

SESSION WEEKLY

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So LITTLE TIME, SO MUCH TO DO
MORE COMPROMISE, MORE REDUCTIONS
GOVERNMENT IN MINNESOTA
CUTS, REDUCTIONS AND HOLDING STEADY

HF2377 - HF2388

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: Kyle Rueben, a freshman at Bloomington Kennedy High School, is silhouetted in a plastic window as he adds another piece to the cardboard shack he will share with other students May 8 during an overnight "Box City Vigil" on the front lawn of the Capitol. The vigil is to bring attention to teenage homelessness.

— Photo by: Tom Olmscheid

Letting the sunshine in

Is the push to transparency clouding the session end game?

By KRIS BERGGREN

Legislative Commission on Planning and Fiscal Policy staff don't have windows in their basement quarters of the State Office Building, but the group they serve has tried to shed some daylight on traditionally secretive — and dependably contentious — end-of-session deal making.

Budget targets for conference committees have conventionally been hashed out by the governor and legislative leaders behind closed doors. They would then be handed to conference committees to work out the details.

As the session winds to a close, the negotiations have once again moved behind the doors of the governor's office. But there is little argument that this year, DFL leaders sought to create more transparency about arriving at a balanced budget. The previously obscure commission held weekly, sometimes daily televised hearings, where members hammered agency heads with questions and House, Senate and executive positions were aired.

"I think it's all about sunshine," said Rep. Steve Simon (DFL-St. Louis Park), one of nine House members appointed to the commission along with nine senators. "It's all about bringing a mysterious backroom process more into the open. As legislators, it's always good to be as public and transparent as possible, whether it's discussing targets or federal stimulus funds, or getting on the record the positions of the House, Senate and governor."

Republicans have criticized DFL leaders for what they say is lack of clarity about the nature of the commission's public discussions this year. Commission member Rep. Paul Kohls (R-Victoria) said there's a difference

between deciding targets in public and public discussion of targets that are decided elsewhere. He supports public access to legislative activity, and said it's traditional, and well within the rights of House and Senate leaders, to set targets privately. But the commission does give the DFL the bully pulpit advantage for now.

"The Democrats are certainly using it to advocate for their position. I think they have at times used the commission as a bit of a hammer over the administration without opportunity for full rebuttal by the administration," Kohls said. "But nobody's going to take the politics out of St. Paul."

What is the LCPFP for?

The commission was established in 1987 as a vehicle to research and analyze all manner of things fiscal, including economic trends, the governor's budget and state revenue and expenditures projections and proposals. The House speaker and Senate majority leader alternate the chair responsibilities every biennium. However, it's not used in the same way every year — and rarely as publicly as this year.

"It ebbs and flows in its use," said Greg Hubinger, the commission's 15-year director. "It depends on what they want to do with it."

"It ebbs more than flows," observed Bill Marx, the nonpartisan House chief fiscal analyst, who's been kept on his toes with the commission's requests for reams of

First Reading continued on next page



PHOTO BY TOM OLMSCHEID

Senate Assistant Majority Leader Tarryl Clark, from left, Senate Majority Leader Larry Pogemiller, House Speaker Margaret Anderson Kelliher and House Majority Leader Tony Sertich listen as Finance Commissioner Tom Hanson and State Budget Director Jim Schowalter answer question during a May 14 meeting of the Legislative Commission on Planning and Fiscal Policy. The middle chair was reserved for Gov. Tim Pawlenty, who members hoped would attend to present details about a potential unallotment plan.

information about federal stimulus and stabilization funds, and comparisons of legislative and executive branch proposals.

Sometimes the commission is used as a forum to work out sticky fiscal situations, such as this year's airing of how to incorporate funds from the American Recovery and Reinvestment Act of 2009 with its finicky conditions, or the first Northwest Airlines bailout in 1991. In 2002, it commissioned reports on statutory appropriations, funds, accounts and budget rules that were adopted as budgeting policy guidelines for the Legislature.

The commission has never been charged with setting conference committee budget targets, Marx said. Its responsibilities described in law are broad enough it would be possible to argue that setting conference targets is within its purview.

"No one has ever represented that this is a bill-passing, deal-making panel," Simon said. "To those who are disappointed (with the lack of public target-setting) I would say it was never advertised as such."

Is it worth it?

Everyone likes transparency, they say, but as the session slogs toward adjournment some Capitol veterans say the traditional top-down way of dealing with the big numbers might be more productive. Others are a bit cynical, suggesting the openness is more show than tell.

Seasoned lobbyists say the conference process seemed more effective when targets were agreed upon ahead of time.

"Leadership isn't getting to 'yes,' which isn't allowing the process to work," said Minneapolis Public Schools lobbyist Jim Grathwol. He compares conferencing without a target to sailing without a rudder. "You can't negotiate without that direction from leadership." He said the difference is marked compared with a decade ago.

At least one conference committee chair concurs. "The short timeline works against an open process," said Rep. Mindy Greiling (DFL-Roseville), adding that "the jury's out" on whether the push to openness has been productive.

"There's been a lot of public show and posturing," said Greiling, who co-chairs the E-12 education finance conference committee with Sen. LeRoy Stumpf (DFL-Plummer). "In the traditional conference committee of yore, before the current leadership, there was a week or more of public offer-trading. Then it was

So little time

And negotiations continue

The end-of-session rhetoric was cranked up a notch May 14 when Gov. Tim Pawlenty announced he would not call a special session or permit a government shutdown if legislators do not finish their work by May 18.

Ten major finance bills reached the governor's desk by May 13, and the governor said he would sign all of them, but with line-item vetoes. However, he indicated they leave a \$3 billion funding gap.

In addition to the line-item vetoes, Pawlenty said he would use his unallotment authority beginning July 1 to resolve the state's projected \$4.6 billion deficit.

"A key principle is that the DFL-controlled Legislature shouldn't spend more money than the state has available,"

Pawlenty said. "Unfortunately, they have done just that and now I'll fix it."

House Speaker Margaret Anderson Kelliher (DFL-Mpls) responded with a letter to Pawlenty inviting him to meet with the Legislative Commission on Planning and Fiscal Policy that night to discuss his proposal. She said Minnesotans deserve to know how he plans to proceed with his unallotment strategy. Pawlenty did not appear.

"On the face it looks extreme, but we need to see the details," said House Majority Leader Tony Sertich (DFL-Chisholm).

Members are expected to meet May 15, and possibly through the weekend, to further discuss a negotiated end-of-session agreement.

— M. COOK AND L. SCHUTZ

To do list: Status of major omnibus finance bills

	House Action	Senate Action	Governor's Action
Agriculture and Veterans Affairs HF1122*/SF1779	Passed 5/13	Passed 5/13	Presented 5/13
E-12 Education HF2*/SF1328	Passed 5/13	Passed 5/13	Presented 5/13
Economic Development HF1169/SF2081*	Passed 5/5	Passed 5/5	VETO 5/7
Economic Development HF2088*/SF1926	Passed 5/8	Passed 5/8	Presented 5/11
Environment and Energy HF2123*/SF2099	Passed 5/4	Passed 5/5	Line-item veto 5/7
Health and Human Services HF1362*/SF695	Passed 5/11	Passed 5/11	Presented 5/11
Higher Education SF2083*	Passed 5/13	Passed 5/13	Presented 5/13
Public Finance HF1298*/SF1257	Passed 5/12	Passed 5/12	Presented 5/13
Public Safety HF1162/SF802*	Passed 5/12	Passed 5/11	Presented 5/12
State Government HF1781/SF2082*	Passed 5/13	Passed 5/13	Presented 5/13
Taxes HF2323*/SF2074			
Taxes HF885*/SF681	Passed 5/8	Passed 5/8	VETO 5/8
Transportation HF1309*/SF1276	Passed 5/4	Passed 5/4	Signed 5/7

with so much left to do

Constitutional deadline to adjourn is midnight May 18.



"It's clear that this comes down to a series of choices. We've acted on the input Minnesotans have given us, and what they have told us is 'please, be responsible. Craft a balanced plan, to solve the budget deficit – this historic budget shortfall.' That's what we've done, and now we await a further conversation with the governor."

— Speaker of the House
Margaret Anderson Kelliher
Press briefing May 13



"House Republicans will not override a governor's veto. It's that simple. Minnesotans are demanding that government down-size, right-size and economize to grow jobs without whacking taxpayers with tax increases. ... If they (DFL) come to the table with the intent of serious reform, I would be optimistic about the road to an on-time adjournment."

— House Minority Leader Marty Seifert
Press release May 11



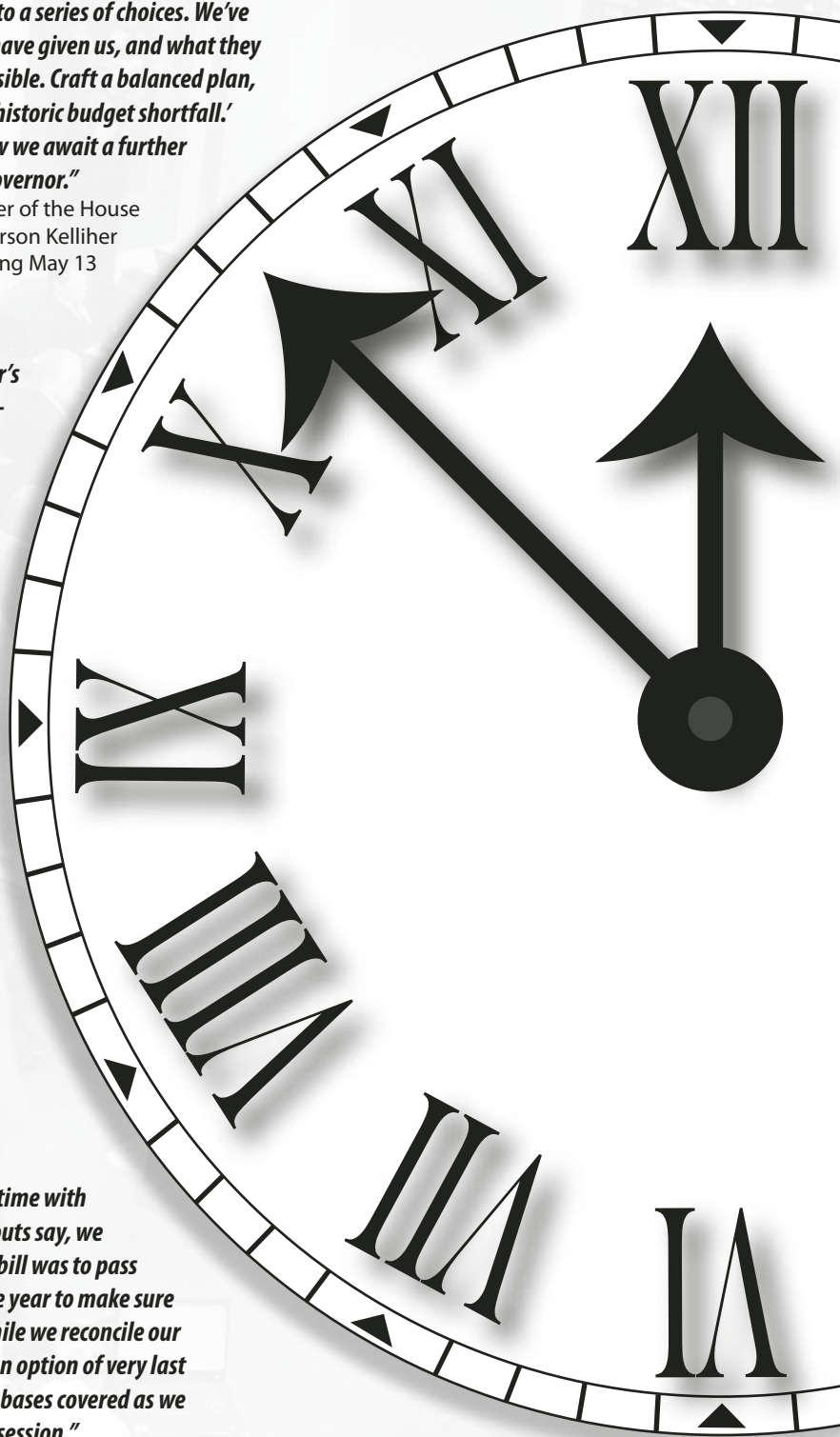
"In other words, your spending exceeds current projected revenues by approximately \$3 billion. Your approach puts me in the position of evaluating your bills without having a viable plan from you to pay for them."

— Gov. Tim Pawlenty
Letter to Speaker of the House and
Senate Majority Leader May 13



"My hope is to end the Legislature on time with a complete budget, but as the Boy Scouts say, we should always be prepared. ... If this bill was to pass it would allow for base funding for one year to make sure those core services are maintained while we reconcile our state budget. I bring it before you as an option of very last resort. I think it is good to have all our bases covered as we head into our last week of session."

— House Majority Leader Tony Sertich
House floor debate May 13



Dear Readers:

The Legislature is constitutionally required to adjourn by midnight, May 18. As Session Weekly goes to press, there are several outstanding issues yet to be resolved, and the House will likely meet through the weekend to finish its business.

We plan to publish the final issue of Session Weekly for 2009 once all bills have been acted upon by the governor. This session wrap-up issue will give readers a complete look at action taken during the session.

For daily updates as session comes to a close, visit the Session Daily Web site at www.house.mn/hinfo/sdaily.asp

— SESSION WEEKLY STAFF

Editor's note: The following Highlights are coverage of select bills heard in House committees and other House activities held May 7-14. 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**'Our bill' gets bipartisan support**

The glitch over which finance bill should hold funding for the state's five veterans homes was worked out, and the omnibus agriculture and veterans finance conference committee wrapped up its work.

After being passed 133-0 by the House May 13 and 62-5 later that day by the Senate, it awaits action by the governor.

"Today, I would say we have 'our bill.' We had two goals with the bill: preserve jobs and protect core services," said Rep. Al Juhnke (DFL-Willmar), who sponsors the bill with Sen. Jim Vickerman (DFL-Tracy).

HF1122*/SF1779 would cover 2010-2011 biennial funding for the Veterans Affairs, Military Affairs and Agriculture departments, the Board of Animal Health and the Agricultural Utilization Research Institute.

After reaching agreement on most of the bill May 1, committee negotiations were stalled after it was learned provisions in the House bill to fund the state's five veterans homes were not in the Senate proposal, but in the Senate health and human services finance bill.

Rep. Paul Kohls (R-Victoria) said he was "conflicted" about his vote. He was among Republicans who criticized the DFL for passing spending bills, without having

nailed down how the bills would be paid for, especially if there is no agreement with the governor on a biennial budget.

"I think it is worthy of the legislative support. I'm inclined to vote for the bill. I would suggest that the governor should hold on to it for every hour he has, and work like heck and get a deal on how much money we have to spend."

One of the smaller General Fund spending categories, the governor's funding request was \$266.4 million, and coming into conference committee, the House proposal was \$248.39 million; the Senate \$251.9 million. The compromised language appropriates approximately \$250.5 million in spending during the 2010-2011 biennium.

The conference committee eliminated a controversial provision that would have established a new veterans mental health facility in Kandiyohi County. An amendment successfully offered by Juhnke calls for the veterans affairs commissioner to consider possible options for treatment of veterans suffering from brain injury, posttraumatic stress disorder, or like ailments and report back to the Legislature by Jan. 15, 2010.

More than \$1 million to help make the homes reach Medicare certification was removed from the bill by conferees.

Acknowledging this year's conference committee process, which he termed an "experiment to do the negotiating in the room," rather than having leadership and the governor bargain behind closed doors, Juhnke said, "I think it was a neat process, and one I've not seen in my 13 years here."

— L. SCHUTZ

BONDING**Disaster relief, shovel-ready projects**

A governor's signature separates \$54 million in flood mitigation from areas where the dollars are needed.

"This money is going to go a long way to protect the Red River Valley from future flooding," said Rep. Paul Marquart (DFL-Dilworth). "Those dollars will be saved many times over in reduced damages in the future."

Sponsored by Rep. Alice Hausman (DFL-St. Paul) and Sen. Keith Langseth (DFL-Glyndon), HF855*/SF781 was passed 109-25 by the House and 59-8 by the Senate, both on May 13. Gov. Tim Pawlenty said May 14 that he will likely line-item veto several provisions in the bill.

The \$343.5 million bill would provide \$78.8 million to Minnesota State Colleges and

Universities, \$54.6 million to the Department of Transportation, \$51.5 million to the University of Minnesota and \$22.6 million to the Metropolitan Council.

"This bill places a high priority on higher education," Hausman said. "It is our strong belief that higher ed is the engine that drives the state's economy."

The bill also would provide asset preservation in almost every state agency, Hausman said, and provides money for shovel- and paint-ready projects.

However, some members were not happy with the bill.

"This is the most glaring example of how we refuse to acknowledge the situation we're in," said Rep. Tom Emmer (R-Delano). "We're spending money without any regard to the consequences."

He and House Minority Leader Marty Seifert (R-Marshall) said that it was not fair to put disaster relief in the bill.

"We all support flood relief and disaster assistance. That should have been in its own bill," Seifert said. "When we're looking for a balanced diet on how to balance this budget, it should be about bread and butter, not pork."

Rep. Larry Howes (R-Walker), a member of the bill's conference committee, said he understood Hausman's dilemma to keep the bill small, yet because everything in the bill is "paint and shovel ready," he called it an "excellent bill."

Other provisions include:

- \$17.2 million for the Department of Employment and Economic Development for redevelopment grants and a Mankato Civic Center expansion, among others;
- \$9.1 million for state and local matches for federal assistance for the Department of Public Safety;
- \$2.7 million for reconstruction and repair of trunk highways and bridges; and
- \$2.1 million for Minnesota Historical Society asset preservation.

— S. HEGMAN

BUDGET**'Lights-on bill' in place, just in case**

Viewed as a "just in case" scenario by some members and a "let's give up bill" by others, the so-called lights-on bill to keep government operating if there is no budget agreement awaits action by the governor.

The bill, SF2141, would keep government going if no biennial budget agreement is reached before the end of the fiscal year, June 30.

STATEHOOD DAY



PHOTO BY TOM OLMSCHIED

The chandelier is lighted above the Capitol Rotunda for the annual recognition of Statehood Day. Minnesota became the country's 32nd state on May 11, 1858.

It was fast-tracked through the Senate and approved 45-19 on May 11 and moved onto the House floor, where it was amended and passed 88-46 two days later. It was repassed by the Senate and now awaits action by the governor.

House Majority Leader Tony Sertich (DFL-Chisholm), who sponsors the bill with Senate Majority Leader Larry Pogemiller (DFL-Mpls), called it "an option of last resort."

If no budget resolution is reached by May 18, the constitutional deadline for adjournment, the bill would cap state agency spending during fiscal year 2010 at the current spending levels.

"My hope is to end the Legislature on time with a complete budget, but as the Boy Scouts say, we should always be prepared," Sertich said. "If there is not agreement, no services would shut down in our state. If this bill is passed, it would keep core government service running for one year. ... I think this is a good safety measure to have."

House Minority Leader Marty Seifert (R-Marshall) said the bill is a sign of failure, a "let's give up bill" and "lazy budgeting." He said the bill makes no revenue provisions for spending bills that have been, and could

be enacted, and it would leave a \$3 billion revenue gap.

If the bill is enacted, federal economic stimulus money received, but not allocated, would come under the purview of the Legislative Coordinating Commission for receipt and distribution.

— L. SCHUTZ

BUSINESS

Competition for telecom providers

Signed
by
the
governor

Telecommunications customers in Greater Minnesota, where technology needs are growing and capacity expansion is seen as an important factor in economic development, may now benefit from more competition that includes regional companies.

A new law eliminates what many regional and mid-sized telephone and telecommunications companies consider outdated regulations affecting their ability to compete with larger companies. The law, signed by Gov. Tim

Pawlenty May 11 and effective the next day, is sponsored by Rep. Al Juhnke (DFL-Willmar) and Sen. Dan Sparks (DFL-Austin).

The modified regulations include:

- expanding the definition of a competitive area for four-line business phone lines, formerly limited to an exchange in the Twin Cities metropolitan area, St. Cloud or Duluth, to include all of Minnesota;
- regulating telecommunications carriers in the same way as telephone companies with respect to promotions and bundled services, such as removing 90-day and nine-month limits on some aspects of promotions; and
- eliminating tariff rules that no longer serve the industry or its customers.

The regional telecommunications industry says the law is a positive step that eliminates "artificial constraints" on promotional practices and provides flexibility to telecommunications companies while leaving consumer protections against predatory pricing in place.

"I come from an old-fashioned traditional phone company which has adapted to a

fast-paced competitive environment,” HickoryTech Regulatory Affairs Manager Carrie Rice said during a committee hearing.

HF1149/SF926*/CH57

— K. BERGGREN

CONSUMERS

Unfair ticket sales prohibited

**Signed
by
the
governor**

A new law aims to create a ticket for those who unfairly sell tickets.

Signed May 11 by Gov. Tim Pawlenty, it creates a misdemeanor offense for unfair ticket sales. The law initially would have placed restrictions on reselling tickets over the Internet.

Sponsored by Rep. Joe Atkins (DFL-Inver Grove Heights) and Sen. Ron Latz (DFL-St. Louis Park), the law requires the initial seller of tickets to make available for sale all tickets under its control, and that it be done under terms directed by the event provider.

The new law, effective Aug. 1, 2009, requires the initial ticket seller to receive permission from the event or venue provider before initial ticket sales can be diverted to any other manner, or under any other terms.

The law also states that anyone with the intent to defraud or offer for sale altered or counterfeit tickets will be charged with a misdemeanor.

HF819*/SF759/CH61

— L. SCHUTZ

Kids' cups, baby bottles made safer

**Signed
by
the
governor**

Health-conscious parents of babies and young children can cross one product off their no-buy list. Baby bottles and sippy cups containing the chemical Bisphenol-A, or BPA, will be off Minnesota store shelves within two years.

A new law, sponsored by Rep. Karen Clark (DFL-Mpls) and Sen. Sandy Rummel (DFL-White Bear Lake) and signed by Gov. Tim Pawlenty May 7, bans Minnesota manufacturers from selling cups and bottles intended for use by children age 3 or younger that contain BPA after Jan. 1, 2010, and retailers from selling them after Jan. 1, 2011. The law is effective May 8, 2009.

Numerous peer-reviewed research studies have found BPA to be a carcinogen and endocrine disruptor. The chemical is widely used in consumer products such as eyeglasses, sports helmets, electronic toys and lining for beverage or liquid cans.

HF326/SF247*/CH40

— K. BERGGREN

No charges on lost cell phone

**Signed
by
the
governor**

Lost your cell phone? No need to worry about being liable for charges the finder may rack up. Effective Aug. 1, 2009, a customer will not be liable for charges resulting from unauthorized use of their cell phone, if the wireless provider has been notified that the phone is lost or stolen. The customer will have to agree, however, to suspend use of the wireless device.

The law, signed May 9 by Gov. Tim Pawlenty, is sponsored by Rep. John Lesch (DFL-St. Paul) and Sen. Ellen Anderson (DFL-St. Paul).

HF854/SF298*/CH54

— L. SCHUTZ

Warning called 'overreach'

**Vetoed
by
the
governor**

One man's efforts toward consumers understanding the potential danger of a certain mulch met Gov. Tim Pawlenty's veto pen May 8.

After it was determined that Terry Hall's chocolate Labrador retriever died from ingesting cocoa bean shell mulch, Hall began his campaign of consumer awareness. This resulted in a bill, sponsored by Rep. Frank Hornstein (DFL-Mpls) and Sen. D. Scott Dibble (DFL-Mpls) that would require a posted notice wherever the product is sold warning that ingestion of the mulch could be poisonous to pets.

In his veto message, Pawlenty called the bill "an example of legislative overreach." He cited research showing few incidents of cocoa bean mulch ingestion incidents and wrote that many items are harmful to pets, and retailers are not generally required to post warnings at the point of purchase for those products.

"A better approach would be to require manufacturers to post warning labels on the products themselves, where necessary and appropriate," Pawlenty wrote. He also added that the bill language is not clear regarding the extent a business would be liable for not properly displaying the warning sign.

HF1306/SF122*/CH47

— L. SCHUTZ

CRIME

Tougher sex trafficker penalties

The penalties for sex traffickers could become more severe.

Sponsored by Rep. Michael Paymar (DFL-St. Paul) and Sen. Sandy Pappas (DFL-St. Paul), HF1505*/SF1514 comes from a report from a sex trafficking taskforce funded by the

Office of Justice Programs.

Passed 131-0 by the House May 8, it now awaits Senate action.

"This is part of an overall effort to stop sex trafficking in the state of Minnesota," Paymar said. "Sex trafficking is not limited to foreign nationals. Girls and women are regularly trafficked every day in the state of Minnesota. The average age of a trafficked individual is 12 years old."

The bill creates a first- and second-degree sex trafficking offense that is similar to first- and second-degree sexual or domestic assaults. It calls for a 20-year felony for sex trafficking a minor and 15 years for sex trafficking any other person.

It also contains a provision for a 25-year sentence for a first-degree case with aggravating factors, such as repeat offenders, victims suffering bodily harm during the offense commission, more than one victim involved, or the time the victim was held in debt bondage or forced labor was more than 180 days.

Rep. Melissa Hortman (DFL-Brooklyn Park) successfully amended the bill with the language of HF1213, which she sponsors. It clarifies the definition of prostitution so it is the same for a gross misdemeanor and a misdemeanor, and makes clarifying changes to "prostitution in a public place" by using language consistent with other prostitution statutes.

— M. COOK

EMPLOYMENT

Accurate unemployment numbers

Minnesota's 8.2 percent March unemployment rate is clearly bad news for the state, but according to House Majority Leader Tony Sertich (DFL-Chisholm), the state's unemployment numbers are even worse than they look.

Sertich said there are actually more accurate, comprehensive employment numbers available to the state from the federal government. He sponsors HF925 that would ask state officials to use these numbers in their official estimates.

Passed 117-12 by the House on May 11, the bill would force state officials to use the most comprehensive set of statistical measures available, known as "U6," when calculating unemployment.

The U6 calculations would factor in certain groups of people that the state's current method, known as U3, does not. This includes people who are unemployed and no longer actively seeking work because of impediments like transportation issues or a lack of child care, and also part-time workers who want to work full-time.

For example, whereas the U.S. unemployment rate for April was 8.9 percent under the U3 calculations, the U6 calculations put it at 15.8 percent.

"I think this would be good for public policy discussion, to know how many Minnesotans are unemployed and what their barriers are to employment," Sertich said.

Sertich said the data is already collected by the U.S. Bureau of Labor Statistics, and that the state's Department of Employment and Economic Development would merely have to adapt its models for calculating unemployment.

Rep. Bob Gunther (R-Fairmont) expressed concern that the U6 calculations would make Minnesota look bad when compared to other states; however, Sertich said DEED would still collect the U3 data, allowing for an "apples-to-apples" comparison between states.

The bill now awaits action by the full Senate, where Sen. D. Scott Dibble (DFL-Mpls) is the sponsor.

— N. BUSSE

State contracts ratification

Public employees' salaries came into question before the House voted to ratify a number of state labor contracts.

Passed by the House 103-29 on May 12, HF1218/SF1036* would ratify contracts negotiated by Minnesota Management and Budget and various state employee bargaining units. Affected groups include Minnesota State Colleges and Universities faculty and staff, the State Board of Investment and the Minnesota Nurses Association. The Senate passed the measure 49-16 on May 7. The bill awaits gubernatorial action.

Sponsored by Rep. Leon Lillie (DFL-North St. Paul) and Senate President James Metzen (DFL-South St. Paul), the bill deals mostly with contracts that Lillie said were "left hanging" after the 2008 legislative session because of arbitration and other factors.

"These are the governor's negotiated contracts," Lillie explained, trying to stave off criticism of the bill. Nevertheless, some members argued the agreed-to salaries do not reflect the current economic downturn.

Referring to a provision that would authorize a 10 percent raise for State Board of Investment employees, Rep. Mark Buesgens (R-Jordan) called it "unconscionable" to raise state workers' salaries at a time of record unemployment.

"We are not a rubber-stamp organization, members; we're here to do the right thing. And if you consider voting for a 10 percent increase for state employees when the rest of the state of Minnesota is hurting, then I don't think you understand the idea of the whole concept."

Rep. Lyndon Carlson, Sr. (DFL-Crystal) explained that it is an executive-branch initiative to retain "top-notch people" responsible for investing state pension funds.

Others argued that no matter what the current economic climate, lawmakers ought to respect the executive branch's negotiation process.

"Obviously, the whole situation we're in right now is very different from what it was last summer," said Rep. Morrie Lanning (R-Moorhead). "Nonetheless, we entered into good faith negotiations. ... Those contracts were approved, and those contracts are now before us for ratification."

— N. BUSSE

Better workforce training

**Signed
by
the
governor**

Representatives from state colleges and universities, workforce centers, school districts and other organizations will soon be asked to put their heads together to figure out a better way to educate low-skilled workers in Minnesota.

Signed May 12 by Gov. Tim Pawlenty, a new law directs the Governor's Workforce Development Council to consult with several state agencies and establish four local collaborative projects to "plan and coordinate employment, training, and education programs and services."

Rep. Larry Haws (DFL-St. Cloud), who sponsors the law with Sen. Tarryl Clark (DFL-St. Cloud), said the projects will be located in four different geographic areas and will focus on adults in need of workforce training. He said the law puts an emphasis on having adult basic educators play a greater role in workforce development.

"This gives them a place at the table," he said.

Each collaborative will be required to include, at a minimum, representatives of: Minnesota State Colleges and Universities; local adult basic education; workforce centers; local school districts; community action agencies; and public housing agencies.

Each local collaborative will have to implement its plan for at least one year and then report to the council on progress made. The council will then report to the Legislature.

The law is effective May 13, 2009.

HF1850/SF1569*/CH65

— N. BUSSE

Jobs and housing

Gov. Tim Pawlenty will have the choice to sign off on an economic development funding package that would dash — for now, at least

— St. Paul's hopes of building a new ice arena downtown.

The bill, HF2088, represents the Legislature's second attempt at funding jobs, housing and cultural heritage programs for the 2010-11 biennium. The House passed it 86-43 on May 8 after the Senate passed it 47-13 earlier in the day. It now awaits gubernatorial action.

Pawlenty vetoed the first funding bill, SF2081, over a provision that would have forgiven the bulk of a state loan to St. Paul for construction of the Xcel Energy Center. In a statement, the governor said he objected to the provision that would have allowed the city to move forward on a proposed new indoor ice arena across the street from the Xcel, on the basis that St. Paul "should not threaten to reduce police and fire services while requesting that a loan be forgiven in order to build an ice rink."

Rep. Tom Rukavina (DFL-Virginia), who sponsors the new bill with Sen. David Tomassoni (DFL-Chisholm), said the new funding package is identical to the first, with the exception of the loan forgiveness and two other minor provisions.

Overall, the bill would cut funding for several agencies and programs, including:

- 16.6 percent to the Board of the Arts;
- 6.2 percent to the Minnesota Historical Society;
- 3.9 percent to the Department of Employment and Economic Development;
- 3.5 percent for Housing Finance Agency programs; and
- 3.5 percent to Explore Minnesota Tourism.

The bill would prevent deeper cuts to job programs by temporarily increasing a fee paid by employers into the state's workforce development fund. The fee hike would raise \$15.5 million over the next biennium.

The bill also includes a number of proposed policy changes, including: establishing ice hockey as the official state sport; strengthening prevailing wage enforcement; requiring public employers to purchase uniforms and equipment made in the United States; and establishing an Economic Development Strategy Working Group.

— N. BUSSE

ENVIRONMENT

Most of omnibus bill gets signed

**Signed
by
the
governor**

The omnibus environment and energy finance bill made it past the governor mostly intact.

The law to fund parks, museums, zoos and renewable energy initiatives, as well as implement new rules for debt settlement

managers, was signed May 7 by Gov. Tim Pawlenty minus a provision regarding surface water assessments.

Pawlenty vetoed a \$15 million biennial appropriation from the environmental fund targeted for surface water assessment and monitoring. His budget recommendation calls for the activity to be funded from the Clean Water Fund, using the newly dedicated sales tax, which is a result of a constitutional amendment passed last November to fund outdoor and arts programming.

He said the environmental fund will be nearly insolvent in the “not too distant future,” and funding through the Clean Water Fund will provide long-term fiscal stability for the program.

Sponsored by Rep. Jean Wagenius (DFL-Mpls) and Sen. Ellen Anderson (DFL-St. Paul), most of the law takes effect July 1, 2009.

HF2123*/SF2099/CH37

— L. SCHUTZ

FAMILY

Changes protecting wards

A bill of rights for wards and protected persons could be placed in state statute.

That is just one of the provisions in a bill that makes changes related to guardians and conservators.

Sponsored by Rep. Paul Thissen (DFL-Mpls) and Sen. Mee Moua (DFL-St. Paul), HF804*/SF951 was approved 131-0 by the House May 8 and awaits action by the full Senate.

“We have 22,000 Minnesotans under guardianship or conservatorship, and that is going to increase as we go forward,” Thissen said. He noted the bill also addresses accountability and transparency in the system.

Thissen said the bill:

- establishes conflict of interest rules for attorneys that represent guardians and wards;
- puts more eyes on these transactions with an ombudsman being more involved, along with more interested persons; and
- creates the bill of rights that would contain provisions in current law, but put them in one place.

Among the 14 listed rights that must be enforced by the court are: treatment with dignity and respect; due consideration of personal desires, medical preferences and religious beliefs; personal privacy; and timely and appropriate health care “that does not violate known conscientious, religious, or moral beliefs of the ward or protected person.”

Thissen said there was concern about communication and visitation among persons.

“The language that we’ve worked out

leaves the control now with the guardian or conservator as opposed to the ward or the protected person. It strikes a little more nuanced balance, but the guardian/conservator still retains those rights. That’s the primary change in law.”

— M. COOK

GOVERNMENT

Claims bill gets House approval

More than \$66,000 could be paid by the state for injuries and errors.

Sponsored by Rep. Lyle Koenen (DFL-Clara City) and Sen. Ron Latz (DFL-St. Louis Park), the annual claims bill calls for payments of \$53,964.23 from the General Fund and \$13,517 from the Department of Employment and Economic Development.

Approved 118-14 by the House May 12, HF1193*/SF1011 awaits Senate action.

The bulk of the General Fund money (\$52,552.23) would be for Department of Corrections claims involving 16 individuals injured while doing community service or sentence-to-service work or inmates injured while performing assigned duties in a state prison. Their claims range from \$750 to \$8,733.52. Approximately \$5,000 of the total is to settle sentence-to-service and community work service claims under \$500 and other claims already paid by the department.

Mary Egge of Forest Lake would receive \$1,412 from the General Fund for her 2005 property tax refund that she claimed to have mailed, but the department never received.

“There had been some vandals in the area that had damaged her mailbox and the form disappeared,” Koenen said. “She had a witness that testified she had actually put the form in the mail. The department did an audit to make sure the numbers were correct.”

DEED is to pay its share to a Nancy Teklenburg of Solway, who suffered economic loss because of a departmental error in handling an unemployment claim.

She received nearly a year of severance pay after being laid off from a job in the private sector. Nearly a year later she notified the department her severance pay was complete and she could begin her year of unemployment eligibility. “The department sent her the first check but didn’t reset the clock, so once her first check had come she reached the point of one year and the payments discontinued,” Koenen said.

The payment recommendations come from the Joint House/Senate Subcommittee on Claims, which, according to its Web site, “was established in 1976 to hear and recommend to the legislature whether or not to pay claims

against the state by various persons who cannot proceed against the state under the State Tort Claims Act.”

— M. COOK

Rulemaking by e-mail

**Signed
by
the
governor**

A few simple changes to statute will allow state agencies to give rulemaking notices via e-mail instead of regular mail.

Signed May 12 by Gov. Tim Pawlenty, a new law allows state agencies to save time, money and effort by using e-mail to give notices when:

- the Office of the Revisor of Statutes is proposing style and form revisions of rules;
- a state agency is holding a public hearing on proposed rules;
- a state agency is proposing to adopt rules without holding a public hearing;
- a state agency is using an expedited process to adopt proposed rules; and
- a state agency is proposing to repeal obsolete rules.

“This is the 21st century; I know of no opposition to the bill,” said Rep. Gene Pelowski, Jr. (DFL-Winona), who sponsors the law with Sen. Ann Rest (DFL-New Hope).

The law takes effect Aug. 1, 2009.

HF1857/SF532*/CH71

— N. BUSSE

Electronic meetings for agencies

State boards and agencies might be allowed to meet electronically instead of in person — as long as the public still has access to the meetings.

Sponsored by Rep. Sheldon Johnson (DFL-St. Paul) and Sen. Mee Moua (DFL-St. Paul), HF456/SF764* is designed to save state agencies money by letting them meet via telephone or other electronic means. Passed 90-40 by the House on May 8, and 49-0 by the Senate on May 12, the bill now awaits action by Gov. Tim Pawlenty.

Johnson said the bill would be especially useful to members of state boards or commissions who live in Greater Minnesota and have difficulty commuting to regular meetings.

“The whole intent is to provide more openness and more flexibility for people to participate,” Johnson said.

Although the bill states that the electronic meetings must be accessible to the public, and that at least one member of the board or agency must be present at the regular meeting location, opponents worry this might limit or discourage public participation.

“In a society where we are moving away from any face-to-face personal contact, this is not the right answer,” said Rep. Tom Emmer (R-Delano), who successfully offered an

GOVERNOR'S ANNOUNCEMENT



PHOTO BY TOM OLMSCHIED

Surrounded by 18 Republican legislators at a May 14 news conference, Gov. Tim Pawlenty announces that he will not call a special session if the state's budget is not balanced by the May 18 constitutional deadline. Pawlenty said he would balance the budget with line-item vetoes and by using his constitutional power to unallot.

amendment that would require state entities to post a public notice on their Web site at least 10 days prior to a meeting.

Rep. Mark Buesgens (R-Jordan) said the bill might open the door to abuse of per diem payments. He unsuccessfully offered an amendment that would have prevented those who choose to participate in meetings via electronic means from collecting per diem.

"Joe Smith could be phoning it in, marking it as attendance to a meeting, sit on the phone for a half an hour in his skivvies eating donuts and drinking coffee, and end up with \$54 for attendance at the meeting," Buesgens said.

House Majority Leader Tony Sertich (DFL-Chisholm) spoke against the amendment, arguing that it would unfairly penalize board and agency members from rural areas who have a harder time attending meetings.

— N. BUSSE

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

HEALTH

Prohibiting drug trial participation

**Signed
by
the
governor**

People under state civil commitment will be prohibited from participating in a psychiatric clinical drug trial while the order is in effect, under a new law signed May 11

by Gov. Tim Pawlenty.

The law, sponsored by Rep. Karla Bigham (DFL-Cottage Grove) and Sen. Don Betzold (DFL-Fridley), will allow a patient to participate if the treating psychiatrist submits an affidavit citing its benefit to the person. However, the treating psychiatrist must not be the psychiatrist conducting the drug trial. The law is effective Aug. 1, 2009.

Many psychiatric drug trials already say patients at risk of suicide or of hurting others should not be recruited, Dr. Carl Elliott, professor at the Center for Bioethics at the University of Minnesota, told a House committee. While participation in a drug

study carries risk, patients under civil commitment may not understand what they are signing up for, he said.

Mary Weiss testified in a House committee that her son, Dan Markingson, committed suicide when participating in a 2004 drug trial. She voiced concerns to his case manager about his deteriorating condition, but was unsuccessful in pulling him out of the drug trial. "I have promised Dan that I will fight for the rights of the mentally ill until the day I die," she said. "This bill will protect those in the future."

HF388/SF431*/CH58

— P. OSTBERG

Primarily rural for medical

**Signed
by
the
governor**

Technical clarification for what constitutes a rural area in emergency medical variances is included in a new law signed May 12 by Gov. Tim Pawlenty.

Sponsored by Rep. Dave Olin (DFL-Thief River Falls) and Sen. Gary Kubly (DFL-Granite Falls), the new law adds

“primarily” to help define rural service areas. It takes effect Aug. 1, 2009.

Olin said that the city of Cannon Falls applied for an ambulance hardship variance, but was declined because its area overlaps into the metropolitan counties even though its area is primarily rural. The technical change would help similar cities when applying for variances, he said.

HF842/SF675*/CH70

— P. OSTBERG

HOUSING

Warranty enforcement

Moving into their dream home has become a nightmare for some Minnesotans.

They have found issues like mold or water intrusion that is accompanied by a price tag of tens or hundreds of thousands of dollars to repair.

In some cases, a builder is unwilling to fix the problem, forcing the homeowner to spend many more thousands of dollars to go through the legal process to enforce a new home or home improvement warranty.

Rep. Marsha Swails (DFL-Woodbury) and Sen. Kathy Saltzman (DFL-Woodbury) sponsor HF211*/SF170 that would make homeowners who successfully sue a builder or contractor for a warranty violation eligible to receive reasonable attorney fees and any other costs related to the suit. Approved 80-51 May 11 by the House, it was defeated 32-31 by the Senate two days later.

Supporters said that builders, contractors and their insurance companies often drag out a case, hoping a homeowner will exhaust their financial resources and settle for less than needed to repair their home.

“Through no fault of their own, there are many people who have purchased houses hoping to have a place where they can grow their lives with their children, with their neighbors, and instead something horrible happens,” Swails said. “The only problem that the homeowners did was trust that the place that they would be living was safe, was free of things that would cause health problems and free of defects.”

Swails said there are “hundreds” of cases pending in Washington County courts regarding home warranty enforcement. She also said there are more than 360 places in state statute where a prevailing party can receive attorney fees.

Rep. Tom Emmer (R-Delano) said it is not fair “to stack the deck on one side.” He unsuccessfully offered an amendment prohibiting attorney fees if a “good-faith effort” was made to fix the problem. Rep.

Paul Kohls (R-Victoria) was unsuccessful with his amendment to award attorney fees to the builder if they are victorious in court.

— M. COOK

Subsidized housing changes

A clarification to existing law could help cities enforce subsidized housing contracts.

HF1670/SF1033*, sponsored by Rep. Carlos Mariani (DFL-St. Paul) and Sen. John Marty (DFL-Roseville), would clarify that cities have the right to enforce agreements with property owners who try to raise rents in publicly subsidized housing.

“It clarifies the right of cities to enforce a contract with a housing owner or developer where there has been a direct subsidy provided, like a loan, bonds, tax subsidies, etc. ... in exchange for a promise to keep rents affordable,” Mariani explained.

Mariani said the bill is a response to a situation in a Twin Cities suburb where a developer “substantially” raised rents to subsidized housing.

Speaking in support of the bill, Rep. Mark Buesgens (R-Jordan) said it is fair to expect owners to abide by the contracts.

“If a developer’s going to feed at the public trough, then that developer shouldn’t be surprised that they’re going to be under some restrictions,” Buesgens said.

Passed 97-32 by the House on May 8, it now returns to the Senate, where a different version passed 57-8 on April 27.

— N. BUSSE

Statute of repose clarification

Clarifying and updating a 2004 law could have major implications for some homeowners.

Sponsored by Rep. Julie Bunn (DFL-Lake Elmo) and Sen. Sandy Rummel (DFL-White Bear Lake), HF412*/SF470 would clarify the law’s intent regarding when a lawsuit for a warranty violation must be brought.

Approved 77-54 by the House May 11, it was amended and passed 45-18 two days later by the Senate. The House passed the amended bill 79-46 May 14. It awaits action by the governor.

A statute of repose remains in the bill so that no one can make a claim after 12 years, but there are two different statutes of limitations.

“If the breach is discovered in years zero through 10, the homeowner still has up to two years of statute of limitations to file the claim once they’ve discovered and reported the breach,” Bunn said. “If they discover the problem after year 10, they only now get one year to file the claim.”

The 2004 law requires a lawsuit to be brought within two years of the breach of

the warranty discovery, but not more than 12 years from when the warranty took effect. However, Bunn said, one subdivision in law has a 10-year maximum, and some courts used that shorter time frame, thereby catching homeowners in the middle.

Bunn said that a 2007 court decision went against the original intent by saying all claims must be within 10 years, the stated warranty on many home repairs, even though 12 years was always the intent of the 2004 state law.

Rep. Mark Buesgens (R-Jordan) unsuccessfully tried to remove pending cases from the change.

Countered Bunn: “If we don’t clear it up and have it apply to those pending as well, we still have legal confusion out there in our court system.”

— M. COOK

HUMAN SERVICES

Creating lifetime communities

Signed
by
the
governor

Partnerships labeled “communities for a lifetime,” built with the aging population as their focus, may be designated in the future.

A new law, signed May 11 by Gov. Tim Pawlenty, lays out plans for the Board on Aging to develop a process for requesting the designation of “communities for a lifetime.” It takes effect Aug. 1, 2009.

Sponsored by Rep. Paul Thissen (DFL-Mpls) and Sen. Kathy Sheran (DFL-Mankato), the law defines the communities as partnerships of small cities, counties, municipalities, charter cities and towns that extends supportive services to those age 65 and older to help them continue to be contributing, civically engaged residents.

“This would allow people to stay in their communities and have access to an array of services,” Thissen said. “We are facing this coming age wave and it’s important we start thinking about it.”

Under the law, “communities for a lifetime” would have to offer opportunities such as:

- the ability to participate in the paid workforce with flexible schedules and hours;
- recreation and wellness activities;
- a variety of affordable, accessible housing options;
- community-wide mobility and access to public transportation, including door-to-door assistance and weekend and evening access; and
- an array of home and community-based services to support seniors’ options to remain in an independent living setting.

The board is to report to the Legislature by Feb. 28, 2010, with recommendations on the

process designation and funding sources to implement the communities.

HF936*/SF839/CH60

— P. OSTBERG

HUMANITIES

Conferencing legacy

Discussion on the state's legacy is expected to be completed in conference committee during the final days of the legislative session.

HF1231*/SF1651, sponsored by Rep. Mary Murphy (DFL-Hermantown) and Sen. Richard Cohen (DFL-St. Paul), would provide that new sales tax revenues be deposited in four dedicated funds, under the legacy amendment adopted onto the state's constitution last November. It increases the state's sales tax from 6.5 percent to 6.875 percent.

The four newly created funds will go toward wildlife habitat, clean water, parks and trails, and arts and culture.

The bill is the result of weeks of testimony about the potential impact of the money over the next 25 years, especially in the face of an economic downturn, Murphy said. It also provides a plan to guide the distribution of the legacy amendment money over the 25-year life of the tax. The tax goes into effect July 1, 2009, and funding would become available at the beginning of 2010.

Differences in fiscal years 2010-2011 include:

- \$59.7 million in the House versus \$75.7 million in the Senate from the Outdoors Heritage Fund to the Department of Natural Resources split among prairies; wetlands; forests; and fish, game and wildlife habitat;
- \$40.19 million in the House versus \$33.9 million in the Senate from the Clean Water Fund to the Pollution Control Agency for grants, drinking water protection, Minnesota River Water Quality testing and wastewater treatment monitoring;
- \$31.9 million in the House versus \$36.3 million in the Senate from the Parks and Trails Fund to the DNR for grants and the state parks and trails legacy;
- \$25.37 million in the House versus \$43.9 million in the Senate from the Clean Water Fund to the Public Facilities Authority for grants among small community wastewater treatment technical assistance and construction and phosphorus reduction; and
- \$20.9 million in the House versus \$25 million in the Senate from the Arts and Cultural Heritage Fund to the Minnesota Historical Society for grants, assistance to local historical societies and the Minnesota History Educational Network.

— S. HEGMAN

INDUSTRY

Paying subcontractors promptly

Signed
by
the
governor

Subcontractors and suppliers working on residential jobs now have the same assurance as those working for commercial contractors that they'll be paid in a timely manner.

On May 12, Gov. Tim Pawlenty signed a law, sponsored by Rep. Larry Howes (R-Walker) and Sen. Linda Scheid (DFL-Brooklyn Park), which strikes language excluding residential subcontractors and suppliers from an existing law requiring prompt payment. Prime contractors or subcontractors who hire other subcontractors or suppliers must pay those they hire within 10 days from the date payment is requested. The law also stipulates interest to be paid on late payments. It takes effect Aug. 1, 2009.

Residential properties are single-family homes or multi-family buildings with up to four dwelling units, or developments with up to 13 attached units.

HF1056*/SF638/CH66

— K. BERGGREN

INSURANCE

Church benefits board as trustee

Signed
by
the
governor

Some churches have benefits boards organized to administer or fund a retirement or other benefits plan for employees of a specific church or an association of churches.

A new law, signed May 7 by Gov. Tim Pawlenty and effective the next day, expands a board's authority to act as a trustee over a lawful trust.

Sponsored by Rep. Steve Simon (DFL-St. Louis Park) and Sen. Gary Kubly (DFL-Granite Falls), the law applies to trusts no matter when they were created.

HF1823/SF1754*/CH43

— L. SCHUTZ

Sale of life insurance policies

Signed
by
the
governor

Sometimes people who purchase a life insurance policy sell it to a third party before the policy matures. Called a viatical settlement, a new law sponsored by Rep. Joe Atkins (DFL-Inver Grove Heights) and Sen. Chris Gerlach (R-Apple Valley), modifies statutes regulating the practice.

Signed by Gov. Tim Pawlenty May 12, the law lays out definitions and licensing

guidelines for brokers and life insurance providers.

Under the law, a broker or provider will need to be licensed by the state where the person selling the policy resides. Also, a licensed insurance producer in good standing will be allowed to operate as a viatical settlement broker. The law also lays out grounds for a license to be suspended, revoked or refusal to issue or renew the license of the provider, broker or agent.

The law is effective Aug. 1, 2009; but a viatical settlement provider, broker or investment agent doing business in Minnesota could continue pending application approval by the commerce commissioner as long as the application is filed by Dec 31, 2009.

HF1719/SF1539*/CH62

— L. SCHUTZ

Nonprofit insurer provisions

Signed
by
the
governor

Certain organizations insuring nonprofits and political subdivisions are not subject to federal taxes. Gov. Tim Pawlenty signed a law May 9 that will extend the tax exemption

enjoyed by these nonprofit insurers.

Effective Aug. 1, 2009, the law makes provisions for these organizations, specifically Nonprofit Insurance Trust, to incorporate.

Rep. Patti Fritz (DFL-Faribault) and Sen. Dan Sparks (DFL-Austin) sponsor the law.

HF1789/SF1611*/CH53

— L. SCHUTZ

STOLI changes become law

Signed
by
the
governor

A new law prohibits certain contractual arrangements and other activities relating to the purchasing of a life insurance policy that is essentially a wager on someone's life.

Effective with policies issued beginning May 10, 2009, the law codifies insurable interests and prohibits procurement of a policy on the life of another individual unless the benefits are payable to the insured, representatives of the insured's estate or a person who had an insurable interest at the time the policy was issued.

"We want to protect life insurance interests, and not turn it into a financial investment," said Rep. Kate Knuth (DFL-New Brighton), who sponsors the law with Sen. Linda Scheid (DFL-Brooklyn Park).

In a traditional life settlement, a person who owns a life insurance policy but no longer needs it sells the policy for an amount less than the death benefit.

Under stranger-oriented or -initiated life insurance, a third-party investor or hedge fund with no relationship to an individual

initiates the policy purchase by paying the premiums and later buying the policies, thereby profiting upon the death of the insured. These are often directed toward senior citizens because the sooner the person dies, the more the speculator profits.

This is in violation of the insurable interest law designed to ensure that a person buying a life insurance policy has an economic interest in the continued life — not death — of the insured.

The law calls for a four-year prohibition on buying STOLI, with the stipulation that an investor could not buy those policies if there were signs of STOLI during that time. It also provides for a four-year rebuttable presumption in civil cases. “That should be enough to stop STOLI,” Scheid said.

A way for a representative of an insured individual’s estate to recovery policy benefits paid resulting from a STOLI agreement is also in the law.

HF704/SF166*/CH52

— M. Cook

LAW

Property interest disclaimers

**Signed
by
the
governor**

A new law combines disclaimer statutes to ease use for practitioners and the public.

Sponsored by Rep. Melissa Hortman (DFL-Brooklyn Park) and Sen. Linda Scheid (DFL-Brooklyn Park), supporters said it most frequently would be used for tax purposes.

Signed by Gov. Tim Pawlenty May 12, it takes effect Jan. 1, 2010.

There are two disclaimers currently on state books: one that handles them during lifetime and another for those that inherit property after someone dies.

The law also updates some rules in the disclaimer area.

A primary change is clarification that someone can disclaim an interest even if it is not within the nine-month limit normally required for tax purposes.

Other changes include: allowing disclaimers of future interests, allowing disclaimers of jointly held property, allowing a trustee to disclaim property that might be scheduled to be distributed to a trust, allowing disclaimers of powers of appointment and other powers someone might hold over another’s trust and eliminates the recording of disclaimers in district court.

Any disclaimer involving real estate would still need to comply with real estate recording statutes and recoding requirements.

HF2082/SF1810*/CH67

— M. Cook

Law practicing deputy sheriffs

Deputy sheriffs would be allowed to practice law. Sponsored by Rep. John Lesch (DFL-St. Paul) and Sen. Ellen Anderson (DFL-St. Paul), HF348*/SF297 would remove a prohibition of a deputy sheriff practicing law, provided the deputy has the appointing sheriff’s approval.

Approved 127-4 by the House May 8, it awaits Senate action.

“This was brought to me by several deputy sheriffs who did go to law school and wanted to practice outside their jurisdiction for cases that didn’t affect them in their deputy sheriff job,” Lesch said.

An assistant St. Paul city attorney, Lesch said he has sometimes performed criminal defense attorney cases in another jurisdiction.

— M. Cook

LOCAL GOVERNMENT

Mandate relief bill passed

Local governments most likely will receive less money from Legislature this session; however, they would also have fewer state mandates to pay for, under a bill passed by the House May 11.

Sponsored by Rep. Michael Nelson (DFL-Brooklyn Park), HF1849 would provide mandate relief to local governments by eliminating a variety of statutory requirements. The House voted 108-21 to approve the measure, which would make a number of changes, including:

- requiring that any state agency rule changes that affect local governments take effect on one of two set effective dates;
- allowing local governments to use best-value contracting practices more than just twice a year, as currently proscribed by law;
- allowing county commissioners to reduce their own salaries at any time;
- allowing townships to recover the full cost of employing “fence viewers” to help settle private land disputes;
- eliminating minimum salary requirements for sheriffs; and
- striking a cap on booking fees charged to jailed individuals and allowing counties to recover the actual costs of booking.

“We’re passing a lot of cuts in the last few days here to local governments; this is a way of trying to relieve some of the mandates they have to save some costs,” Nelson said.

Rep. Tom Emmer (R-Delano) criticized a provision that would ease requirements on local governments to publish information on contracts up for bid in local newspapers.

“We’re again making advantages for government at the expense of the taxpayer,”

Emmer said of the provision, which he said would reduce government accountability. Nelson countered that removing the newspaper publishing requirement will save counties money.

The bill now goes to the Senate, where Sen. Ann Rest (DFL-New Hope) is the sponsor.

— N. BUSSE

SAFETY

Fallen Firefighters Memorial Day

Peace officers and members of the armed forces who lose their lives in the line of duty are honored on certain days of the year; now, firefighters might have their own day of remembrance.

Rep. Mike Obermueller (DFL-Eagan) and Sen. Jim Carlson (DFL-Eagan) sponsor HF422/SF237* that would designate the first Sunday in October as Fallen Firefighters Memorial Day. The bill specifies that Minnesota and U.S. flags on the Capitol grounds must be flown at half-staff on that day.

The House passed the bill 133-0 on May 12 without debate. Having been passed 62-0 by the Senate on March 9, the bill is now headed for Gov. Tim Pawlenty’s desk.

Obermueller said there are 187 known firefighter line-of-duty deaths since the establishment of the state’s first fire department in Minneapolis in 1881.

“This bill is a great opportunity to honor the men and women who have lost their lives as well as those who are currently serving us,” Obermueller said.

— N. BUSSE

No laser pointing at planes

**Signed
by
the
governor**

Knowingly pointing a laser at an aircraft could result in a prison sentence.

Signed May 12 by Gov. Tim Pawlenty, a new law would make the action a gross misdemeanor in Minnesota, punishable by up to a year in prison and a \$3,000 fine. It takes effect Aug. 1, 2009.

Federal law is designed to secure larger air carriers, leaving a loophole and forcing states or local municipalities to prohibit discharging a laser into the cockpit of an aircraft.

Jim Englin, a state patrol pilot, told at least two House committees that patrol pilots suffered three laser illumination events in 2008. Arrests were made in two cases, but charges were never brought forth.

When the laser hits an aircraft windshield, it turns the plexiglass opaque, blinding the pilot. Englin said it is like a bright flash bulb going off directly in your eyes.

Lasers that run on AAA batteries can be

purchased at many office supply stores or big box retailers. Some have a range of up to 10 miles.

The law exempts search and rescue situations when the person on the ground is indicating their location.

Rep. Rick Hansen (DFL-South St. Paul) and Senate President James Metzen (DFL-South St. Paul) sponsor the law.

HF1097/SF1408*/CH73

— M. Cook

Policy bill signed into law

**Signed
by
the
governor**

Predatory offenders will be unable to use electronic devices to sexually solicit children, and people required to register as a predatory offender will be prohibited from accessing social networking Web sites, instant messaging and chat room programs.

These are provisions of the omnibus public safety policy law signed May 12 by the governor. Most of the law is effective July 1, 2009, or Aug. 1, 2009.

Sponsored by Rep. Debra Hilstrom (DFL-Brooklyn Center) and Sen. Mee Moua (DFL-St. Paul), the law also eases state agency

mandates and provides local agencies with needed assistance in emergency times.

The law increases from 12 to 24 hours the time an officer may arrest a person who the officer has probable cause to believe committed domestic abuse, expands the ability of judicial districts to create domestic fatality review teams and requires prosecutors to notify victims of criminal sexual conduct about civil protection orders.

A court is permitted to order a sentence beyond what is specified in the sentencing guidelines grid based on an aggravating factor arising from the same course of conduct; a state policy to eliminate racial, gender and ethnic fairness barriers in the courts is set forth; the authority to appoint a referee to act in conciliation court is expanded; and a license reinstatement diversion pilot program can be created for specified persons charged with driving after a suspension or revocation.

Other provisions include:

- businesses that sell over-the-counter methamphetamine precursor drugs must retain a sale log for three years and make it available for inspection by law enforcement at all reasonable times;

- commercial retailers cannot sell a toy designed for children under age 12 that has been recalled for safety reasons;
- public employers cannot consider an applicant's criminal background history prior to an interview;
- the state's trespass law is expanded to include crossing into or entering any public or private area lawfully cordoned off by a peace officer; and
- a working group is created to review changes to the state's laws and policies on DWI offenders.

HF1301*/SF993/CH59

— M. Cook

TAXES

Tax committee blur

The tax conference committee has been working late into the night, seen one tax bill receive a governor's veto and has put together a non-controversial policy bill. With time running out on the session, its work still isn't done.

HF885*/SF681, sponsored by Rep. Ann Lenczewski (DFL-Bloomington) and Sen.

SUICIDE PREVENTION



PHOTO BY TOM OLMSCHIED

Stephanie Campbell, Molly Schloesser and Anna Holicky from Le Center High School, clockwise from top left, Amber Palmquist from Cleveland High School and Melissa Warner, Stephanie St. John, Youth Board Advisor Klea Brewton-Fitzgerald, Elizabeth Koble and Heidi Junczewski from Mankato West High School add thoughts and feelings of those that may attempt suicide to a banner to be attached to a "Community of Caring Pole" that was part of the Yellow Ribbon Suicide Prevention Rally in the Rotunda May 12.



PHOTO BY ANDREW VONBANK

Rep. Tom Emmer and Rep. Ann Lenczewski debate a tax bill May 8 on the House floor.

Tom Bakk (DFL-Cook), which would have raised \$1 billion in taxes in the 2010-2011 biennium was vetoed by Gov. Tim Pawlenty May 8, less than six hours after receiving legislative approval.

Supporters said the bill was an attempt to save cuts to schools, hospitals and nursing homes by creating a new tax bracket for the state's top earners, increasing alcohol taxes and adding a tax for excessive interest rates.

The anticipated revenue raised is \$500 million less than in HF2323*/SF2074, the omnibus tax bill, also sponsored by Lenczewski and Bakk. It is currently still in a conference committee. The governor's budget proposes using \$1 billion in accounting shifts, and tobacco appropriation bonds that would have to be repaid over 20 years.

Of the \$1 billion expected to be raised in HF885, \$585.7 million would go into an account for E-12 education; \$287.5 million for nursing homes and long-term care; \$141.1 million for hospitals and \$4.6 million for tax compliance.

A May 12 motion by Rep. Kurt Zellers (R-Maple Grove) to override the governor's veto was tabled by House Majority Leader Tony Sertich (DFL-Chisholm), who called the motion a "stunt" and "premature."

"We're making progress," Sertich said of talks with the governor. "I guess I look at the glass as half full. I would see a veto override as an option of last resort."

"We're not gonna wait until the wee hours of the last night of the last day to come down here and roll the dice," Zellers countered. "If we're going to vote to override, let's do it here and now. If we don't have the votes to override, let's get back to the budget."

HF1298*/SF1257, an omnibus public finance bill, also sponsored by Lenczewski and Bakk, awaits gubernatorial action. It was amended and passed 54-12 by the Senate May 13 and repassed 125-7 by the House later that day. The Senate added as many technical policy and non-controversial tax provisions as possible, Lenczewski said.

It also includes as much federal tax conformity as the state can afford that Congress has adopted since HF95, the House's federal conformity bill, was signed into law earlier in the session, Lenczewski said.

Other inclusions are: disaster relief provisions for a St. Charles fire; home construction assistance for the flood-ravaged Red River Valley; and an emergency debt situation is provided for cities and counties that may lose local government aid, market value homestead credit and county program aid due to unallotment.

"This is the lifeboat, if you will, of the tax conference committee," said House Minority Leader Marty Seifert (R-Marshall), a tax bill conferee. "I appreciate that all of the really controversial items were taken out. And I appreciate that members who had problems with certain things were allowed to have input. I would urge a yes vote, and I never imagined I would say that on a tax bill this year."

— S. HEGMAN

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TRANSPORTATION

Housekeeping bill becomes law

**Signed
by
the
governor**

A new law modifies and updates a number of Department of Transportation provisions, while providing some technical and clarifying changes.

It clarifies, but does not change, some language regarding truck size and weight regulations. A MnDOT representative previously said one of the truck weight statutes has been problematic since the 1970s.

Beginning with trailers manufactured after Jan. 11, 2011, towed implements of husbandry that have brakes, must also have "break-away brakes," so that the implement automatically brakes if it becomes detached from the vehicle towing it.

MnDOT gives waivers for intrastate drivers who have certain medical conditions, such as diabetes. A three-year bar currently exists against giving these drivers a waiver if their license is suspended, canceled or revoked for any reason. Under the law, the three-year waiting period only applies in cases of driving privilege removal due to driving-related behavior.

Vehicles operating under a forest products permit will be permitted to operate a vehicle or combination of vehicles on unpaved roads when taking the most direct route to a paved highway without route designation by MnDOT.

Sponsored by Rep. Terry Morrow (DFL-St. Peter) and Sen. Jim Carlson (DFL-Eagan), it was signed May 12 by Gov. Tim Pawlenty. Most of the law takes effect Aug. 1, 2009.

HF1816*/SF1876/CH64

— M. COOK

Possible lowered speed limit

**Signed
by
the
governor**

Beginning Aug. 1, 2009, speed limits on some roads could drop by as much as 20 mph.

A new law will change the speed limit to 35 mph along rural residential districts where visible homes are spaced 300 feet or less for a distance of at least one-quarter mile along those roads, if adopted by the local road authority.

The change comes from a speed limit study task force formed by the Department of Transportation. It addresses areas that used to be primarily rural and are still posted at 55 mph. Because these areas are now developed, the speed is deemed to be too fast.

Sponsored by Rep. Peggy Scott (R-Andover) and Sen. Lisa Fobbe (DFL-Zimmerman), the law also narrows the definition of a "residential roadway" and clarifies that an "urban district"

Highlights continued on page 23

E-12 education bill that might have been

Funding held steady with no shifts proposed, but no Minnesota Miracle

By Kris Berggren

No shifts. No cuts. No new Minnesota Miracle — yet. That's the good and bad news regarding the E-12 education finance bill, HF2, as far as its sponsor, House K-12 Education Finance Division Chairwoman Rep. Mindy Greiling (DFL-Roseville), is concerned.

As amended by the conference committee, the bill that funds school districts and charter schools, early learning programs, special education services and the Education Department — and comprises nearly 40 percent of the state's budget — was passed May 13 by the House 85-49 and the Senate, 49-16. It awaits action by the governor.

Greiling is grateful the bill would hold education funding steady at \$13.7 billion for the 2010-2011 biennium, and \$14.14 billion the following biennium, as originally proposed by the House. It also adopts the Senate's position to exclude House accounting shifts that would have delayed \$1.8 billion in state aid payments to school districts.

Republicans expressed concern that the bill doesn't increase money for schools as Gov. Tim Pawlenty proposes.

"We know there's not enough money in here," responded Greiling, who co-chaired the conference committee with Sen. LeRoy Stumpf (DFL-Plummer). "Schools are cutting because we haven't kept up with inflation since 1991." She quoted a letter from the Minnesota Rural Education Association: "This conference report is the best case budget scenario schools are looking at in this historic budget deficit session."

Although the bill includes use of \$500 million in federal stabilization funds from the American Recovery and Reinvestment Act of 2009 — more than the \$275.6 million the House had proposed — Greiling said she fears that without new tax revenue, which the

governor has steadily opposed, cuts to schools could still be forthcoming.

"That's the whole problem," she said.

NMM out

Greiling is "bitterly disappointed" that the education funding reform proposal known as the New Minnesota Miracle was not adopted. These provisions would have relieved property taxpayers of roughly \$800 million to \$1 billion in levies in favor of state aid; created several measures to make funding more equitable among all school districts; and increased basic per pupil revenue from \$5,124 to \$7,500. It featured an "innovation revenue" provision that would have included two of the governor's priorities: taking Q comp statewide and a "Pay for Progress" incentive that would give districts more money depending on students' test scores.

None were intended to take effect until 2014.

Reforms don't satisfy all

Although Rep. Pat Garofalo (R-Farmington) supported the House position as a conference committee member, he didn't sign the report.

"There's a big gap between where this bill is and where it could be," he said. "It lacks mandate relief, cuts \$185 million from the governor's education budget and lacks reform."

Greiling said the bill does include some of

the governor's recommendations and other reforms he approves. These include significant charter school changes and \$750,000 each to the Reading Corps and the Math and Science Teacher Centers, to be funded by reducing the education department budget by about 3 percent, or \$1.5 million.

Other reforms include new testing and accountability measures that provide better feedback for classroom teachers and more information about student performance. Significant and hard-won special education changes and mandate reductions are included, as is a provision allowing school districts to create site-governed schools, whereby teachers and parents create charter-like schools within districts.

A highly disputed alternative path to graduation would be created for students who cannot pass the Graduation Required Assessment for Diploma math test while the role of high stakes testing is evaluated over the next five years.

A Quality Rating and Improvement System for child care facilities and a study of state services for young children, to be developed by the departments of education and human services, is also included.

Late-night deal nixed

Shared services, an idea the House, Senate and governor all like, turned out to be "the straw that broke the camel's back," Greiling said at a May 13 conference committee hearing, referring to a near-deal reached after conferees paired up to negotiate various provisions in the wee hours the previous day.

That bill would have included key Senate positions such as pre-kindergarten "scholarship allowances" for low-income parents and a consolidated levy that the Senate advocated, in exchange for the House's New Minnesota Miracle. Funding would have come from home school mandate reduction, cuts to agencies, state academies and the education department, plus the governor's

E-12 continued on page 22

More compromise, more reductions

Cuts in health and human services finance bill called 'painful'

BY PATTY OSTBERG

Rep. Thomas Huntley (DFL-Duluth) said there are "500 million reasons to vote against it," referencing the monetary cuts in the omnibus health and human services finance bill conference committee report. Passed 80-51 by the House May 11, and 47-18 by the Senate, it now goes to the governor. Sen. Linda Berglin (DFL-Mpls) is the Senate sponsor.

When combined with a 7 percent (\$600 million) target below the forecast for the biennium, and an estimated \$90 million loss for health care providers in federal money, Huntley said HF1362*/SF695 adds up to a more than a \$1 billion hit. He said Gov. Tim Pawlenty sought a \$1.5 billion cut that would have cost providers \$3.5 billion.

"Every one of these cuts is painful and will hurt somebody," Huntley said. "We tried to minimize the damage best we could."

Rep. Paul Kohls (R-Victoria) said the report is deceiving because the cuts are actually reductions from previously proposed increases. He said the bill increases spending by approximately 20 percent from the current biennium.

Cuts and investments

The report calls for a 3 percent cut to providers of Medical Assistance and other

programs, but it does not cut primary care providers such as pediatricians, family practice physicians and general internal medicine.

"There was tremendous pressure on us to protect hospitals," Huntley said, noting the 3 percent cut to hospitals is 1/17th of what the governor wanted. Many of them are "in the red," and the governor's proposal would have put more of them in the red, he added.

Specialists would be cut by about 5 percent in the bill. While the cuts will hurt, it's a push to help change the way the state provides medical care and move things toward managing chronic diseases through primary care providers, Huntley said.

Other spending reductions include delayed rebasing for nursing homes; a 2.58 percent cut to long-term care facilities; reducing public assistance dental services; and limiting personal care attendant hours to 310 per month/per individual.

A personal care attendant recipient must need help with at least one activity of daily living to qualify for public assistance. The governor's proposal required at least two activities of daily living to be needed for services. Activities of daily living include helping dress, groom, bathe and toileting.

The disability community services comprise about 29 percent of the state health and human services budget, and were cut by that percent, Huntley said.

Money would 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, said Huntley.

It would add an additional 22,000 children to MinnesotaCare, but they are children that already qualify but for some reason are not on the program, he said.

Another \$4 million would be invested to meet provisions of, and receive funding from, the federal Health Information Technology



PHOTO BY ANDREW VONBANK

Co-chairs Rep. Thomas Huntley and Sen. Linda Berglin confer during the May 12 omnibus health and human services finance conference committee meeting.

Health & Human continued on page 22

Higher ed funding approved

Federal stabilization funds used to spare deep cuts

By Nick Busse

State funding for higher education would receive a 2 percent total cut, under a bill awaiting action by Gov. Tim Pawlenty.

Sponsored by Rep. Tom Rukavina (DFL-Virginia) and Sen. Sandy Pappas (DFL-St. Paul), SF2083 would fund the Office of Higher Education, the University of Minnesota and the Minnesota State Colleges and Universities system for the 2010-11 biennium.

As amended by a conference committee, the bill includes budget reductions of 0.2 percent for OHE and 2 percent each for the university and for MnSCU. The cuts would likely have been much deeper were it not for federal stabilization funds, which the bill uses to plug much of the biennial budget gap.

"I think we came back with a really good higher education bill, under the circumstances," Rukavina said on the House floor May 13.

The House voted 103-31 to pass the bill as amended by conference; the Senate passed it 54-12 earlier in the day.

Under the conference report, tuition increases would be capped at no more than 3 percent per year at MnSCU institutions — an increase over the House's original proposal of 2 percent per year. The bill also suggests a no more than \$300 per year increase at the university. Senate conferees opposed the tuition caps, arguing they amounted to micromanaging, but Rukavina insisted on keeping them in the bill as a way to help students in trying economic times.

Student financial aid would get a boost under the bill, which would raise the four-year tuition maximum in the state grant program as well as the maximum allowance for living and miscellaneous expenses. Work-study would also get a \$5 million boost — something Rukavina said hasn't happened in more than a decade.

A House proposal to repeal the Achieve scholarship program, which Senate conferees

opposed, was taken out in conference committee. Instead, the program, which focuses on low-income students who achieve good grades in high school, will receive a 54 percent reduction from its forecasted biennial base.

Rukavina reiterated his warning that state higher education programs will face a dire financial situation in the 2012-13 biennium, when federal stimulus funds will no longer be available to soften the impact of budget cuts.

"If we don't do something to raise revenue, there are going to be huge layoffs and programs are going to be affected ... and tuition could be increased dramatically."

Compromises on policy

A Senate proposal adopted in conference committee would create a new class of mid-

level dental practitioners called "dental therapists," with the goal of increasing access to dental care especially in rural areas. The provisions, which were not in the House version of the bill, also spell out educational and licensure requirements.

House language that would have prohibited MnSCU from filling vacant administrative and managerial positions, and from raising administrator salaries, was removed in order to reach a compromise with the Senate. Similarly, House provisions directing the university not to create new administrative positions or increase administrative salaries were also removed. Also deleted was a House proposal to have the Legislature, rather than the governor, appoint members to the MnSCU Board of Trustees.

A Rukavina proposal to force college bookstores to offer clothing made in the United States, "to the extent possible," is included in the language. Institutions are also required to report back to the Legislature on their efforts to comply with the provision.

A controversial provision that would prohibit the university from offering alcoholic beverages for sale at a sports arena or stadium unless it offers them throughout the entire stadium, and not just in premium seating areas, is also in the bill.


A provision that would ban the use of state funds for research involving human cloning also made the final cut. 



PHOTO BY TOM OLMSCHIED

The omnibus higher education finance conference committee meets May 12.

Budget cuts for state government

Conference committee removes some controversy from finance bill

By Nick Busse

According to its sponsor, the state government finance bill now awaiting action by Gov. Tim Pawlenty has one important virtue: it has “the benefits of being a really dull bill.”

“When the bill went out of here (to conference committee), it had some controversial positions such as domestic partner benefits, cuts to gubernatorial appointees — and those have all been removed from the bill,” said Rep. Phyllis Kahn (DFL-Mpls).

What remains in the conference report on SF2082*/HF1781, sponsored by Kahn and Sen. Don Betzold (DFL-Fridley) is a series of budget cuts and new measures to strengthen accountability in state government.

The bill would fund the Legislature, the state’s constitutional offices and several state agencies, including Minnesota Management and Budget and the Department of Revenue

for the 2010-2011 biennium.

Under the bill, the Legislature and the governor’s office would receive 3 percent cuts from their forecasted base funding. The Office of the State Auditor would not see any funding reduction, while the Office of the Secretary of State and the Office of the Attorney General would be reduced 5 percent and 4.5 percent, respectively. Most executive agencies funded in the bill would get 5 percent cuts.

The funding provided for in the bill accounts for approximately 2.8 percent of the total state budget; however, at least one lawmaker said the cuts in the bill should have been deeper.

“We’re not going to share in the pain,

according to the DFL majority,” said Rep. Mark Buesgens (R-Jordan), noting that the 3 percent budget cuts for the Legislature and governor’s office are less than the cuts to other agencies.

Rep. Keith Downey (R-Edina), the bill’s lone House Republican conferee, expressed support for the bill, arguing it represented a good compromise that funded some important information technology initiatives and accountability measures.

“I do think that in a really tough budget year, we did find a way ... to really advance some strategic initiatives,” Downey said.

The bill includes funding, in whole or in part, for completion of an integrated tax system for the Revenue Department, replacement of the state’s accounting and procurement system, and preliminary planning to consolidate the state’s data centers. It also includes a governor’s initiative to establish a statewide electronic licensing system for commercial and professional licenses, and raises certain business fees to fund it.

A number of provisions designed to strengthen accountability in state government are included in the bill. A provision sponsored by Rep. Ryan Winkler (DFL-Golden Valley) would clarify that knowingly misappropriating state funds is a gross misdemeanor and grounds for job termination; currently, statutes are unclear on whether misusing state funds is actually a crime.

Legislation sponsored by Winkler and Downey that would strengthen the state’s internal financial controls has been included in the bill. The provisions would require Minnesota Management and Budget to take responsibility for internal controls across the executive branch, and also direct the Legislative Audit Commission to make recommendations on improving internal controls. A provision that would have created a new financial controls council for the state was not included in the conference report.

Provisions sponsored by Rep. Steve Simon



PHOTO BY ANDREW VONBANK

Sen. Don Betzold and Rep. Phyllis Kahn share a light moment during a May 1 meeting of the omnibus state government finance conference committee.

State Government continued on page 22

Courts and corrections backing

Public safety finance bill awaits gubernatorial action

By MIKE COOK

Conferees' final judgment on the omnibus public safety finance bill was to reduce funding for many areas and allow fee increases for some court activity.

Now it's time for Gov. Tim Pawlenty to render his verdict.

"We had to make over \$61 million in cuts. We tried to be very strategic in our approach, and I think we accomplished that goal while preserving public safety," said Rep. Michael Paymar (DFL-St. Paul). "We also have significant and extensive reforms that we are recommending to the Department of Corrections, as well as the Department of Public Safety and the courts." The conference committee removed many provisions Pawlenty found objectionable.

Sponsored by Paymar and Sen. Linda Higgins (DFL-Mpls), HF1657/SF802* was passed 85-45 by the House May 12, one day after the Senate did the same 36-30.

"It's not a perfect bill, but it's, I think, one we can go forward with in the state," Higgins said.

Coming in at \$2.02 billion, including \$1.81 billion from the General Fund, the bill cuts a wide swath of areas including courts, human rights, victim services and public safety.

However, Paymar said the Corrections Department would get a base bump.

"We did not fund the department to the level that the governor had recommended. We actually increased base funding to the Department of Corrections by \$3.6 million. I don't know of any other department or agency in the state of Minnesota that got increases," Paymar said.

The governor's proposal includes a more than \$20 million deficiency request that conferees believe should have been in the annual budget deficiency request put forth earlier this session by the governor.

To help with department efficiencies, the bill calls for a 1 percent per diem decrease, or 89 cents per day per prisoner.

"We offered them a whole list of suggestions that we think the department can implement to reduce their costs, but we also said they cannot, in this process, lay off correctional officers or reduce treatment beds," Paymar said.

A Corrections Strategic Management and Operations Advisory Task Force is established to look at ways the department can improve efficiencies. One efficiency in the bill is a 20 percent reduction in the department's car fleet — more than 750 now — by Jan. 1, 2010.

The bill calls for the elimination of the short-term offender program that allows offenders with less than six months remaining on their sentence to serve that time in a local jail. This would take effect with those sentenced on or after July 1, 2009. Pawlenty included this in his budget proposal. "It'll be a savings to the counties," Paymar said.

Courts

All courts face a biennial funding decrease, but some of that is to be offset by \$41.6 million in fee increases.

"We cut the courts by only 0.85 percent," Paymar said. "I don't believe we'll have to have any layoffs of public defenders. I have not heard any criticism from the courts about this bill. I think we met their expectations, and exceeded them in many respects."

Some Republicans, including House Minority Leader Marty Seifert (R-Marshall) and Rep. Paul



PHOTO BY ANDREW VONBANK

Co-chairs Rep. Michael Paymar and Sen. Linda Higgins listen to testimony May 1 during a meeting of the omnibus public safety finance conference committee.

Public Safety continued on page 22

E-12 continued from page 17

recommendation to cap and freeze integration revenue.

A compromise shared services provision would have been included. The original Senate version would have required school districts to use a consultant to find savings through cooperative purchasing and sharing services

such as information technology with other districts, who would be paid a percentage of any savings. The House version proposed a Web site, coordinated by the Office of the State Auditor, to congregate ideas and resources from school districts and regional cooperatives already sharing services.

Greiling suggested that bill would have

appealed to the governor more than the one he'll see.

However, when a shared services amendment was added to a different conference committee report, that issue was taken off the table and the education agreement disintegrated.



Health & Human continued from page 18

for Economic and Clinical Health Act that is designed to help the state convert health records to electronic form.

In an effort to get a jump start on a second proposal should the governor veto the first, the omnibus health and human services finance conference committee took more public testimony May 12-13 on more potential human services cuts.

Huntley and Berglin presented a proposal to cut an additional \$400 million from the

omnibus health and human services finance bill. "(It is) what we need to do if we don't get some additional revenue to balance the budget," Berglin said. The cuts would come from up to 25 percent additional rate reductions to long-term care facilities, nursing homes and inpatient hospital reimbursement rates.

Making severe cuts to hospitals could cause some of them to go out of business. It's like a dangerous game of Jenga, said Cathy Barr, chief executive officer for Bethesda Hospital in St. Paul. "If you take Bethesda out of the stack, what will happen?" The specialty hospital

supports some of the most vulnerable in the state.

Mary Krinkie, vice president of the Minnesota Hospital Association, said an additional cut would make a dramatic difference in the types of services hospitals would be able to provide. Hospitals would have cut services such as mental health, dialysis and obstetric services, limit hours and operations for emergency rooms, and reduce services to the 60 nursing homes attached to hospitals in the state, she said.



— ASSISTANT EDITOR MIKE COOK CONTRIBUTED TO THIS STORY.

State Government continued from page 20

(DFL-St. Louis Park) that would establish a false claims act for Minnesota are also included. The act would impose penalties on those who make false claims against the state, allow the state to recover damages, and establish protections for whistleblowers.

Other policy provisions include:

- granting preferences to certain veteran-owned small businesses in regard to bids on state contracts;

- requiring municipalities to consider using the state's cooperative purchasing venture for contracts larger than \$25,000;
- officially changing the name of the Department of Finance to the Department of Management and Budget, which may also be referred to as Minnesota Management and Budget;
- requiring the creation of a Web site with a searchable database of information on state contracts, expenditures and appropriations;

- establishing a central Geospatial Information Office within the Department of Administration that consolidates a number of existing state geographic information services; and
- requiring occupants of state-owned buildings to try to turn off building lights between midnight and dawn during bird migration seasons (the "bird-safe buildings" provision).



Public Safety continued from page 21

Kohls (R-Victoria), wondered how the fee total came about when the House proposal was \$28 million and the Senate's \$34 million.

"You don't come back with compromises that are bigger than either of the first two bargaining positions," Seifert said. "Of course the court system wants it because the courts get the money."

Paymar countered that when the Republicans were in charge in 2003, Pawlenty signed \$98 million in public safety fees into law.

He said court representatives said they "could live with" the fees, and that the Minnesota Bar Association did not express opposition. "While nobody likes to raise fees, we felt like in these economic times that this was the right thing to do."

Other court provisions include an increase of the attorney registration fee to \$75 to help fund public defenders, the public defender co-pay is increased from \$28 to \$75 (can be waived by the court), referees can serve as judges of conciliation court in all judicial districts, a transfer of money from local drug abuse prevention programs to juvenile drug court programs and an annual 10 percent interest rate must be put on a judgment or an award over \$50,000.

Sen. Ron Latz (DFL-St. Louis Park) noted it is often beneficial for the defendant to hold their money in an account earning greater interest instead of paying their debt. "We believe through this measure that we will reduce some of the delays that defendants currently use in paying the judgment," Paymar said.

Other bill provisions

- ensures that victim's services programs administered by the Office of Justice Programs must not be reduced by more than 3 percent from current biennium funding;
- counties could develop a revocation center pilot project that could house offenders facing probation revocation, rather than sending them to prison;
- places a 90-day incarceration cap on a first-time supervised release violator following a revocation of supervised release; and
- by Jan. 1, 2010, the Public Safety Department is to reduce its non-investigative car fleet by at least 5 percent. This excludes the state patrol.



First Reading continued from page 4

crystal clear who wanted what.”

However, the lead House conferee on the agriculture and veterans finance bill conference committee had praises for the openness, calling it an “experiment to do the negotiating in the room,” said Rep. Al Juhnke (DFL-Willmar). “I think it was a neat process, and one I’ve not seen in my 13 years here.”


Kohls and Simon say their participation has been meaningful.

“I listen a lot more than I talk. It’s fascinating to see the interplay between leaders of the executive branch and legislative branch,” Simon said. “My philosophy after three terms is that the House and Senate do not collaborate enough. This was a way to do so consistently, starting early in the session.”

He said that shouldn’t bolster the case made by opponents that DFL leaders have had more than enough time to agree on targets.

“There’s a natural incentive to wait until the

last minute to strike the right deal,” Simon said. “At least when it happens the sides are better informed and better understand each other.”

Kohls said the commission is a tool that has its place. “We had some good discussion about whether we should go down the path we’re going down or approach it from a 180-degree angle,” he said. “I’ve certainly used the commission as a way to advocate for a structural framework for how we get out of here.” 

Highlights continued from page 16

can be on a city street or town road.

It was signed May 9 by Gov. Tim Pawlenty.
HF1421/SF1467*/CH56

— M. Cook

Booster seat requirements

A plan to keep some of the state’s youngest residents safer awaits gubernatorial action.

Sponsored by Rep. Melissa Hortman (DFL-Brooklyn Park) and Sen. Jim Carlson (DFL-Eagan), HF267/SF99* would require that youth be in a restraint system until their eighth birthday or they reach 4 feet 9 inches tall. Amended and passed 85-42 by the House May 11, the Senate repassed the bill 39-13 the next day.

Minnesota is one of six states that does not

have a supplemental child restraint law. Current law, crafted 26 years ago before booster seats were developed, states a child passenger restraint system is required for children under age 4.

Hortman said that an improperly fitted adult safety belt could cause the lap belt to ride up over the stomach and the shoulder belt to cut across the neck. If the shoulder strap is uncomfortable, children often place it behind their backs, further defeating the safety benefits of the system.

Supporters said a backless booster seat, which raises a child so the belt properly goes across the shoulders and hips, costs less than \$20.

Hortman said the height requirement comes from a Centers for Disease Control and Prevention growth chart. House Minority Leader Marty Seifert (R-Marshall) unsuccessfully offered an amendment to

lower the requirement to age 5.

It would be a petty misdemeanor with the driver fined up to \$50. The fine would be waived if the driver proves within 14 days that the operator has purchased a system for use. An amendment successfully offered by Rep. Mary Kiffmeyer (R-Big Lake), and amended by Rep. Tony Cornish (R-Good Thunder), states that “a peace officer may provide to the violator information on obtaining a free or low-cost child passenger restraint system.”

Approval of the law could also garner approximately \$140,000 in federal funds. The National Highway Traffic Safety Administration awards incentive funds for child passenger safety activities to states that enact a qualifying child restraint law.

— M. Cook

BILL INTRODUCTIONS

MAY 8 - 14, 2009

HOUSE FILES 2377 - 2388

Friday, May 8

HF2377-Sertich (DFL)

Finance

Iron Range Resources and Rehabilitation Board funding provided for asset preservation at Iron World.

Monday, May 11

HF2378-Kalin (DFL)

Finance

Rush City; water and sewer funding provided.

HF2379-Ruud (DFL)

Health Care & Human Services Policy & Oversight

Prosthetic device coverage required.

HF2380-Jackson (DFL)

Rules & Legislative Administration

Miscellaneous oversights, inconsistencies, ambiguities, unintended results and technical errors corrected.

HF2381-Atkins (DFL)

Public Safety Policy & Oversight

Gang affiliation data retention required.

Wednesday, May 13

HF2382-Huntley (DFL)

Finance

Duluth; Clyde Park improvements and Duluth Children’s Museum funding provided.

HF2383-Champion (DFL)

Finance

Community arts education grant program established; program administered by the Minnesota Board of Arts and regional arts councils.

HF2384-Scott (R)

Health Care & Human Services

Policy & Oversight

Nonpublic assistance IV-D services provisions modified.

HF2385-Torkelson (R)

Finance

Minnesota River Basin; flood hazard mitigation funding provided for Area II.

HF2386-Hortman (DFL)

Health Care & Human Services

Policy & Oversight

Complex regional pain syndrome education and research program act.

Thursday, May 14

HF2387-Laine (DFL)

Early Childhood Finance & Policy Division

Head Start school readiness service agreements authorized.

HF2388-Loon (R)

Taxes

Filing requirement waived for minimal tax owed as a result of late adoption of federal changes.

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MINNESOTA INDEX

Government in Minnesota

Full-time government employees in 2007	233,946
State employees	64,793
Local government employees	169,153
Part-time government employees in 2007	121,716
State employees	29,995
Local government employees	91,721
State General Fund revenues in fiscal year 2008, in billions	\$18.9
State General Fund expenditures in fiscal year 2008, in billions	\$17
Counties in Minnesota	87
Fiscal year 2008 revenues, in billions	\$5.7
Fiscal year 2008 expenditures, in billions	\$5.8
Cities in Minnesota	855
Fiscal year 2008 revenues, in billions	\$4.3
Fiscal year 2008 expenditures, in billions	\$4.1
Towns in Minnesota	1,787
Fiscal year 2007 revenues, in millions	\$242.3
Fiscal year 2007 expenditures, in millions	\$242.8
School districts in Minnesota	340
Other special taxing districts, including hospital, sanitary and watershed districts and housing redevelopment authorities	295
Price of government in Minnesota, in fiscal year 2009, as percentage of	
personal income	15.5
Percentage in fiscal year 2006	16.5
Percentage in fiscal year 2003	15.4
Legislative branch employees (permanent), in fiscal year 2009	617
House members, staff	134, 119
Senate members, staff	67, 149
Joint legislative staff	148

— N. BUSSE

Sources: U.S. Census Bureau, 2007 Census of Government Employment; House Research Department, Minnesota Government in Brief, January 2009; Office of the State Auditor, various reports; Minnesota Management and Budget, Price of Government and February 2009 Forecast General Fund balance analysis.

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