argument, and criticized Gov. Tim Pawlenty and his administration for not doing more to directly address the state's unemployment situation. He would like to see a wage subsidy program similar to one that worked in the early 1980s,

and argued corporate tax cuts proposed by Pawlenty would accomplish little.

"This whole concept that when you cut taxes it trickles down and creates jobs is a bunch of B.S.," Rukavina said. "We've had dismal job creation under Gov. Pawlenty, and that's a fact."

— N. BUSSE

ENVIRONMENT

Environment bill clears division

The House Environment and Natural Resources Finance Division approved an amended policy bill April 21 that includes provisions regarding carbon sequestration in wetlands, harvesting of wild rice and clarifying regulations for young off-road motorcycle riders.

HF1237, sponsored by Rep. Kent Eken (DFL-Twin Valley), awaits action by the House Finance Committee. A companion, SF1110, sponsored by Sen. Satveer Chaudhary (DFL-Fridley), awaits action by the Senate Environment, Energy and Natural Resources Budget Division.

A provision was adopted that will allow the Department of Natural Resources to determine when the wild rice harvest season can begin, based on the stages of ripeness. It only applies to this year's harvest and gives the DNR time to work on a permanent policy plan with Native American tribal committees for wild rice harvesting in public waters. Rep. John Persell (DFL-Bemidji) said cultivation at the correct time is crucial to the ecological survival of the plants and that there are differences of opinion about when harvesting should begin.

Also as amended, children under age 12 would be allowed to ride an off-highway motorcycle on public land if they are participating in an event that requires a special use permit, such as competing on an obstacle course or track. The bill previously would have required someone age 18 or older to be riding with the child in such instances.

The third successful amendment adds carbon sequestration to the list of items considered when determining the public value of wetlands. This is useful when the Board of Water and Soil Resources identifies wetlands that may require restoration. The department and local government may also consider quantity of water, besides its quality, when considering erosion and sediment control improvements.

— S. HEGARTY

GAME & FISH

Fishing allowances amended

An attempt to promote fishing by offering free angling in state parks was deleted from the House omnibus game and fish bill that was approved as amended April 21 by the House Environment and Natural Resources Finance Division. Sponsored by Rep. David Dill (DFL-Crane Lake), HF1238 awaits action by the House Finance Committee.

Its companion, SF1116, sponsored by Sen. Satveer Chaudhary (DFL-Fridley), awaits action by the Senate Environment,

Energy and Natural Resources Budget Division.

Rep. Rick Hansen (DFL-South St. Paul) said that following media coverage about a bill to offer free licenses to anglers

age 90 and older, he received calls from constituents who wanted the age limit lowered to 80 or 75. "Each has a cost," Hansen said, as he successfully amended the bill to delete the section that would have allowed residents to fish free in state parks. The 90-year-old angler portion remains in the bill.

Dill successfully amended the bill to allow people to fish with two lines if they pay an extra \$10 on fishing licenses.

Dill also amended HF696, the House Game, Fish and Forestry Division's omnibus lands bill, onto the bill. It includes an amendment that would require the Department of Natural Resources to lease state land in St. Louis County for 30 years to the Mountain Iron Economic Development Authority, which plans to install up to four wind turbines on the property.

Also incorporated into the bill was HF1132, a bill that would increase the percentage of timber that can be sold by state forestry operations. Sponsored by Dill, it also authorizes a pilot project that would allow the DNR to lease state-owned forests to private or public groups that would manage the forest production activities. The state forestry division only harvests a portion of the available timber and leasing some of the maintenance and operations to private business, such as paper mills, could increase production, he said.

— S. HEGARTY

What's in the bill

The following are selected bills that have been incorporated in part, or in whole, into the omnibus game and fish bill:

HF536 - Persell
HF591 - Hansen
HF952 - Eken

HUMAN SERVICES

Shaken baby training

Shaken baby syndrome can happen to older children, not just infants.

Awaiting gubernatorial action is HF782/SF978* that would increase shaken baby syndrome training for certain providers caring for children up to age 5. It was approved as amended 122-12 by the House April 20 and repassed by the Senate 64-0 the next day.

Sponsored by Rep. Phil Sterner (DFL-Rosemount) and Sen. Sharon Erickson Ropes (DFL-Winona), it would require 30 minutes of training for both shaken baby syndrome and sudden infant death syndrome for licensed chemical dependency treatment programs that serve clients with children, licensed child care centers and providers, and child foster care providers that care for children. The training would be required at least once every five years.

Previously training was only required for those caring for infants.

"Most people do not know that shaken baby syndrome not only affects infants, but children up to the age of 5," said Sterner. An estimated 1,500 to 3,000 children are diagnosed with the syndrome each year, he said.

— P. OSTBERG

Cuts that hurt

The omnibus health and human services finance bill approved April 23 by the House Finance Committee would cut health and human services by \$402.5 million in the next biennium and \$567.8 million in the following biennium. It totals about 5 percent of the state's overall budget, said sponsor Rep. Thomas Huntley (DFL-Duluth).

HF1362 attempts to maximize the \$1.8 billion in federal stimulus dollars while making "painful" cuts in service programs, Huntley said. The bill would not change eligibility requirements for Medical Assistance or MinnesotaCare, but hospitals, long-term care facilities, the use of personal care attendants and those using public dental assistance would all receive reductions.

After working with disability representatives on which services they use the least, Huntley said, "It's sort of like are we asking people, 'Are you right-handed or left-handed cause we'll cut off the arm you don't use as much.'"

The bill was scheduled to be addressed by the House Ways and Means and Rules and Legislative Administration committees April 24. A Senate companion is expecting to be introduced in the next few days.

Spending reductions include delayed rebasing for nursing homes; a 3 percent cut

to long-term care facilities; a 3 percent ratable reduction to hospitals, including reducing reimbursement rates for those on Medical Assistance and General Assistance Medical Care; and limiting personal care attendant hours to 310 per month per individual.

In an effort to minimize cuts, the bill would make changes to meet federal requirements for stimulus funds. Changes to Medical Assistance could result in a reimbursement rate of 62 percent from the federal government, with the state responsible for 38 percent. The current rate is 50-50.

Money would also be invested to meet the federal Children's Health Insurance Program Reauthorization Act of 2009 that could result in an additional \$20 million to increase the number of children on public health insurance by easing the enrollment process, Huntley said.

Another \$4 million would be invested to meet provisions of, and receiving funding from, the federal Health Information Technology for Economic and Clinical Health Act that is designed to help the state convert health records to electronic form.

In an attempt to set a fixed amount given to providers for treatment of a specified group of people, a total cost of care pilot project is included in the bill. The human services commissioner would work with interested providers to establish the alternative payment reform for frequent users of high-cost health care services. Hennepin County Medical Center would be the main provider conducting the project, said Huntley.

Testifying before the House Health Care and Human Services Finance Division April 21, Brian Osberg, assistant human services commissioner, said the bill uses federal stimulus money instead of focusing on long-term solutions. The governor's proposal would have eliminated 113,000 people from public health care and eliminated some basic services.

Huntley countered that under the governor's proposal several hospitals would be forced into bankruptcy through uncompensated care for those 113,000 people. Those without care will show up somewhere else in the system costing more money in the long run, he said.

— P. OSTBERG

SAFETY

Firefighters may need a license

Dog groomers, doctors, lawyers and cosmetologists must be licensed in Minnesota, but not firefighters.

"They do everything from car crashes and train wrecks to structural failures when bridges fall in the water. It's about time they were

licensed," said Rep. Joe Atkins (DFL-Inver Grove Heights). "If we recognize dog groomers, for heaven's sakes, we certainly ought to license these professionals and recognize them for the skills and training they demonstrate."

He sponsors HF1805 to do that.

Approved April 16 by the House Public Safety Finance Division, the bill was referred to the House Finance Committee with a recommended referral to the House floor. A companion, SF1219, sponsored by Sen. Ann Rest (DFL-New Hope), was incorporated into the Senate omnibus public safety finance bill. Sponsored by Sen. Linda Higgins (DFL-Mpls), SF802 was passed 34-31 on April 20.

The bill calls for the Board of Firefighter Training and Education to appoint an accredited organization to prepare and administer firefighter certification examinations. To receive a three-year license, a person must demonstrate competency in fire prevention, fire suppression and hazardous material operations. A license could be renewed without testing, provided the firefighter had at least 72 hours of training during the previous three years.

To ensure there is no fiscal impact to the state, a \$75 fee would be established for the original license and each renewal.

The requirement would be mandatory only for full-time firefighters hired after July 1, 2011. Grandfather provisions would exempt the approximately 2,000 current full-time firefighters. Volunteer, part-time or on-call firefighters could receive licensure by following the same requirements as full-time firefighters.

"We think it's a good bill," said Brian Rice, attorney for the Minnesota Professional Fire Fighters Association.

Rep. Tony Cornish (R-Good Thunder) expressed concern about potential increased local government costs. "If you get a small town, they all volunteer or they all go get licensed, then they're going to want more money from the local government."

Rice said Minnesota ranks 47th in fire safety spending per capita. "It's largely due to those 18,000 volunteers out there that help keep Minnesotans safe."

— M. COOK

TRANSPORTATION

Type III bus driver change

Signed
by
the
governor

A new law corrects an unintended consequence of a 2008 law.

Sponsored by Rep. John Ward (DFL-Brainerd) and Sen. Rick

Highlights continued on page 22

Sharing the pain

Veterans programming funding increases come at agriculture expense

BY LEE ANN SCHUTZ

Keeping with what's become a House tradition, the omnibus agriculture and veterans affairs finance bill led the way April 22 for the string of spending bills to be considered on the floor.

Tradition also has it that it is viewed as the most bipartisan of any of the major spending bills leaving the floor. But that tradition was left at the Chamber door.

After incorporating several Republican amendments, HF1122, sponsored by Rep. Al Juhnke (DFL-Willmar), was passed by the House 83-49 on a nearly party-line vote. It now moves to the Senate where Sen. Jim Vickerman (DFL-Tracy) is its sponsor. The Senate passed its version, SF1779, 49-13 on April 17. A conference committee is to work out an agreement.

It isn't so much that Republicans disagree with the bill's provisions, but the amount of money it would spend over the biennium — they see it as too little and an example of misplaced priorities.

The House target for biennial spending for the Agriculture, Military Affairs and Veterans Affairs departments, the Agricultural Utilization Research Institute and Animal Health Board is \$248.3 million, about \$18 million less than in the governor's budget proposal.

Rep. Rod Hamilton (R-Mountain Lake), vice chairman of the House Agriculture, Rural Economies and Veterans Affairs Finance Division, said that good people were put in the position of having to shuffle money from one funding pot to another. "Where are the priorities?" He called for restoring the governor's spending recommendations.

House Republicans were successful in attaching several amendments to increase funding for veterans programs. The caveat, however, is that the proposals, as amended by Juhnke, would be funded by moving money from agriculture.

He said that if the provisions were important, he did not want "to cherry-pick the bill apart," but let the agriculture commissioner decide what should be funded.

"Every one of those amendments cuts jobs," Juhnke said in responding to a question from Rep. Laura Brod (R-New Prague) regarding the amount of money being shifted from the department. He said that the changes reflect a more than \$11 million biennial shift away from the Agriculture Department. He said the commissioner would have to decide where the cuts would take place. "We are talking about bureaucracy. ... I'm not offering the amendments. I'm supporting you at this point," he said.

Before amendments, the bill would provide over the biennium:

- \$117.3 million for the Veterans Affairs Department;
- \$72.9 million for the Department of Agriculture;
- \$42.1 million for the Department of Military Affairs;
- \$10.3 million for the Board of Animal Health; and
- \$5.7 million to the Agricultural Utilization Research Institute.

Juhnke said the House spending target reflects an overall 6 percent cut to the agencies, which division members said is disproportional because these agencies comprise approximately 10 percent of the state's General Fund spending.

The cuts would be mitigated by deferring state-obligated ethanol producer payments and taking money from a relatively unused G.I. Bill education fund. Juhnke said the bill (before

A Quick Look at HF1122

Focus: Agricultural Utilization Research Institute, Board of Animal Health, Department of Agriculture, Department of Military Affairs and Department of Veterans Affairs.

2010-11 General Fund appropriation: \$248.3 million

General Fund amounts are for the biennium.

| | |
|------------------------|-----------------|
| Veterans Affairs | \$117.3 million |
| Agriculture..... | \$72.9 million |
| Military Affairs | \$42.1 million |
| Animal Health..... | \$10.3 million |
| AURI..... | \$3.1 million |

Funding provisions:

| | |
|---|----------------|
| Ethanol producer payments..... | \$24.3 million |
| Dairy development and enhancement grants..... | \$1.5 million |
| Minnesota Grown promotion | \$372,000 |

Selected policy provisions:

- strengthens ethanol mandate requirement
- requires a study and report on how to increase number of green jobs in food production sector
- creation of farm-to-school or farm-to-home pilot projects
- explore feasibility of producing ethanol from whey
- review state laws regarding control of feral swine and other nonnative or domestic animals running at large
- veterans applying for state jobs must be granted an interview
- veterans designation may be printed on driver's license
- number of Minnesota residents serving as Vietnam allied forces to be determined

the floor amendments) reflects a more than 3 percent increase each over the forecast base for the Veterans Affairs Department and for operation of the state's five veterans homes.

"We made a concerted effort to hold services at a level, so we didn't displace anyone, or harm services."

He explained the G.I. Bill fund was



PHOTO BY ANDREW VONBANK

Rep. Al Juhnke, *background*, discusses the veterans portion of the omnibus agriculture and veterans finance bill with Rep. Doug Magnus, *foreground*, on the House floor April 22.

established two years ago with a \$12 million General Fund allocation for higher education reimbursement for returning veterans. The federal government expanded its higher education benefit, resulting in less than \$1 million expended from the state fund.

"We took \$9 million out and relocated it into other (parts of the veterans budget). If we didn't use these dollars, they would have fallen to the bottom line, and could have been used elsewhere. ... If we wouldn't have had the money, the cuts would have been excruciating," Juhnke said.

One of the larger expenditures in the bill is more than \$24 million for ethanol producer payments. Since the program was instituted in 1987, the annual payments to the first companies to involve themselves in the industry have been controversial. This was heightened by an April 17 report from the Office of the Legislative Auditor that questioned whether ethanol payments should be discontinued.

Rep. Michael Paymar (DFL-St. Paul) was unsuccessful with his amendment that would have put an end to the payments and dedicated the money to the General Fund. "While the program was well-intended, taxpayer subsidies of the industry should end," he said.

Juhnke responded, "We've had this debate every two years. ... This program is almost over." He and others said the state has a moral obligation to honor its commitment. "We should not be knee-jerking the auditor's report just days after it comes out."

Rep. Joyce Peppin (R-Rogers) said the subsidies have been going on for too many years. "It's never too late to end bad policies."

The bill also contains policy provisions, including:

- a health and wellness assessment would be conducted between six months and one year after the end of a National Guard member's deployment;
- an annual report would be due the Legislature regarding the number of veterans applying, interviewed and hired for state agency positions;
- changes would be made to training and educational qualifications for military personnel seeking to enter a law enforcement occupation;
- horses and other equines would be classed as livestock; and
- a noxious weed and invasive plant species assistance fund would be established. 🌿

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Investing in quality care for kids

Lawmakers hope for long-term benefits of early investment

By KRIS BERGGREN

The inaugural omnibus early childhood finance bill passed the House 84-47 on April 23

The bill's short life most likely ends here, however, as its provisions are expected to be divided in conference committee between the K-12 education and health and human services finance bills. Some early childhood programs are funded through each channel.

The Senate put its pre-kindergarten through grade 12 funding in one bill, SF1328, sponsored by Sen. LeRoy Stumpf (DFL-Plummer). It was approved 37-29 April 7.

Rep. Nora Slawik (DFL-Maplewood), who sponsors HF2088, said "three overarching goals" the division has maintained through the session are: getting an early start on closing the achievement gap, increasing child care quality and readying children for kindergarten. She said the programs are a long-term investment that will pay off in lower remedial costs in K-12 education and the juvenile justice system.

Key provisions would:

- create a statewide child care quality rating system based on the pilot Parent Aware project and help child care providers get ready to meet quality expectations if they wish to apply for inclusion in the rating system;
- transfer \$1 million of the unspent balance from federal funding for basic sliding fee program to the Education Department to fund Words Work, an intensive Head Start literacy program, and another \$1 million for after-school program grants; and
- use one-time federal stimulus funds to increase by 2 percent the state's reimbursement rate to child care providers who accept the basic sliding fee or MFIP subsidies, and to reduce by about one-third the waiting list of those eligible for sliding fee subsidies, while limiting retroactive eligibility.

The bill features no cuts to spending targets, but proposes larger accounting shifts for Department of Education-funded programs. It would cost \$455 million in fiscal years 2010 and 2011, divided between \$262.8 million for Human Services Department programs, including Minnesota Family Investment Plan child care and economic assistance grants and the basic sliding fee Child Care Assistance Program for low-income working families, and \$192.2 million for Education Department programs including adult basic education, Head Start, after-school program grants and school readiness services preparing at-risk children for kindergarten.

About \$6 million in federal stimulus funds would be used to improve child care quality, and another \$21 million to increase child care provider reimbursement rates for MFIP and CCAP providers and reduce the waiting list for basic sliding fee subsidies. The governor proposes to cut provider rates by 3 percent while increasing parent co-pays.

Slawik noted the bill includes all of the governor's education policy proposals except a 12-hour minimum weekly requirement for school readiness participation. The requirement was a hardship for programs that, with no additional funding, would be expected to increase hours or serve fewer children for more hours.

While most Republicans support the broad goals Slawik named, they have different priorities about how best to target programs to

A Quick Look: HF2088

Focus: Head Start, Early Childhood Family Education, School Readiness, Kindergarten Entrance Assessment, Health and Developmental Screening, Minnesota Family Investment Plan and Basic Sliding Fee Child Care Assistance Programs, Community Education, Adult Basic Education, General Equivalency Diploma, Adults with Disabilities Aid, After School Community Learning Grants, Quality rating system, School Readiness Service Agreements.

2010-11 General Fund appropriation: \$426.9 million

Department of Education.....\$192.2 million
Department of Human Services\$262.8 million

General Fund amounts are for the biennium:

Family Support\$108.9 mil.
School Readiness\$18.5 mil.
Head Start\$40.2 mil.
Community Education.....\$974,000
Adults with Disabilities Aid\$1.3 mil.
After School Grants.....\$1 mil.
Adult Basic Education\$87.2 mil.
GED Tests.....\$250,000
MFIP Child Care Assistance\$148.6 mil.
including:

Two percent provider rate increase\$4.2 mil.
Basic Sliding Fee Child Care Assistance\$107.6 mil.
Two percent provider rate increase ...\$2.8 mil.
Funding for waiting list\$14 mil.
Child Care Development.....\$6.3 mil.
Family Friend and Neighbor Grants... \$750,000
Rating system preparation.....\$1.3 mil.
Rating system pilot\$1.4 mil.

Selected Policy Provisions:

- create a statewide child care quality rating system
- help child care providers prepare to meet quality expectations
- fund Words Work, a literacy teacher training program
- fund after-school program grants
- increase by 2 percent the state's reimbursement rate to child care providers who accept the basic sliding fee or MFIP subsidies
- reduce the waiting list of those eligible for sliding fee subsidies, while limiting retroactive eligibility



PHOTO BY ANDREW VONBANK

Rep. Nora Slawik presents the omnibus early childhood finance bill April 23 on the House floor.

the most at-risk children. They prefer to direct funding to strengthen children within the context of their families and preserve parental choice over programs they perceive as state-run or one-size-fits all. House Republicans went 1-for-11 in getting amendments added to the bill.

Rep. Keith Downey (R-Edina) and Rep. Mark Buesgens (R-Jordan), both members of the House Early Childhood Finance and Policy Division, sought to strike a provision to expand the statewide Quality Rating System, currently in a pilot program run by the Minnesota Early Learning Foundation, scheduled to expire in 2011.

They say the program should run its course and the foundation should issue its report and recommendations about carrying out a statewide implementation of a similar system and what role the private and public sectors should play. Although the rating system is voluntary, they say that in effect, such ratings would drive the market in favor of larger centers compared to family day care facilities that may be less able to meet all the quality rating criteria.

Downey also unsuccessfully sought to strike a provision that would pay providers

who earn a 3- or 4-star rating a differential increase.

The bill originally contained a provision to create an Office of Early Learning to coordinate children's services between the Human Services and Education departments. An amendment successfully offered by Rep. Randy Demmer (R-Hayfield) at the April 19 House Ways and Means Committee meeting downsized the idea to appoint a "director" who would be appointed by the governor with the same intent to coordinate services. The director would create a statewide inventory of child services to enhance understanding of what is available, who is using the services, and who is eligible who may not be using them. Downey and Buesgens each unsuccessfully sought to strike the entire provision.

Rep. Tara Mack (R-Apple Valley) successfully offered an amendment to use part of the unspent Child Care Development Fund balance to fund two additional reading programs besides the Words Work program already in the bill.

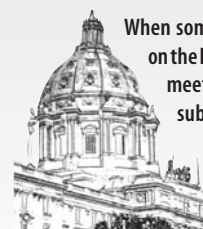
Buesgens said that in the current economy hard financial decisions must be made by families and legislators, and offered an

amendment to strike all education funding appropriations from the bill.

"This budget area is a half a billion dollars," said Buesgens. "Let's separate the necessary from the nice."

"You're right about one thing; this is the worst economy we've ever seen," Slawik said adding, "Child care is workforce development." She said 72 percent of all Minnesota families with children under age 6 have all available parents in the workforce. 🏰

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Animal, vegetable, mineral ... or chemical?

Toxic Free Kids Act survives House floor omnibus debate

By SUSAN HEGARTY

During a lengthy discussion about the environment on Earth Day, April 22, the House approved legislation that calls for data collection on toxic chemicals found in children's products.

The omnibus environment and energy finance bill, HF2123, sponsored by Rep. Jean Wagenius (DFL-Mpls) was passed by the House on an 85-46 vote. Most of the debate centered on the environment portion of the bill.

A companion, SF2099, sponsored by Sen. Ellen Anderson (DFL-St. Paul), awaits action by the full Senate.

With major appropriations for the Pollution Control Agency and the Board of Water and Soil Resources, traditional work such as monitoring water, mining and timber resources would continue, although Wagenius said the PCA, which is under a "mountain of debt," would have to do their work with a 10 percent budget cut.

New provisions include HF250, sponsored by Rep. Kate Knuth (DFL-New Brighton). Known as the Toxic Free Kids Act, it would require manufacturers of children's products to give the PCA a list of the chemicals found in their products and the list would be made public. More than an hour of floor debate and several failed amendments were offered by members who doubted the calculated fiscal impact, saying it would be much larger. Others considered the language in the bill as a possible trade secret violation for manufacturers. "Minnesota children and parents deserve better information and protection" from toxic chemicals, Knuth said.

Rep. Kurt Zellers (R-Maple Grove) said the act would make the bill fiscally "out of whack" and would be "a mandate of monumental proportions" from a department that is, to use Wagenius' phrase, "under a mountain of debt." Zellers unsuccessfully attempted

to refer the bill to the House State and Local Government Operations Reform, Technology and Elections Committee for further review.

Chemicals are also addressed in other sections of the bill. A provision to publish mercury warnings for fish consumption in four languages also drew much debate. The bill did not designate which four languages should be used on the warnings, prompting Rep. Joe Hoppe (R-Chaska) to successfully amend the bill to read, "one of which must be English." The remainder will be at the discretion of the Department of Natural Resources.

Chemicals in coal tar driveway sealants were found in the bottom of a stormwater retention pond in White Bear Lake. The toxic sediment resulted in a provision to ban coal tar from state transportation projects and to study the issue in anticipation of a future public ban.

PCA and BWSR would also continue testing water in lakes, ponds, streams and wastewater treatment plants for chemicals. Testing would include research on how chemicals found in drinking water sources affect children and pregnant women.

Animal

General Fund appropriations include funding for the Minnesota Zoo in Apple Valley, Como Zoo in St. Paul and the Duluth Zoo. The non-game wildlife account in the natural resources fund would provide \$440,000 for research and management of the gray wolf. Wildlife habitats would be maintained or restored and paid for through the heritage enhancement account in the game and fish fund.

Likewise, management of deer, bear,

A Quick Look HF2123

Focus: Department of Natural Resources, Pollution Control Agency, Board of Water and Soil Resources, Metropolitan Council, Minnesota Conservation Corps, Zoological Board, Science Museum of Minnesota, Public Utilities Commission, Department of Administration, Department of Commerce, Office of Energy Security, Telecommunications Access Minnesota, Minnesota State Colleges and Universities: International Renewable Energy Technology Institute, Petroleum Tank Cleanup Fund, Worker's Compensation, financial institutions/market assurance

2010-11 General Fund appropriation: \$365 million

General Fund amounts are for the biennium.

Funding provisions:

| | |
|--------------------------------------|--------------|
| Environment - Natural Resources .. | \$232.9 mil. |
| Department of Commerce | \$44.2 mil. |
| Board of Soil and Water Resources .. | \$32.7 mil. |
| Pollution Control Agency | \$20.6 mil. |
| Minnesota Zoological Board | \$13.4 mil. |
| Public Utilities Commission | \$10.8 mil. |
| Metropolitan Council | \$7.6 mil. |
| Science Museum of Minnesota | \$2.3 mil. |
| Minnesota Conservation Corps | \$950,000 |

Selected policy provisions:

- creates composting grants
- prohibits yards waste disposal in plastic bags that do not meet ASTM standards for compostable plastics
- enables the Department of Natural Resources to sell gift cards
- changes threshold for reporting greenhouse gas emissions
- uses federal stimulus money for weatherization of state buildings and low-income housing
- provides grants for solar energy projects in public buildings, including schools
- increases number of statewide surface water assessments
- increases or establishes fees and passes for various recreational activities, mining operations and conservation easements
- gives grants for Red River flood mitigation



PHOTO BY ANDREW VONBANK

Rep. Jean Wagenius presents the omnibus environment and energy finance bill April 22 on the House floor.

waterfowl, pheasant and wild turkey would be paid for through each of their respective dedicated funding accounts.

Vegetable

A large portion of BWSR's appropriations would be passed to local governments as grants. Within the bill, \$2.3 million is for soil erosion control and water quality management. Another \$2.4 million would be used to maintain vegetation buffers and to restore native prairie.

Wagenius included language that would require state agencies and their grant recipients to plant or sow only native seeds and plants for conservation and management projects. The requirement could rule out the use of some plants commonly used today by farmers.

Four million dollars is earmarked for the state's tree nurseries and forests. The Minnesota Forest Resources Council would have to submit recommendations to the Legislature by next January about ways to increase tree planting for the sequestration of carbon.

Another emerging tree issue focuses on preventing the spread of the emerald ash borer, an invasive species that was recently discovered in Wisconsin and on the

Minnesota border near Houston County. The insect bores into ash trees, killing them over the course of several years. An appropriation of \$190,000 from the heritage enhancement account in the game and fish fund would be allocated to prevent the spread of invasive species on state property.

On April 22, the Department of Agriculture placed a state quarantine on firewood, ash trees and ash tree products in Houston County. Although the pest has not yet been found in Minnesota, the precaution was taken to prevent its spread.

Mineral

Mining in Minnesota would cost the six operating companies in the state more due to proposed fees ranging from \$5,000 for a peat-mining operation to \$50,000 for nonferrous metallic mineral operations. In addition, the bill would establish annual permit fees ranging from \$1,000 for peat mining to \$60,000 for taconite mining.

Taconite mining would be subject to a new reclamation fee of .0075 cents per ton of iron ore mined. The DNR would use the revenue to pay for oversight of mining operations and to cover the cost of issuing the permit.

Energy

The House Finance Committee incorporated the omnibus energy finance bill into the omnibus environment finance bill April 15 in order to align the bill with the Senate version. The bill includes appropriations from the federal stimulus money through the Department of Commerce. Some of the funds will be used to hire and train weatherization technicians. House Minority Leader Marty Seifert (R-Marshall) successfully amended the bill to require background checks on those hired to perform the energy audits on houses that qualify for weatherization projects.

A \$1.5 million grant to the Board of Trustees of the Minnesota State Colleges for "applied research" with Swedish manufacturers of renewable energy products was called into question by Rep. Joyce Peppin (R-Rogers). She said the energy commissioner told her that the funding source, the American Recovery and Reinvestment Act of 2009, prohibits spending federal stimulus money on research projects.

"This clearly is a violation of the federal law," Peppin said. Rep. Jeremy Kalin (DFL-North Branch) said the jury is still out on that issue, and the provision would be addressed in conference committee. 🏛️

Help for college students

Omnibus higher education finance bill holds down tuition hikes

By Nick Busse

"Thank heavens for the stimulus package," was all Rep. Tom Rukavina (DFL-Virginia) had left to say after two hours of floor debate on the omnibus higher education finance bill April 22.

College students could be thankful too, as the House's higher education funding package takes advantage of federal stimulus money to help hold down tuition rates at the University of Minnesota and at Minnesota State Colleges and Universities schools over the next two years.

Sponsored by Rukavina and Sen. Sandy Pappas (DFL-St. Paul), HF869/SF2083* would fund public postsecondary schools and student financial aid for the 2010–2011 biennium. The House passed the bill 86-46 and sent it back to the Senate, where a different version passed 41-23 on April 17. A conference committee is expected to be convened in an attempt reach compromise on the two bills.

The bill would provide \$1.2 billion each to MnSCU and the University of Minnesota, with \$130.4 million of MnSCU's share and \$231.5 million of the university's coming from the American Recovery and Reinvestment Act of 2009 — better known as the federal stimulus package. The numbers are identical to those in Gov. Tim Pawlenty's budget proposals.

The funding also comes with tuition caps that limit increases to no more than \$300 per year at the university and no more than 2 percent per year at MnSCU institutions. In addition, the bill would forbid the university from increasing salaries for administrators and from creating any new administrative positions. Similarly MnSCU would have to freeze staff salaries for two years and leave vacant any nonessential administrative positions.

The Office of Higher Education would receive \$385.4 million under the bill's provisions — \$15 million more than the governor recommends. Most of the additional

funding would go toward student financial aid programs such as the State Grant Program, work-study and child care assistance grants.

Rep. Sarah Anderson (R-Plymouth) tried unsuccessfully to amend the bill by capping any potential increases in student services fees. She argued the fees, which fund student activities and organizations, have become a major burden to college students.

"It's really important that we get a handle on this, folks," Anderson said, noting that a bill she recently saw showed a student being charged \$2,000 in fees on top of \$4,000 in tuition.

Rukavina opposed the amendment, saying he didn't know if it was enforceable; however, he agreed that the Legislature should address the issue in the future.

The bill also includes a \$2.7 million appropriation to the Mayo Foundation to help increase the number of doctors in rural areas and similar purposes. Pawlenty recommended \$250,000 less in his budget proposal.

Policy changes

The bill includes policy changes covering a variety of subjects ranging from alcohol at sports events to clothing sold in campus bookstores.

A provision proffered by Rukavina would require bookstores at public colleges and universities to sell only clothing manufactured in the United States. House Minority Leader Marty Seifert (R-Marshall) tried unsuccessfully to remove the provision of the bill through an amendment, arguing the policy could bring about "very severe unintended consequences"

A Quick Look HF869/SF2083*

Focus: Office of Higher Education, Minnesota State Colleges and Universities, University of Minnesota, Mayo Foundation

2010–2011 General Fund appropriation:
\$2.8 billion

General Fund amounts are for the biennium.

Funding provisions:

| | |
|---------------------------------|--------------|
| MnSCU..... | \$1.2 bil. |
| University of Minnesota | \$1.2 bil. |
| Office of Higher Education..... | \$385.4 mil. |
| Mayo Foundation..... | \$2.7 mil. |

Selected policy provisions:

- caps tuition increases at MnSCU institutions at 5 percent per year, bought down to 2 percent per year with federal stimulus funds
- caps tuition increases at the University of Minnesota to no more than \$300 per year using federal stimulus funds
- creates an optional fixed tuition rate program for MnSCU and University of Minnesota students
- requires MnSCU to freeze staff salaries and leave empty any nonessential managerial and administrative positions
- forbids the University of Minnesota from creating new administrative positions or increasing salaries for administrators
- establishes a student loan forgiveness program for veterinarians who practice in rural areas
- authorizes the University of Minnesota to create a new scholarship program for middle-income students
- eliminates the legislative advisory councils that recommend candidates for the University of Minnesota Board of Regents and the MnSCU Board of Trustees to the Legislature
- repeals the Achieve scholarship program
- requires clothing sold at MnSCU and University of Minnesota bookstores to be made in the United States

in terms of lost revenue to colleges. Rukavina later accepted an amendment that softens the requirement.

New university or MnSCU students would



PHOTO BY TOM OLMSCHIED

Rep. Tom Rukavina, chairman of the House Higher Education and Workforce Development Finance and Policy Division, presents the division's omnibus finance bill to the House April 22.

have the option of locking in a fixed tuition rate for up to four years, under provisions taken from a bill sponsored by Rep. Mark Buesgens (R-Jordan). The option would be open to students who enroll in the fall of 2010 or later, and a student's tuition would be set at the rate they pay in their first semester of enrollment. After four years — or two years, for those pursuing two-year degrees — tuition would increase to the rate charged to newly enrolled students.

Veterinary students at the university could look forward to a new loan forgiveness program under provisions taken from a bill sponsored by Rep. Mary Ellen Otremba (DFL-Long Prairie). The program would focus on helping veterinarians who operate full-time practices in "underserved" rural areas and

work mostly with food animals. The bill includes \$225,000 for the program.

The process by which candidates are appointed to the University of Minnesota Board of Regents and the MnSCU Board of Trustees would also receive an overhaul. Under the bill, trustees would be appointed by the Legislature in a process similar to the one used to elect regents. Currently, the governor appoints trustees. In addition, the legislative advisory councils that currently recommend trustee and regent candidates would be eliminated.

Rep. Bud Nornes (R-Fergus Falls) unsuccessfully offered an amendment to remove the provisions from the bill, arguing it is unnecessary for the Legislature to get involved in selecting trustees. Rukavina disagreed.

"I think us having some input would be very beneficial for these students and the system rather than the governor having complete say over who gets appointed," Rukavina said.

Rep. Steve Smith (R-Mound) successfully amended the bill with a provision that would prevent the university from using state funds for any research that would involve human cloning. Smith said a similar ban has been adopted by the U.S. Congress; however, opponents like Rep. Phyllis Kahn (DFL-Mpls) said the amendment could have the effect of harming research.

The bill also would allow the university to obtain a liquor license for the new TCF Bank Stadium and other facilities only if liquor is allowed throughout the facility, and not just in premium seating areas. 🏛️

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Building a better formula

Omnibus K-12 education finance bill floor debate highlights obstacles

By KRIS BERGGREN

Picture the state's education funding formula as a Rube Goldberg drawing depicting a complex invention with pulleys, levers and other mechanisms that get the job done but in less than elegant fashion.

House K-12 Education Finance Division Chairwoman Mindy Greiling (DFL-Roseville) has proposed a formula she likens to the precise geometry of the Eiffel Tower, built to scale according to an architectural blueprint.

Some call it the "New Minnesota Miracle." It's also known as Article 9 of HF2, the House omnibus K-12 education finance bill that Greiling sponsors, and which the House passed 85-48 April 23 after six hours of debate and 31 offered amendments. The bill contains no new education mandates, cuts outdated mandates and promotes shared services among districts as cost-saving measures.

Still, in order to reach the House DFL biennial target of \$11.6 billion for education spending, \$1.8 billion in accounting shifts is included in the bill, which also proposes \$275 million in one-time federal stimulus funds to offset spending cuts.

House Republicans, even those who say they like at least parts of the plan that would stabilize and equalize state aid to school districts and take property tax levies out of the formula, say it isn't prudent and much less realistic to approve the changes without the money to back it up.

Rep. Pat Garofalo (R-Farmington), the division's minority lead, identified "three problems" with the bill: "There is no funding, there is no reform and there is no leadership."

Garofalo noted the bill contains \$185 million less in funding from this year's base, compared to the governor's proposal to increase education spending by

\$507 million, and that the bill includes none of the governor's teacher transformation programs. Furthermore, he said, the bill "kicks the can down the road for four more years." He referred to the proposed 2014 effective date to implement the funding formula reforms.

The floor debate featured prolonged discussion over perennial hot buttons including a revived unsuccessful amendment that would have allowed school districts to start before Labor Day and several proposals that highlighted the tension between those who advocate for charter schools and those who perceive them as competition with district schools. Rep. John Lesch (DFL-St. Paul) unsuccessfully proposed even stricter accountability measures for charter schools than those already included in the bill.

However, the heaviest criticism fell to the proposed accounting shifts that could help balance the education budget without cutting spending, and to putting the proposed funding reforms into statute without a revenue source.

Heavy criticism for accounting shifts

The shifts would mean the state would defer 27 percent of its state aid payment, not 10 percent, to school districts in fiscal year 2010. It would authorize an advance payment shift of 90 percent for school districts in statutory operating debt. It would also reestablish a levy recognition shift at 49.1 percent effective in 2010. Without them the cost would be \$13.4 billion.

Members were also concerned shifts of that

A Quick Look: HF2

Focus: K-12 school operations, education programs, special education, facilities and technology, school lunch and nutrition programs; public libraries; Department of Education; Minnesota State Academies; Perpich Center for Arts Education, federal stabilization funds used to offset state aid cuts.

2010-11 General Fund appropriation: \$13.4 billion

Federal stabilization expenditures: \$275 million

General Fund amounts are for the biennium:

| | |
|--|--------------|
| General education program..... | \$9.6 bil. |
| Nonpublic pupil revenue..... | \$32.1 mil. |
| Nonpublic pupil transportation..... | \$41 mil. |
| Education Excellence | \$292.7 mil. |
| Integration aid | \$119.7 mil. |
| Charter school building lease aid..... | \$77.5 mil. |
| Interdistrict desegregation trans..... | \$32 mil. |
| Statewide testing | \$30.3 mil. |
| Adv. Placement program | \$9 mil. |
| Special education | \$1.6 bil. |
| Facilities and technology | \$62.7 mil. |
| Nutrition programs | \$38.4 mil. |
| Libraries | \$33.2 mil. |

State Agency Budgets:

| | |
|---------------------------------|-------------|
| Department of Education..... | \$43.4 mil. |
| Minnesota State Academies | \$23.8 mil. |
| Center for Arts Education | \$14.2 mil. |

Selected Policy Provisions:

- charter school reforms including strengthening authorizers' accountability
- school districts authorized to create site-governed schools
- education mandate reductions including for home schools
- special education mandate reductions creating more alignment with federal rules and practices and repeal of requirement to fund full cost of services for nonpublic school students
- special education restraint and isolation procedures revised
- school district shared services promoted
- student assessments and measures of accountability revised including use of computer adaptive testing and individual students' growth measurements required in addition to proficiency and be reported to the public



PHOTO BY TOM OLMSCHEID

Rep. Mindy Greiling, chair of the House K-12 Education Finance Division, presents the omnibus K-12 education finance bill to the House April 23.

size could harm school districts that would pay interest on short-term loans or draw down their cash reserves to cover their cash flow needs. The impact is estimated around \$25 per pupil, according to nonpartisan House fiscal staff.

“The shifts are better than the straight cuts, at least that’s what the schools told us, and I agree with that,” Rep. Randy Demmer (R-Hayfield) said April 20, but said he would not support the bill. “Assuming we want to get back to 90-10 with our funding and assuming 2014 comes, we have \$3.5 billion that will have to be made up to cover education. That’s to cover the funding for Article 9 and to pay back the shifts.”

“I’m ashamed of this bill,” said Rep. Mark Buesgens (R-Jordan), who unsuccessfully offered several amendments that could have

eliminated integration revenue, revoked the state’s participation in the No Child Left Behind Act of 2001, and raised basic per pupil aid while getting rid of most other funding categories.

The flavor of the session: GRAD testing

Demmer decried the policy provision to create an alternative path to graduation for students now in 11th grade who do not pass the math Graduation Required Assessment for Diploma after three tries. Failing to hold students to test results is “pulling the plug” on high academic expectations, he said.

Rep. Carlos Mariani (DFL-St. Paul), chairman of the House K-12 Education Policy and Oversight Committee, said he could not let that charge go uncontested, saying that

3,000 to 5,000 students are expected to fail the test, and if they did not graduate it would be difficult to pursue college or a job.

“Society seems to have this single-minded, one-dimensional focus and fascination with testing. I just want to submit that our responsibility here is not to a test,” Mariani said. “It is to the young people, the students in our K-12 system. If whatever tools we’re using isn’t getting the job done, let’s stop using them and use better tools.”

Greiling said the bill provides the “adequate, equitable funding that we all want. Everyone agrees it’s a good bill. It’s the price tag. But the price tag is nothing more than an inflationary increase to the funding if we implement it over six years.” 🏛️

Sex offenders, courts and corrections

Omnibus public safety policy bill headed to conference committee

By Mike Cook

Working together created an omnibus public safety policy bill all House members can support. "It strengthens the requirements on predatory offenders, it eases mandates on state agencies and it provides some needed assistance to local agencies in times of emergency," said Rep. Debra Hilstrom (DFL-Brooklyn Center), who sponsors HF1301.

The House passed it unanimously (134-0) April 20, the same day the Senate passed its version, SF993, sponsored by Sen. Mee Moua (DFL-St. Paul). A conference committee is expected to work out the differences.

House Minority Leader Marty Seifert (R-Marshall) said the bill shows what happens when "the majority can be bipartisan in its outlook of a bill." He said the bill was "OK starting out," but was bettered with the adopted amendments, including those from his caucus. Six of the 10 adopted amendments came from House Republicans.

Predatory offenders

"This bill aims to proactively protect children and Minnesotans from sexual predators," said Rep. Karla Bigham (DFL-Cottage Grove). Five of her sponsored bills are in this section.

It protects by expanding the computer solicitation of children crime to include all electronic communication systems, including texting and cell phone video, and prohibits registered predatory offenders who are on intensive supervised release from accessing or using instant messaging, chat rooms or social networking Web sites that permit minors to participate. Such offenders would also be subject to unannounced searches of their computer or other electronic device with Internet capability.

The registration period for a predatory offender would also restart if a person is arrested for a new offense or violates conditions of probation, parole or supervised release prior to the end of their registration period.

Rep. Tom Emmer (R-Delano) successfully amended the bill to include that certain predatory offenders shall receive lime green license plates. He also tacked on two parts of HF1305, which he sponsors.

One provision would make a DWI charge private data after 10 years of no same or similar charges. "It would still be available to law enforcement and courts, but if somebody did a background check for purposes of employment this wouldn't necessarily come up," Emmer said.

The other would issue a request for proposals for the replacement of the breath testing machines used in DWI traffic stops. In challenging a DWI charge, a defendant can contest that the machine was properly calibrated. However, Emmer said the manufacturer will not provide the source code necessary to ensure machine accuracy, which could jeopardize DWI convictions.

Rep. Al Juhnke (DFL-Willmar) successfully amended on HF85 to allow GPS systems to be mounted or located near the bottommost portion of a windshield. This bill passed the House 131-0 March 19, it awaits action by the Senate.

Crime victims, courts and public defenders

"Under current law, a prosecutor must provide victims of domestic assault and harassment with information on civil protection orders," Hilstrom said. "This adds victims of criminal sexual conduct to that statute."

The bill also increases from 12 to 24 hours the time an officer may have to arrest a person where there is probable cause of domestic abuse, and it expands the ability of judicial districts to create domestic fatality review teams.

Sponsored by Rep. Joe Mullery (DFL-Mpls), HF1224 sets forth a state policy to eliminate racial, gender and ethnic fairness barriers in the courts. He said the request came from the Department of Public Safety, and without it, the state could risk losing federal funds.

"Our job is not to be subservient to the federal government," Emmer said in support of an amendment unsuccessfully offered by Rep. Mike Beard (R-Shakopee) to remove the provision.

Other court provisions include: the authority to appoint a referee to act in conciliation court; the creation of a license reinstatement diversion pilot program in five cities; a written transcript of a law enforcement vehicle recording is not a prerequisite for evidence admission in a criminal trial or DWI license revocation hearing; and criteria is established to determine public defender eligibility based on the person's income and severity of the charge.

Corrections and sentencing guidelines

Among the areas included in this section are provisions that would allow conditional release of an offender if the offender consents to warrantless searches and the allowance of peace officers to use force in some instances to arrest juveniles who escape from custody.

However, Hilstrom was disappointed that she had to remove a bill designed to further ensure correctional officer safety because of



PHOTO BY ANDREW VONBANK

Rep. Debra Hilstrom walks legislators through the sections of the House omnibus public safety policy bill April 20.

a fiscal cost. Sponsored by Rep. Steve Smith (R-Mound), the provision from HF1039 would further clarify a 1997 state law that an inmate who assaults a correctional officer must serve their sentence consecutively, not concurrently. However, some judges have not interpreted it properly.

“What kind of deterrence is there if the time is allowed to be served while they’re serving what they’re in there for,” Smith said. “Whatever the cost is to keep someone in prison consecutively we surely dealt with in 1997. The cost is in their base. The fiscal note that you’re basing your motion to delete this language is not correct. . . . A House researcher on our committee said it would be impossible to determine.”

Public safety

A business that sells over-the-counter methamphetamine precursor drugs would be required, under the bill, to retain a sale log for five years and make it available for inspection by law enforcement at all reasonable times.


Rep. Morrie Lanning (R-Moorhead) successfully amended the bill to impose a misdemeanor penalty of a person possessing any amount of saliva *divinorum*, and a gross misdemeanor to anyone selling the hallucinogenic drug that is growing use.

“Law enforcement folks are telling me they’ve seen very scary things from people high on this drug,” he said.

The bill also prohibits commercial retailers from selling a toy designed for children under age 12 that has been recalled for safety reasons; creates a gross misdemeanor for possessing a device or substance intended to be used to enhance an animal’s fighting ability; and it expands the fourth-degree assault crime to include when a person assaults a utility employee or contractor involved in their professional duty.

Other provisions:

- the state’s trespass law would be amended to include entering any public or private area lawfully cordoned off by a peace officer;

- a person failing to comply with a requirement of furnishing information to the Bureau of Criminal Apprehension would be guilty of a misdemeanor and could be held civilly liable for damages suffered by someone resulting from the negligence;
- public employers could not consider an applicant’s criminal background history prior to an interview;
- the crime of unauthorized law enforcement practices would expand to include cases where a peace officer knowingly allows a non-peace officer to represent themselves as one or to perform acts reserved for peace officers; and
- the Statewide Radio Board would be designated as the state interoperability executive committee. Among its role, the board must develop a statewide plan for local and private public safety communication that integrates with the state’s emergency operation plan. 

Tightening the belt

Less funding, more accountability in omnibus state government finance bill

By Nick Busse

A funding package that includes budget cuts and provisions to strengthen accountability in state government was still being debated at 9 p.m. April 23 when this issue of Session Weekly went to press.

HF1781/SF2082*, sponsored by Rep. Phyllis Kahn (DFL-Mpls) and Sen. Don Betzold (DFL-Fridley), comprises the omnibus state government finance bill. It contains \$628.8 million in funding for the Legislature, the state's constitutional offices and various state government agencies for the 2010–2011 biennium.

If passed by the House, the bill will go back to the Senate, where a different version passed 59–6 on April 20. A conference committee is expected to work out the differences.

The bill would cut the Legislature's budget, although not quite as deeply as is recommended by Gov. Tim Pawlenty in his budget request. It proposes a 5 percent cut for the Senate, a 3 percent cut for the House and a 2.9 percent cut for the Legislative Coordinating Commission. Pawlenty has called for cuts of 5.7 percent, 5.8 percent and 5.2 percent, respectively.

The governor's office would actually see a funding increase of 14.7 percent under the bill's provisions; however, this is due to a new policy proposed in the bill that personnel costs for the governor's office may not be attributed to other executive-branch agencies. The governor's actual operating budget would be reduced by 3 percent; Pawlenty asked for a 5.9 percent cut. In addition, a provision asks Pawlenty to cut executive-branch administrative costs by \$16.5 million — an amount equal to roughly all the governor's deputy and assistant commissioners.

The bill would also cut, in whole or in part, two of the governor's biggest technology initiatives. One item, a \$16.5 million request to consolidate state agencies' data centers

into a single facility, has been completely cut from the bill. Another, an \$18 million request to fund lease-purchase financing to replace the state's outdated accounting and procurement system, would be delayed by one year. The effect would be to save the state \$9 million in the next biennium. The bill does include a request by Pawlenty to impose a temporary 10 percent surcharge on business, commercial and professional licenses to fund a new statewide electronic licensing system.

The Attorney General and Secretary of State offices would get funding reductions of 3.4 percent and 5 percent, respectively, while the Office of the State Auditor would see a 3.7 percent increase to help monitor federal stimulus spending. Pawlenty recommended deeper cuts to all three offices.

The Department of Administration, Department of Revenue and Minnesota Management and Budget would all see 5 percent reductions in their operating budgets. The bill would also fund a number of smaller state agencies, including the Campaign Finance and Public Disclosure Board, the Capitol Area Architectural and Planning Board, the Office of Administrative Hearings, the Council on Black Minnesotans and the Council on Chicano-Latino Affairs. Most of the smaller agencies would see budget cuts of approximately 5 percent as well.

Policy provisions

The bill includes a number of policy changes designed to increase accountability and improve financial management at state agencies.

Legislation sponsored by Rep. Ryan Winkler

A Quick Look HF1781

Focus: Legislature, Governor's Office, State Auditor, Attorney General, Secretary of State, Campaign Finance and Public Disclosure Board, State Board of Investment, Office of Administrative Hearings, Office of Enterprise Technology, Department of Administration, Capitol Area Architectural and Planning Board, Minnesota Management and Budget, Department of Revenue, Minnesota Amateur Sports Commission, Council on Black Minnesotans, Council on Chicano-Latino Affairs, Council on Asian-Pacific Minnesotans, Council on Indian Affairs, Minnesota State Retirement System, Minneapolis Employees Retirement Fund, Teachers Retirement Association

2010–2011 General Fund appropriation: \$628.8 million

General Fund amounts are for the biennium.
Selected funding provisions:

| | |
|--------------------------------------|--------------|
| Department of Revenue..... | \$249.6 mil. |
| Legislature | \$134.3 mil. |
| Attorney General | \$46.8 mil. |
| Minnesota Management and Budget..... | \$40.6 mil. |
| Department of Administration..... | \$39.4 mil. |
| State Auditor..... | \$19 mil. |
| Secretary of State..... | \$11.8 mil. |
| Office of Enterprise Technology..... | \$11.5 mil. |
| Governor | \$8.5 mil. |

Selected policy provisions:

- strengthening internal financial controls for state agencies and establishing a Financial Controls Council
- providing domestic partner health benefits for state employees
- establishing civil penalties for making false claims against the state, and providing for certain protections for whistleblowers
- requiring a public Web site with a searchable database of state expenditures and contract information
- granting certain preferences to businesses owned by disabled veterans in regard to bids for state contracts
- providing that costs attributable to the governor's office may not be supported by appropriations to other executive branch agencies



PHOTO BY TOM OLMSCHIED

Sponsored by Rep. Phyllis Kahn, the omnibus state government finance bill would cut legislative spending and reduce appropriations to the state's constitutional officers and state agencies.

(DFL-Golden Valley) and Rep. Keith Downey (R-Edina) dealing with agencies' internal controls have been incorporated into the bill.

The provisions would ask MMB to take a proactive role in ensuring proper financial management at state agencies, expand the duties of the Legislative Audit Commission and establish an independent Financial Controls Council for the state. In addition, a proposal sponsored by Winkler that would

make misappropriation of state funds a crime is included in the bill.

The bill also includes the language from HF8, the proposed Minnesota False Claims Act. Sponsored by Rep. Steve Simon (DFL-St. Louis Park), the provision would impose penalties on those who make false claims to the state, and establish protections for whistleblowers. The proposal is still moving forward as a separate bill in the House, and

For updates on Thursday, April 23, actions on the omnibus state government finance bill, go to Session Daily at www.house.leg.state.mn.us/hinfo/sdaily.asp.

is scheduled to be addressed April 28 by the House Transportation Finance and Policy Division and April 30 by the House Finance Committee.

A Kahn-sponsored provision would grant domestic partner benefits to state employees. Any insurance, health, medical and dental benefits available to spouses of state employees would also be available to any adult with whom a state employee lives and shares common domestic responsibilities.

Business owners who are disabled veterans would be given special preference for state contracts, under a provision sponsored by Rep. Jerry Newton (DFL-Coon Rapids). The provision would give veterans with service-related disabilities up to a 6 percent preference in bidding.

Several provisions in the bill are designed to make state Web sites more accessible and more useful to the public. One, taken from a bill sponsored by Winkler, would require the state to create a new Web site with a searchable database of state contracts and expenditures, including specific features. Another, taken from a bill sponsored by Rep. Paul Gardner (DFL-Shoreview), would require that any new accounting software for the state include an application programming interface (API) that allows the public to access data in an open format. Finally, a provision sponsored by Rep. Jeremy Kalin (DFL-North Branch) would require state agency Web sites to prominently display contact information including a phone number "that will be answered by a human being." 🗽

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Highlights continued from page 7

Olseen (DFL-Harris), the law will allow a school district employee with any class of commercial driver's license to operate a Type III vehicle. It is effective April 24, 2009, one day after being signed by Gov. Tim Pawlenty.

Type III vehicles are passenger autos, vans and buses that hold no more than 10 people, and whose maximum gross weight is 10,000 pounds. They are used, for example, when a fine arts coach drives his or her team to a meet.

Last year's law required bus drivers to comply with a number of requirements, including a physical and drug test. The previous sponsors intended to exempt "temporary or incidental Type III school vehicle drivers" because driving would not be part of their "normal duties." However, the Department of Public Safety interpreted the law whereby anyone who might drive a Type III vehicle must meet the bus driver requirements.

Proponents said that without the change, some schools might have to cut programs or have students drive themselves to games, contests or other events.

HF116/SF33*/CH24

— M. Cook

Lift bridge restoration funding

If a new bridge is built across the St. Croix River between Stillwater and Wisconsin, money could be available to rehabilitate or demolish the current crossing.

Sponsored by Rep. Julie Bunn (DFL-Lake Elmo), HF1221 would create a Stillwater lift bridge endowment account in a special revenue fund and authorize appropriations and endowments for operation and routine maintenance of the current span after it is converted for non-motorized use. She said construction of a new bridge is scheduled to begin in 2013.

The House Finance Committee approved the bill April 20 on a split-voice vote and sent it to the House Ways and Means Committee. A companion, SF1005, sponsored by Sen. Kathy Saltzman (DFL-Woodbury), awaits action by the Senate Finance Committee.

"As part of the mitigation package related to the new crossing, the old Stillwater lift bridge is going to be converted to a pedestrian and bicycling bridge," Bunn said. "This bill is unique in that we are creating an endowment account for funds to be used for basic operation and maintenance of that bicycle foot bridge once it has been converted to those purposes."

The bill provides for appropriations from either state funds, federal funds, grants and private contributions or gifts. Money in the account would be invested by the State Board of Investment. An annual fund report would

be due to the Legislature.

Rep. Mark Buesgens (R-Jordan) expressed concern of the precedent being set, instead of creating a nonprofit. "Is every single public historic place now going to be looking for the State Board of Investment, and using their leverage in investment?"

If Department of Transportation officials, in consultation with the State Historic Preservation Office, deem it is best to demolish

the current structure, federal and state money in the account can be used for that purpose. Under the bill, remaining fund money and all private gifts or contributions must be used to preserve other state historic bridges. Bunn said the general opinion of those involved with the project is that demolition is expected to "more than completely exhaust" money in the account.

— M. Cook

SPAMMED



PHOTO BY TOM OLMSCHIED

Rep. Jeanne Poppe assembles information about Austin as she prepares April 20 to SPAM all House members with the message, "April 21 is the official S.P.A.M. (Special People from Austin, MN) Day at the Capitol. An official visitor's guide to the city and a packet of SPAM were placed on each member's desk. The first can of SPAM was produced in Austin in 1937.

Friday, April 17

HF2324-Sertich (DFL)

Civil Justice

Attorney fee recovery provided for fees incurred in collecting conciliation court judgments.

HF2325-Dill (DFL)

Finance

Minnesota Historical Society grant provided to the Gunflint Trail Historical Society to renovate, furnish, equip and maintain the Chik-Wauk Museum and Nature Center.

HF2326-Davids (R)

Transportation & Transit Policy & Oversight Division

Roadway classification modification required for Route No. 44 and Route No. 9.

HF2327-Hausman (DFL)

Finance

Minnesota Public Radio grant provided for new programming.

HF2328-Murdock (R)

Finance

Perham; city water and sewer treatment facilities funding provided.

HF2329-Davnie (DFL)

Taxes

Green job zone tax incentives for businesses provided and certification of qualifying business provided.

HF2330-Poppe (DFL)

Finance

Austin; veteran home funding provided.

HF2331-Lenczewski (DFL)

Taxes

Tax increment financing plan and reporting requirements modified, administrative expenses definition clarified and interfund loan requirement modified.

HF2332-Brown (DFL)

Finance

Albert Lea; veteran home funding provided.

HF2333-Brown (DFL)

Finance

One-year transition aid payment created for school districts no longer receiving wind energy production tax revenue.

HF2334-Loeffler (DFL)

Taxes

Minneapolis; local sales tax revenue use expanded.

HF2335-Poppe (DFL)

Taxes

Wind energy production tax distributions modified.

HF2336-Lesch (DFL)

Taxes

Department of Revenue required to collect unpaid sales and local lodging taxes.

HF2337-Lesch (DFL)

Taxes

Local lodging fee provided.

HF2338-Davids (R)

Finance

Forest protection funding provided.

Monday, April 20

HF2339-Demmer (R)

Commerce & Labor

State Lottery director authorized to establish lottery gaming machines and enter into a contract for the management and placement of the machines, powers and duties provided and gaming machines revenue provided.

HF2340-Eken (DFL)

Taxes

Long-term care tax imposed to fund services.

HF2341-Davnie (DFL)

Taxes

Tax credit advance loan program provided.

HF2342-Winkler (DFL)

State & Local Government Operations Reform, Technology & Elections

Local governments allowed to adopt pesticide application ordinances.

Tuesday April 21

HF2343-Davids (R)

Finance

Regional capital fund for arts organizations created.

HF2344-Brown (DFL)

Finance

School travel grants created for schools to attend cultural events.

Wednesday April 22

HF2345-Kahn (DFL)

K-12 Education Policy & Oversight

Second world language proficiency made a requirement for high school graduation.

HF2346-Hayden (DFL)

State & Local Government Operations Reform, Technology & Elections

Juneteenth made a state holiday.

Thursday April 23

HF2347-Lanning (R)

Finance

Flood and storm disaster relief provided, federal matching funds provided, Hugo tornado aid provided.

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MINNESOTA INDEX

Minnesota taxes

| | |
|--|--------------------|
| State's current sales and use tax, as percent..... | 6.5 |
| Percent it is increasing to on July 1, 2009 | 6.875 |
| Percent of state voters in last November's election who supported the increase that will be used for clean water, wildlife, arts and cultural heritage and natural areas purposes..... | 55.99 |
| Sales and use tax collected by the state in fiscal year 2008, in billions..... | \$4.49 |
| Billions collected in fiscal year 2007 | \$4.43 |
| Percent of electronic state tax returns that are processed in 10 days or less | 90 |
| Millions of Minnesotans expected to file a tax return this year..... | 2.6 |
| Of the first approximately 2 million filed, millions who e-filed..... | 1.6 |
| Estimated number of income and property tax returns e-filed in 2008..... | 2,022,500 |
| Percent increase over 2007 | 11 |
| Number of returns e-filed during the program's first year in 1991 | 3,000 |
| Number of returns e-filed in 1998..... | 472,000 |
| First year 1 million returns were filed electronically | 2002 |
| Estimated percent of Minnesota taxpayers who qualify for free e-filing..... | 70 |
| According to a 2007 survey, percent of taxpayers who were satisfied with the amount of time it took to receive their tax refund..... | 94 |
| Department's goal for the upcoming 2009 survey..... | 95 |
| Billions in state tax collections in fiscal year 2008 | \$17.73 |
| Billions collected in fiscal year 2007 | \$17.30 |
| Billions collected by the state in individual income tax in fiscal years 2008, 2007 | \$7.76, \$7.23 |
| Billions collected for general property tax in payables 2008, 2007 | \$6.55, \$6.07 |
| Millions collected in state general property tax in fiscal years 2008, 2007 | \$704.25, \$665.74 |
| State's corporate franchise tax rate, as percent..... | 9.8 |
| Billions collected in corporate franchise taxes in fiscal years 2008, 2007 | \$1.02, \$1.17 |
| Tax per pack of 20 cigarettes, including excise tax, health impact fee and in-lieu sales tax..... | \$1.504 |
| Year the Office of the Taxpayer Rights Advocate was established | 1990 |
| Amount collected by the Revenue Department in the first year of posting a list on the agency's Web site of businesses that have failed to file and/or pay sales tax | \$278,700 |
| Number of businesses on the site when the list was first launched | 64 |
| Those that have paid in full as of March 24, 2009..... | 18 |
| Businesses on the list as of March 24, 2009 | 103 |
| Total owed the state, in millions | \$3.9 |

— M. Cook

Sources: Department of Revenue, including *Minnesota Tax Handbook: A Profile of State and Local Taxes in Minnesota*, January 2009; Office of the Secretary of State

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