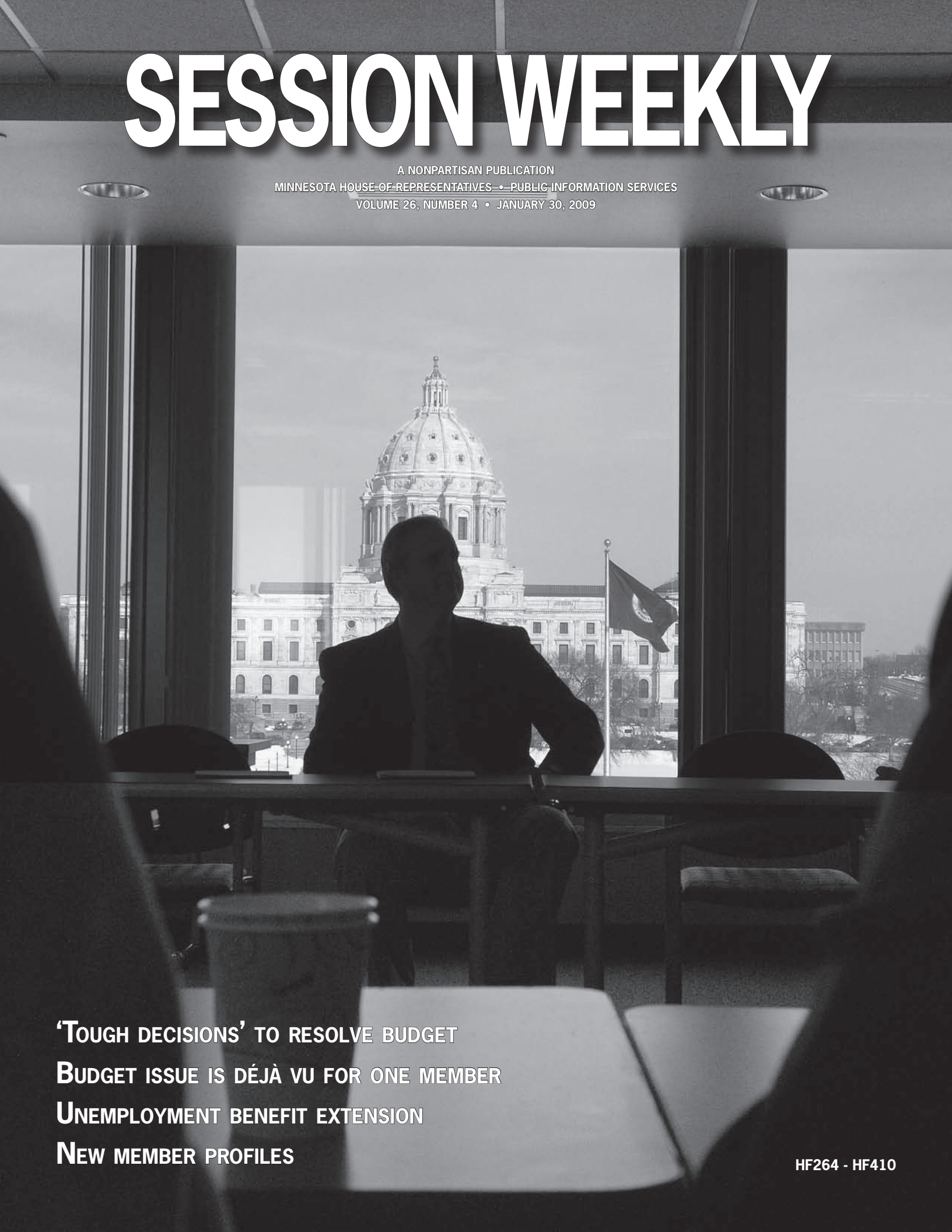


SESSION WEEKLY

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'TOUGH DECISIONS' TO RESOLVE BUDGET
BUDGET ISSUE IS DÉJÀ VU FOR ONE MEMBER
UNEMPLOYMENT BENEFIT EXTENSION
NEW MEMBER PROFILES

HF264 - HF410

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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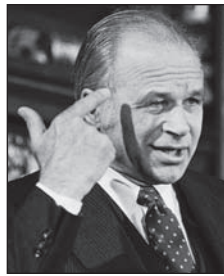
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On the cover: Chairman Al Juhnke and members of the House Agriculture, Rural Economies and Veterans Affairs Finance Division meet in the fifth floor conference room of the Veterans Service Building during a Jan. 28 tour and overview of the Department of Veterans Affairs.

— Photo by: Andrew VonBank

'Tough decisions'

Governor proposes spending cuts, accounting shifts to solve \$4.8 billion deficit

By Nick Busse

Gov. Tim Pawlenty presented his preliminary answer to the state's \$4.8 billion question on Jan. 27.

His proposal? Fix the state's projected budget deficit with \$2.5 billion in spending cuts, \$1.3 billion in accounting shifts, nearly \$1 billion in "tobacco appropriation bonds" and an unknown amount of federal stimulus dollars.

The math is complicated, but the result would be to shrink state government by 2.2 percent, or \$750 million, from current biennial spending levels. Pawlenty said his plan balances fiscal responsibility with the needs of the state.

"This budget involves some tough decisions; we realize that. But we also believe they are the decisions that reflect the priorities needed to position Minnesota for the future," he said.

Among the areas hardest-hit by the governor's plan would be health and human services. Although health spending would technically increase 9.6 percent under the governor's plan, spending would be significantly lower than the 22 percent increase that was projected. As a result, approximately 84,000 fewer adults would be eligible for state health care programs over the next two years — although no children would be affected.

Local government aid and higher education would see reductions of 5.4 percent and 8.2 percent, respectively, while most state agencies would see an across-the-board 5 percent reduction in their operating budgets. The resulting savings, however, would be at least partially offset by \$287 million in tax cuts aimed primarily at businesses. Pawlenty said making the state's tax climate more business-friendly would help the economy recover.

Not everything in the governor's plan consists of cuts. K-12 education would actually

see a slight funding increase, with an emphasis on pay-for-performance programs; however, accounting shifts in the form of delayed aid payments to schools are also called for to provide temporary savings.

Legislative leaders reacted cautiously to the governor's plan. House Speaker Margaret Anderson Kelliher (DFL-Mpls) said she and other DFL lawmakers will travel around the state in the coming weeks and seek public input on how the proposals would affect their communities. She also expressed skepticism about some of the governor's ideas, such as the K-12 accounting shifts.

"This budget appears to be full of some gimmicks, and we are going to take a close look at that," she said, adding, "It is a concern that if you build a budget completely out of those things, the long-term financial stability of the state could be at risk."

Among concerns addressed by House Majority Leader Tony Sertich (DFL-Chisholm) was that the governor's budget would lead to

First Reading continued on page 4



PHOTO BY TOM OLMSCHIED

House Majority Leader Tony Sertich tells reporters during a Jan. 27 news conference that specific issues in Gov. Tim Pawlenty's budget proposal would be examined closely, and that he and Senate Majority Leader Larry Pogemiller, left, look forward to seeing the governor's proposed bills to rectify the state's projected budget shortfall.

First Reading continued from page 3

increased property taxes, higher tuition for college students and the loss of health care benefits for some Minnesotans. He also expressed doubt about the governor's plan to raise nearly \$1 billion in one-time money by bonding future revenues from the state's decade-old tobacco settlement — the so-called “tobacco appropriation bonds.” He said nothing like it had ever been tried in Minnesota.

“This is something that we’re going to look at and see if it would work, and if it does not, that would put in serious jeopardy the governor’s proposal,” he said.

‘The blueprint’

The governor’s proposals lay out “the blueprint,” in Sertich’s words, for the issue that will dominate the remainder of the legislative session; however, that blueprint is likely to change before lawmakers even get started on their own version.

To start with, the governor’s plan assumes a \$920 million “placeholder” for funds from a forthcoming federal stimulus package. That legislation is expected to be passed by Congress and signed by President Barack Obama in the coming months; however, the final dollar amount of Minnesota’s share is yet to be determined, and is likely to be different — possibly much larger — than \$920 million. Pawlenty said his budget proposals would be adjusted when state officials have a better idea of how much stimulus money will actually be available to shore up the General Fund.

The other event that will likely force a review of the governor’s budget proposals is the release of the February budget forecast, which state officials have hinted may predict an even worse financial situation for the state. More budget cuts might be necessary if state officials forecast a \$6 billion or \$7 billion deficit; however, Pawlenty said more federal stimulus dollars might help cancel out a larger deficit.

Republican leaders criticized the DFL majority for not offering their own ideas to fix the budget. House Minority Leader Marty Seifert (R-Marshall) said the Democrats were taking too long to come up with their own plan to counter the governor’s proposals, and urged them not to wait longer.

“They’ve had two months of time to listen to the public. We’ve had the (budget) forecast on our desks now since November. We know what the problem is, so now we need solutions, and we need leaders,” Seifert said.

Similarly, Senate Minority Leader David Senjem (R-Rochester) compared the budget



PHOTO BY TOM OLMSCHIED

Following the Jan. 27 release of Gov. Tim Pawlenty’s budget proposal, House Minority Leader Marty Seifert tells reporters that he hopes the legislative majority will come up with their budget ideas early so the session can end on time.

process to a card game in which the governor had laid his first card on the table. Now, he said, the DFL leadership should lay down one of their own.

“We now want to see what the other proposals are,” Senjem said. “We would ask the other party to come along now, play along with the governor in terms of this process, and let’s move forward and make sure that we’re done on time, because we don’t need to be here in July or August trying to figure this out.”

Other reactions

Reaction to the governor’s proposals from House committee and division chairs was mixed.

Rep. Paul Marquart (DFL-Dilworth), chairman of the House Property and Local Sales Tax Division, said he respects the governor’s budget proposals, and sees them as an attempt to set priorities amid “a very dire situation.” His main concern is making sure that any cuts to local government aid are done in a way that is geographically balanced and that protects middle class interests.

“Too many times, as we’ve balanced the budget, we’ve done it on the backs of those who can afford it the least,” he said.

House K-12 Education Finance Division Chairwoman Rep. Mindy Greiling (DFL-Roseville) criticized the K-12 accounting shifts. She said that rather than solving budget problems, they would actually create more problems for the Legislature to deal with in the future.


“I hate shifts,” Greiling said. “It will flat-line

schools for quite a while, I think, because it means that whenever we get money we have to keep taking huge chunks of it to pay this back. And it looks like we got money, but we did not.”

Rep. Paul Thissen (DFL-Mpls), chairman of the House Health Care and Human Services Policy and Oversight Committee, said the governor’s proposed health care cuts would cancel out some improvements that were made last session. He specifically mentioned the Statewide Health Improvement Program, which helps communities develop strategies to support healthy behaviors. It would see its funding reduced from the anticipated \$47 million for the 2010-2011 biennium to \$24 million, spread out over four years.

“This seems totally contrary and going absolutely against the governor’s own perspective on wanting to control the growth in health care spending,” Thissen said.

House Taxes Committee Chairwoman Rep. Ann Lenczewski (DFL-Bloomington) said her committee would try to find as much common ground as possible with the governor, but that she personally would prefer more “permanent solutions” to the state’s budget woes.

“We’ll look at what we might want to take from the governor and use, and other places where we’ll need to negotiate. We’re trying to keep an open mind, but it’s difficult to imagine how we’re going to structurally deal with the deficit,” she said. 

— KRIS BERGGREN, SUSAN HEGARTY, SONJA HEGMAN AND LEE ANN SCHUTZ ALL CONTRIBUTED TO THIS ARTICLE.

Editor's note: The following Highlights are coverage of select bills heard in House committees and other House activities held Jan. 22-29. 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.

BUSINESS

Covenant change sought

Thousands of jobs could remain in the state thanks to a new airline agreement.

A 1991 agreement called for the Metropolitan Airports Commission to issue \$270 million in bond debt for Northwest Airlines provided the carrier keep its headquarters in the Twin Cities metropolitan area, maintain a hub at the Minneapolis-St. Paul International Airport and retain a specified level of employees.

Violation of any clause could force automatic repayment of the remaining debt.

With Delta Air Lines' recent acquisition of Northwest, if the MAC were to enforce the covenants, there would be no guarantee of service to the airport or of jobs remaining in the state once the bonds were paid.

The commission's board approved 9-1 terms of a new deal Jan. 26.

Agreement details were shared at a Jan. 22 joint meeting of the House Commerce and Labor Committee, House Transportation Finance and Policy Division, House Transportation and Transit Policy and Oversight Division and the House Local Government Division. No action was taken.

"I think this a glass half-full or half-empty kind of thing," said Rep. Mary Liz Holberg (R-Lakeville). "The MAC has done a good job of renegotiating this."

Terms of the deal include:

- the hub commitment would be set at an average of 400 flights per day (approximately today's level), at least 250 of which must be on aircraft with more than 70 seats;
- a minimum 10,000 jobs remain in the state until the bonds are paid off;
- Delta's headquarters for its regional airline management would be in Minnesota, including the moving of Compass Airlines headquarters from Virginia;
- reservation centers would remain in Chisholm and the Twin Cities metropolitan area; and
- the bonds would be paid off in 2016, six years earlier than required.

Rep. Frank Hornstein (DFL-Mpls) and Rep.

Jeremy Kalin (DFL-North Branch) remain concerned about agreement clauses that could result in job outsourcing after three years.

"I'd feel a lot more comfortable with this agreement if we could have an ironclad commitment that there will not be outsourcing of Minnesota flight attendants, Minnesota pilots, reservation agents and others," Hornstein said.

Ben Hirst, general counsel for Delta Air Lines, said he has heard of no plans to outsource any functions that will be housed in Minnesota.

— M. COOK

EDUCATION

A disaster waiting to happen?

School officials told the House K-12 Education Finance Division Jan. 28 they'd rather shift than cut.

That is, they'd rather live with the governor's proposed accounting shifts to the education finance formula than make outright cuts to staff

and programs. But they said such shifts are really a short-term solution to a perennial problem of an untenable education funding formula.

School districts now receive 90 percent of school aid revenue in the fiscal year in which it is appropriated and 10 percent the next fiscal year. The governor has proposed an 80-20 split for the 2010-2011 biennium that would reduce the General Fund operating deficit by "borrowing" \$1.3 billion from school districts by withholding an extra 10 percent of 2010 aid until 2011.

Increasing the split means school districts must draw from budget reserves or borrow to meet financial obligations. Districts in statutory operating debt may apply for an exemption.

Rep. Mindy Greiling (DFL-Roseville), the division chairwoman, said the governor's proposal is a tactic that undercuts education funding increases and imposes debt on districts.

"I hate shifts," she said. "It will delay funding things like the New Minnesota Miracle. It will flat-line schools for quite a while, I think."

Peggy Ingison, Minneapolis Public Schools chief financial officer and a former state finance commissioner, said shifts should be used as a "last resort."

"If I had a choice of side A, raising revenue or cutting spending, and over here is choice B, where you are doing shifts, wouldn't you recommend side A rather than side B?" asked Rep. Pat Garofalo (R-Farmington).

Ingison said the size of the projected state deficit means looking at "tax increases, spending cuts and shifts" to find a "balanced approach."

Superintendent Joe Brown of the 376-student Grand Meadow district said he has already made difficult staff and program cuts, increased revenues and enrollment, has low transportation costs and high energy efficiency – and still had to cut \$300,000 to balance this year's budget.

Although he likes the governor's budget and ideas about education, Brown said shifts aren't the answer. "I think this is a disaster waiting to happen."

— K. BERGGREN

CAREER READINESS



PHOTO BY TOM OLMSCHIED

Mike Cohen, president of Achieve, Inc., listens as Rep. Kim Norton asks a question about Cohen's presentation on college and career readiness during the Jan. 27 meeting of the House K-12 Education Policy and Oversight Committee.

Retirees risk districts' fiscal health

An issue that could cost school districts billions of dollars received mixed reviews.

At a joint meeting Jan. 26, the House K-12 Education Finance Division and House Taxes Committee considered benefits and risks of a law allowing school districts and other

government jurisdictions to fund liabilities for Other Post-Employment Benefits by creating trusts and issuing bonds that aren't subject to voter approval.

Benefit costs overall are estimated at \$3.3 billion, mostly in health care expenses.

A few districts have huge benefit liabilities compared to their total revenue. But Jody Hauer, a project manager with the Office of the Legislative Auditor, said even districts that don't pay retiree benefits are liable for "implicit rate subsidies," because retiring employees are eligible to retain employer-sponsored health care insurance. Premium costs are pooled, however, so active employees subsidize retirees. These "implicit rate subsidies" are absorbed into districts' general operating revenue.

Hauer said an evaluation of nine districts found implicit rate subsidies cost an average of \$1,300 per student and could cost all school districts \$1.1 billion over the next 30 years.

Thomas Wieczorek, Alexandria Public Schools business director, said his district drew from its trust to cover outright liabilities. Trust earnings also offset implicit subsidy expenses in its general fund, thereby freeing money to implement district goals such as offering free all-day kindergarten and improving classroom technology. This arrangement is legal, but it highlighted concerns about risk and inequity.

"In effect, you have unequalized general education levy," said Rep. Paul Marquart (DFL-Dilworth), who chairs the House Property and Local Sales Tax Division. "I don't think the intent of this law was to use these benefits and this levy authority to put money back into the classroom."

Rep. Tina Liebling (DFL-Rochester) questioned the risk of borrowing critical funds only to invest in an unpredictable market.

The meeting was intended to surface these concerns and as a "precursor of how the education finance committee and the tax committee can work more closely on overlapping issues," said Rep. Mindy Greiling (DFL-Roseville), who chairs the education finance division.

— K. BERGGREN

EMPLOYMENT

Career paths for students

Should high school freshmen be required to develop a plan for their future careers?

The idea, part of a set of policy recommendations developed by the Governor's Workforce Development Council, was debated Jan. 28 by the House Bioscience and Workforce Development Policy and Oversight Division.

No action was taken.

Executive Director Brenda Norman presented the recommendation that every Minnesota student, from ninth grade on, should have an annually reviewed plan to guide them down an educational and occupational path of their own choosing.

"We know that high school students make choices that are sometimes informed and sometimes uninformed, but we prefer that they make informed choices," Norman said.

Rep. Steve Gottwalt (R-St. Cloud) criticized the recommendation, comparing it to a European-style system where students are forced from a very young age to pursue a predetermined career path.

"I get awfully concerned when we're talking about mandating things on ninth graders and graduates in high school," Gottwalt said. "The fact that we might require them to start building a career path too early or too arbitrarily is a bit of a concern."

Rep. Joyce Peppin (R-Rogers) agreed, saying that many ninth graders are unlikely to possess the maturity or confidence needed to start making long-term career choices.

Mo Amundson, a member of the council, countered that the goal of the recommendation is simply to have children "not wait until they've already wasted two years in college and spent a lot of money" before they consider their career options.

"What our vision was is that students, starting in ninth grade, at least think about something that they might want to do and start exploring — not pigeonholing them, not putting them in a track, anything like that," she said.

Rep. Jeanne Poppe (DFL-Austin) agreed with Amundson, arguing that students need to start preparing themselves for careers as early as possible.

"Ninth grade, to me, is almost too late to be thinking about where they want to be going," she said.

— N. BUSSE

ENVIRONMENT

Water as valuable as oil?

Once water is as valuable as Mideast oil, people will start to see it as a commodity.

This is according to Michael Osterholm, director of the Center for Infectious Disease Research and Policy at the University of Minnesota. "We don't have a futuristic view about our water," he told a joint meeting of the House Cultural and Outdoor Resources and Environment and Natural Resources finance divisions Jan. 28. "The value has to change or we'll be here 20 years from now in more dire circumstances than we are now."

Minnesotans get 90 percent of their drinking water from the state's groundwater supply, which is significantly greater than the rest of the country, said Gene Merriam, president of the Freshwater Society.

He said groundwater is running short in some areas of the state. Also, the water has become polluted from things like nitrogen compounds used in farm fertilizers.

"Whatever we use as chemicals in our society is finding its way into our water," Osterholm said.

Rep. Rick Hansen (DFL-South St. Paul) said today's issues are the same ones he learned about as a graduate student 20 years ago.

"Was it a question of funding about why we still have the same problems, or was it a question of the consensus being wrong in the procedures that we chose of going with best management practices and education and not achieving the results or the outcomes that were desired? If we do provide money in these committees will we look for another 20 years and have the slides be the same?"

"I don't think there was enough money to adequately address the questions," Merriam said. "It's important that the money used today gets spent in a way that will make a difference 25 years from now, and having a way to track that."

Solutions to current issues include intensifying the monitoring and protection of aquifers and educating the public about environmental impacts.

"We've got to change what we're doing," Merriam said. "It's so easy to focus on cleaning up the problems, but it's so much easier and cheaper to keep them from happening in the first place."

A study by the Freshwater Society Guardianship Council also found that:

- groundwater buried thousands of years ago by glaciers is high quality, but newer water being recharged in shallow aquifers contains chemicals from modern land use;
- perfluorochemicals are being found in lakes and wells in the Twin Cities metropolitan area and in treated wastewater throughout the state;
- 40 percent of septic systems do not comply with state standards and threaten ground and surface water;
- sand plains of central Minnesota and some areas near Hastings are particularly vulnerable to contamination; and
- atrazine is being found in wells throughout the state. Concentrations are decreasing but detection frequency is increasing. This is due, in part, to increased ethanol production.

— S. HEGMAN

GAME & FISH

Anglers criticize spear-fishing bill

"How do you catch and release a speared fish?" asked Rep. David Dill (DFL-Crane Lake), chairman of the House Game, Fish and Forestry Division.

"You don't," replied Shawn Kellett, president of the Muskies Inc. Twin Cities Chapter.

The exchange took place during a Jan. 26 hearing on HF26 that would amend state fishing laws to allow non-residents to take fish by spearing them from a dark house, which is typically a portable canvas tent placed over the ice.

The division took no action on the bill sponsored by Rep. Al Juhnke (DFL-Willmar). A companion bill, SF220, sponsored by Sen. Tom Saxhaug (DFL-Grand Rapids), awaits action by the Senate Environment and Natural Resources Committee.

Rep. Denny McNamara (R-Hastings) said the change would allow former residents who return to the state on vacation to participate in this form of recreation.

Vern Wagner, chairman of Anglers for Habitat, opposes the bill because of the shortage of trophy-sized Northern Pike. "We need to fix Northern Pike and we don't fix Northern Pike by sticking forks in them," Wagner said.

Juhnke cautioned division members not to think of the bill as a conservation issue.

"If conservation of species is the case, please pull the cameras out of the water today. And take the fish finders off the boat today," he said.

Rather, it's a reciprocity issue. Border states don't allow Minnesotans to hunt waterfowl in their states. So Minnesota doesn't allow their residents to spear fish in its waters.

"South Dakota and North Dakota are kind of famous for their waterfowl. I know their population is less than a million in each state and we've got 5.7 (million). I get that they don't want us over there en masse," Dill said.

Department of Natural Resources Assistant Commissioner Bob Meier agreed that it's a "social issue about how we are treated in other states." If enacted, the law would not significantly impact the fisheries, Meier said.

Rep. Tom Hackbarth (R-Cedar) compared the issue to other recreational opportunities, saying there are a few anglers who could give the sport a "bad name" and that they could "ruin spearing for our residents." For that reason, he did not support the bill.

— S. HEGARTY

One fish, two fish

Debate about whether two fishing lines are better than one on Minnesota lakes and streams drew both support and opposition during Jan. 26 testimony.

If enacted, HF22 would allow anglers to use two lines to fish year-round.

Minnesota law currently only allows two lines per person when ice fishing. Rep. Al Juhnke (DFL-Willmar), who sponsors the bill, presented supportive arguments to the House Game, Fish and Forestry Division, which took no action. There is no Senate companion.

From a competitive viewpoint, bordering states allow anglers to use more than one line, which may cause tourism dollars from boaters, campers and serious fishermen to be diverted to those locales, Juhnke said. Plus, potential revenue from the purchase of a two-line stamp could number in the millions, he added.

But some anglers are not as excited to drop another line in the water. Rather, they argue that two lines will deplete some lakes of fish and put an undue burden on the state's fisheries. "We need to maintain the quality of our fishery. Is \$1 million enough to restock our lakes?" asked John Underhill, co-chair of the Minnesota Muskie Alliance. When walleye numbers dropped in Leech Lake, "people stopped coming," Underhill said.

Studies from bordering states indicate that up to 50 percent more fish are caught when two lines are used rather than one, according to Ed Boggess, deputy director of the Fish and Wildlife Division of the Department of Natural Resources.

There are emergency measures the DNR can take to solve this problem, Boggess said. Action can be taken to close the lake, reduce the number of lines temporarily, lower limits of fish taken and other conservation solutions.

— S. HEGARTY

HEALTH

Colorectal cancer screening funds

Minnesota could be in position to receive federal funds to screen 200 to 400 uninsured or underinsured people for colorectal cancer.

Called the Minnesota Colorectal Cancer Prevention Act, HF293 is sponsored by Rep. Maria Ruud (DFL-Minnetonka). It would provide matching funds for a possible federal grant to support a demonstration project for colorectal cancer screening at Hennepin County Medical Center and through the MeritCare system serving the northwest part of the state. The amount of state dollars has yet to be determined.



PHOTO BY ANDREW VONBANK

Tim Church, an environmental health sciences professor at the University of Minnesota School of Public Health, testifies before the House Health Care and Human Services Policy and Oversight Committee Jan. 27 in support of a bill that would provide colorectal cancer screening for the uninsured. Rep. Maria Ruud, the bill's sponsor, listens to the discussion.

Colorectal cancer is a leading cause of cancer death in the state, claiming the lives of more than 850 Minnesotans annually, according to the American Cancer Society.

"This is a very small demonstration project, but the potential impact, if we can bring this kind of access to more Minnesotans who need it, can be quite large," said Tim Church, a professor of environmental health sciences at the University of Minnesota School of Public Health. He would oversee the project.

Approved by the House Health Care and Human Services Policy and Oversight Committee Jan. 27 and sent to the House Finance Committee, the bill would also provide an unspecified amount in fiscal year 2010 to the University of Minnesota to evaluate the demonstration project.

The bill has no Senate companion.

— L. SCHUTZ

Health insurance for every child

Having every child in Minnesota covered by health insurance would be the ideal outcome of a bill sponsored by Rep. Paul Thissen (DFL-Mpls).

But the idea had some members of the House Health Care and Human Services

RELAY FOR LIFE



PHOTO BY ANDREW VONBANK

Family and friends of those who have battled cancer joined cancer survivors to walk around the Star of the North in the State Capitol Jan. 27 during the American Cancer Society's Relay for Life in the Rotunda. The event is designed to celebrate the lives of those who have battled cancer and remember loved ones lost to the disease.

Policy and Oversight Committee Jan. 28 questioning who would ultimately pay the costs.

Nonetheless, HF174 was approved and sent to the House Finance Committee.

The bill would establish the Minnesota Health Security Act and would provide dental, vision and medical insurance for people under age 21, regardless of income or immigration status, including the unborn child of a pregnant woman.

Thissen said that for the past several years lawmakers have considered bills that would ensure that every Minnesota child could see a doctor. With 80,000 state children without health insurance, he said, "We still have a lot of work to do on insuring kids and ultimately making sure that all Minnesotans have access to affordable health care." Despite the budget problems, he contends the state has "a larger moral and political obligation to consider all the options."

The program would mirror services offered through Medical Assistance, and would have no enrollee premiums or cost-sharing. The bill would also ensure that all Minnesota adults would have access to comprehensive, affordable health care coverage by Jan. 1, 2012.

While there seemed to be agreement on the ideal, it was the practicalities that several members questioned, such as the cost to the state. This led Rep. Steve Gottwalt (R-St. Cloud) to say that a responsible policy discussion has to include the consequences.

Rep. Julie Bunn (DFL-Lake Elmo) said the ethical discussion of health care coverage needs to continue; but she is concerned that the state budget may already not be able to sustain programs enacted last session that have specific goals and dates attached.

Its companion, SF9, sponsored by Sen. Tony Lourey (DFL-Kerrick), awaits action by the Senate Health, Housing and Family Security Committee.

— L. SCHUTZ

HIGHER EDUCATION

Students plead for financial help

A group of University of Minnesota students pleaded with lawmakers to consider their classmates' financial and educational needs as they consider budget cuts to higher education.

Kristi Kremers, president of the Graduate

and Professional Student Assembly and a first-generation college student, urged legislators to consider the potential impact of budget reductions on students' ability to pay tuition.

"I feel very privileged to be where I am, and I want to make sure future generations — that my own children — have these same opportunities. But they won't, with the increasing amount of debt we're having to take out to pay for our student loans," Kremers said.

Kremers and other student legislative advocates testified Jan. 27 before the House Higher Education and Workforce Development Finance and Policy Division. No action was taken.

Alex Tenenbaum, a student in the College of Liberal Arts, said many of his classmates are having to work long hours at menial jobs to pay for their education, which not only takes away from study time but also prevents them from participating in leadership programs, community service and unpaid internships.

Tenenbaum has mixed feelings about Gov. Tim Pawlenty's proposal to cap tuition rates at the university.

Although he likes the idea of not having

his tuition raised, Tenenbaum said he also knows that “if we’re going to be putting a cap and cutting funding, then we’re going to have to cut a lot of programs that mean a lot to people.”

Rep. Bob Dettmer (R-Forest Lake) asked what level of funding cuts the students thought would be fair, given the size of the state’s projected budget deficit. Kremers declined to answer the question directly, and instead pointed out that many states facing similar budget problems are opting to protect higher education funding.

Martin Chorzempa said budget cuts would detract from students’ quality of life. He said that even cuts that only affected athletic programs, for example, would harm the school’s atmosphere and discourage alumni involvement.

Rep. Roger Reinert (DFL-Duluth) responded, “I’m thrilled to have a top-20 basketball team, but I’d be more thrilled to have first-generation college students leaving with less than \$20,000 in debt.”

The students also criticized a plan by the governor to greatly expand the role of online classes in the Minnesota State Colleges and Universities system. Kremers argued that online education “just does not compare to the quality of what you experience inside the classroom.”

— N. BUSSE

HOUSING

Funding to stabilize neighborhoods

The Minnesota Housing Finance Agency is expected to appropriate \$38.8 million in February to cities, counties and community housing organizations in an effort to stabilize neighborhoods hit hard by foreclosures.

Speaking before the House Housing Finance and Policy and Public Health Finance Division Jan. 27, Chip Halbach, executive director of Minnesota Housing Partnership, said the funds are part of a cash outlay called the Neighborhood Stabilization Program from the U.S. Department of Housing and Urban Development. Organizations hoping to receive their share were required to submit applications to the state agency by Jan. 28.

Another \$20 million was previously awarded to Anoka, Hennepin and Dakota counties and the cities of Minneapolis and St. Paul, according to Jeanette Blankenship, an agency housing policy specialist.

Despite available resources, it’s still not enough to meet the needs of today, Halbach said.

“Even though the amount of federal resources coming to the state is large, it’s not

making a sizable dent in some of the goals that were laid out before we had the impact of the foreclosure crisis,” Halbach said.

Reasons for the unmet goals include failed foreclosure prevention programs, he said. For example, the Hope for Homeowners Program relied on banks to voluntarily reduce the principal on mortgage loans, which didn’t happen enough. Also, a \$7,500 tax credit for first-time homebuyers isn’t popular because it has to be paid back.

Going forward, agency officials are mindful that some federal funding resources, such as the Neighborhood Stabilization Program, have shifted from guaranteed funding formulas to a competitive grant process that does not necessarily mean continued funding.

“So the dollars available from the state are very critical to fill in around what the federal government is making available,” Halbach said.

— S. HEGARTY

HUMAN SERVICES

Two views on radiation treatment

Chairs of two House health committees are on opposite sides of an issue that one described as “a fight between two groups.”

Rep. Paul Thissen (DFL-Mpls) sponsors HF177 that would extend the current moratorium on construction of new radiation oncology facilities from 2011 to 2014.

It’s an issue that has been the subject of extensive hearings over the years, Thissen, who chairs the House Health Care and Human Service Policy and Oversight Committee, told members Jan. 27.

“The Legislature has made the decision, on repeated occasions, that limiting the expansion of these machines is the right public policy for us to be pursuing,” He pointed to information from the Minnesota Hospital Association and individual providers showing there are more radiation services available than needed, based on 2007 capacity. “This is in a large part about controlling costs,” he said.

But the chairman of the House Health Care and Human Services Finance Division has a different take on the matter and encouraged committee members to vote against the bill.

“It’s a fight between two good groups of radiation oncologists, both of them do a good job, but one of them wants to keep the other out of the business,” said Rep. Thomas Huntley (DFL-Duluth).

He said that one group owns their machines and leases space in hospitals. The other uses a model where the oncology professionals act

as a team. Its machines could be in hospitals or in separate facilities. Huntley argued the latter provides greater access for patients.

Rep. Steve Gottwalt (R-St. Cloud) questioned whether a trigger mechanism had ever been proposed that would address need and what best serves the cancer patient without political input. “That our committee should constantly have to be deciding on an extension of moratoriums seems to be a little counterproductive.”

The bill was approved and now awaits action by the full House. Its Senate companion, SF162, sponsored by Sen. Linda Berglin (DFL-Mpls), awaits action by the Senate Health, Housing and Family Security Committee.

— L. SCHUTZ

LOCAL GOVERNMENT

Jackson County office change

If a bill sponsored by Rep. Rod Hamilton (R-Mountain Lake) becomes law, Jackson County may soon have an appointed, rather than elected, auditor-treasurer.

HF14 would allow the Jackson County Board of Commissioners to make the position an appointed office, provided that 80 percent of the board votes in favor of a resolution. Jackson County Coordinator Janice Fransen said the change is needed because the job “has evolved into a highly specialized and technical position.”

“It is crucial that a highly qualified individual take this position,” Fransen said, adding that such a skilled individual might not want to campaign for office.

The House Local Government Division approved the bill Jan. 26 and referred it to the House State and Local Government Operations Reform, Technology and Elections Committee. A companion, SF41, sponsored by Sen. Jim Vickerman (DFL-Tracy), was approved the same day by the Senate State and Local Government Operations and Oversight Committee.

Rep. Rob Eastlund (R-Isanti) had reservations about what he sees as making elected officials appointed, arguing that it takes away a level of accountability to the voters.

“It’s the residents of Jackson County that we should be concerned about,” Eastlund said.

The bill does provide for a process by which voters in Jackson County could petition the board to put the proposal to a referendum, in which case the public could vote to keep the position an elected office.

— N. BUSSE

Taylors Falls seeks tax breaks

The city of Taylors Falls is having trouble competing for businesses with neighboring Wisconsin because of its property tax rates, and would like help from the Legislature.

HF101, sponsored by Rep. Jeremy Kalin (DFL-North Branch), would allow Taylors Falls to designate itself a border city development zone — a status that would let the city provide commercial and industrial property tax breaks.

The House Local Government Division approved the bill Jan. 26 and referred it to the House State and Local Government Operations Reform, Technology and Elections Committee. A companion, SF103, sponsored by Sen. Rick Olseen (DFL-Harris), awaits action by the Senate Taxes Committee.

Taylors Falls Mayor Michael Buchite said his city, which is located across the border from St. Croix Falls, Wis., has difficulty persuading businesses to move into town because of Wisconsin's comparatively generous property tax rates. He said Kalin's bill would "give us at least the opportunity to compete."

Buchite said businesses in St. Croix Falls pay property tax rates that are sometimes half of what comparable businesses pay in his city — something that he said has repeatedly thwarted the city's various efforts at economic development.

According to Minnesota Statutes, five other cities are permitted to use the border city development zone designation: Breckenridge, Dilworth, East Grand Forks, Moorhead and Ortonville.

Rep. Mark Buesgens (R-Jordan) said that while he appreciated what Kalin was trying to do for Taylors Falls, he hoped similar tax incentives could be applied on a statewide level. He argued it would make the state more competitive overall.

— N. BUSSE

TAXES

To modify or repeal Green Acres

Changes to the Green Acres tax benefit program could be repealed or fixed, under two bills approved Jan. 27 by the House Agriculture, Rural Economies and Veterans Affairs Finance Division.

HF10, sponsored by Rep. Al Doty (DFL-Royalton), that would repeal the 2008 changes, heads to the House Taxes Committee. A companion, SF238, sponsored by Sen. Lisa Fobbe (DFL-Zimmerman), awaits action by the Senate Taxes Committee. The bill will keep the class of land created by the 2008 changes — the rural vacant land class — but allows it to be enrolled in Green Acres.

In 2008, the Green Acres law was modified by changing the definition of land allowed in the program. These changes also included a seven-year tax payback if land is transferred or sold out of current ownership. The law was changed because it was found that land had been allowed into the program that should not have qualified. The taxes not paid by those in the Green Acres program are paid by local property taxpayers.

In 2007, Green Acres shifted \$35 million to local property taxpayers who live near land enrolled in the program. Next year, it is expected to shift \$55 million.

Sponsored by Rep. Tim Faust (DFL-Hinckley), HF217 would modify current law. It moves now to the House Environment Policy and Oversight Committee. A companion, SF286, sponsored by Sen. Rick Olseen (DFL-Harris), awaits action by the Senate Agriculture and Veterans Committee.

"This bill does two things," said Rep. Al Juhnke (DFL-Willmar), the division chairman. "It grandfathers in everyone that's in Green Acres up to today, which is the same rules as always, which is the same as (HF10). ... (HF217) makes the farm one productive unit instead of splitting it up."

So any land currently enrolled in Green Acres that is part of an agricultural homestead may stay enrolled, but only half of the acreage can be classified as rural vacant land.

According to the nonpartisan House Research Department, the bill would also:

- reduce the seven-year payback for land withdrawn from the program to three, as it was before the 2008 changes;
- broaden the definition of agricultural products by including the commercial boarding of horses and trees sold for timber, lumber, wood or wood products, allowing that property to be eligible for agricultural classification;
- require that a farm must be capable of producing agricultural products worth at least \$1,000 per year; and
- provide that land enrolled in Reinvest in Minnesota, the Conservation Reserve Program or a similar government-sponsored conservation program may be enrolled in Green Acres only if the conservation acres constitute less than half of the total farm acreage.

— S. HEGMAN

Priorities for property taxes

Creativity might be the key to finding ways to balance the state's budget this year, and the House Property and Local Sales Tax Division is up to the challenge.

Last biennium, Rep. Paul Marquart (DFL-Dilworth), the division chairman, opened a

property tax hotline so residents could either phone or e-mail suggestions on how to improve the state's property tax system. At the division's Jan. 28 meeting, he announced the division will have three main priority areas this year, and there will be working groups for each.

The priorities are:

- state property tax system benchmarks and critical indicators, which will be chaired by Rep. Denise Dittich (DFL-Champlin). The goal is to provide state policymakers with the tools to create a more accountable and efficient property tax system;
- local government performance measurement and improvement program, which Marquart will chair. The goal is to provide taxpayers with greater value and enhance efficiency and performance of local governments; and
- local government decision-making flexibility and mandate reduction, which will be chaired by Rep. Morrie Lanning (R-Moorhead). The goal is to empower local decision-making and flexibility in local budgets.

The working groups will construct three separate bills that must be introduced by Feb. 26.

"My vision is that we will research each area and then develop a bill," Marquart said. In March, the division will reserve entire hearings for each of the bills. Working group chairs will put out a notice for their meetings. Division members are not assigned to groups, but are encouraged to attend any or all of the working group meetings.

— S. HEGMAN



NOTES

Budgeting basics?

Looking at state budget documents can be confusing and almost make one's head spin.

During a Jan. 29 overview to the House Public Safety Finance Division, House Fiscal Analyst Gary Karger tried to lighten things up by sharing something he read from an Illinois budget document.

"There was no education anywhere that can teach you the legislative budget process. You just have to go through it."

He later quoted another Illinois document that offered agencies some guiding budget principles.

"Number one is spend all your money and more if possible, otherwise the Legislature will feel it did not screen the request properly and will cut your next biennial budget," he said. "Avoid sudden increases or decreases. The changes should be small."

— M. COOK

A lifeline for the jobless

A law extending unemployment benefits highlights a growing problem

By NICK BUSSE

For Minnesotans who've recently been laid off from their jobs, the state's unemployment insurance program can be a lifeline. It helps them pay their bills, put food on the table and keep a roof over their head until they can find new work.

"It's the social safety net that keeps people from real devastation," said Rep. Tim Mahoney (DFL-St. Paul).

Unemployment benefits don't last forever, though — and as Minnesota plunges with the rest of the country into potentially the worst economic crisis since World War II, many will be unable to find new jobs before their benefits run out. The federal government recently extended those benefits, but many Minnesotans won't be eligible for the extension right away.

Mahoney didn't think they could afford to wait. Along with Senate President James Metzen (DFL-South St. Paul), he sponsored HF4/SF4*/CH1, which will plug the gap between the state's regular unemployment benefits and the federal extension. Passed by the House 117-11 on Jan. 29 and 65-0 by the Senate two weeks earlier, it was signed into law Jan. 29 by Gov. Tim Pawlenty.

The law will create a state-funded extension to supplement the federal one, and also make a larger number of Minnesotans eligible for the federal money.

"By and large, this (law) is really designed to get Minnesota's system ready to allow people to get on to the federal

extension," Mahoney explained.

Minnesota's unemployment insurance program was founded in 1936 at the direction of the federal government. To be eligible to receive benefits, a person must be physically and mentally able to work, ready and willing to accept a job in their industry, and actively seeking employment. Minnesotans who meet those criteria are entitled to unemployment benefits equal to half of their average weekly wage, up to a maximum of \$566. Typically, unemployment benefits run out after 26 weeks.

According to the Department of Employment and Economic Development, approximately 214,000 Minnesotans received

about \$1 billion in unemployment benefits in 2008. Department officials estimate that the state extension in the law will apply to approximately 3,000 people. In addition, the law will allow roughly half of Minnesotans who exhaust their regular benefits to qualify for the federal extension.

With as many as 260,000 Minnesotans expected to be out of work by Christmas, the state's unemployment insurance system is under heavy strain. Monthly unemployment claims in Minnesota are at their highest seasonally-adjusted levels in almost 27 years.

The state's unemployment insurance trust fund, which currently holds some \$500 million, is expected to go into deficit by the last week in December. It wouldn't be the first time it happened, but it would mean that the state would need to borrow money from the federal government to pay unemployment benefits. Department officials estimate that the law will cause the fund to go into deficit approximately three days earlier.

That idea has some Republican members concerned. Noting that the unemployment insurance program is funded by a payroll tax on employers, they point out that any interest owed to the federal treasury will ultimately be paid by Minnesota's business community.

"This will be \$16 million of additional expense that will be borne by the Minnesota businesses at some point in time," said Rep. Denny McNamara (R-Hastings), speaking at a Jan. 22 meeting of the House Ways and Means Committee. He added, "There is no free lunch."

Mahoney and DEED

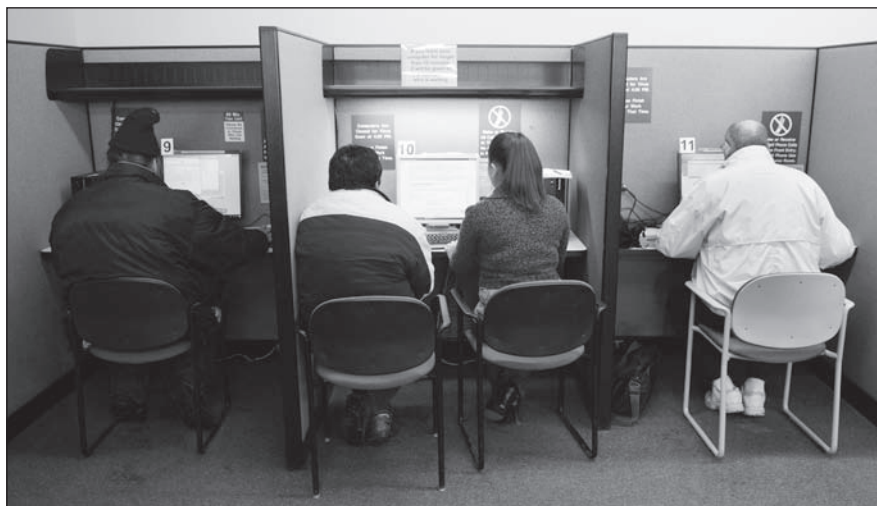


PHOTO BY TOM OLMSCHIED

A workforce employee assists a client with filling out a claim, while other clients search job postings on computers at a Workforce Center in St. Paul.

Benefits continued on page 23

Been there, done that

House finance chair, former governor reflect on previous budget problem

BY LEE ANN SCHUTZ

Call it déjà Vu for Rep. Lyndon Carlson Sr. The Crystal DFLer was serving his fifth term in the House during the 1981-1982 biennium when the shoe dropped on the economy, sending Minnesota's unemployment numbers and interest rates skyrocketing, and the farm economy and state's budget into the tank.

With the state now facing a projected \$4.85 billion biennial deficit and increasing unemployment, for Carlson it's like history repeating itself.

As a member of the House Appropriations Committee and chair of its education division in 1981, he was in the thick of the discussion to balance the \$8.2 billion biennial General Fund budget that was sliding into a \$778 million hole.

Today, Carlson chairs the 2009 counterpart to the appropriations committee — the House Finance Committee, where any bill with fiscal implications (except for taxes) flows through, thus putting him, once again, smack in the middle of budget discussions. He is open to every piece of advice, but says the past can be a great teacher.

"When thinking about the deficit, I have a tendency to look back to what it took to solve various budgetary problems. You know the old saying that history has a tendency to repeat itself. The fiscal difficulties that we are currently facing

rank at least right up there with the early 80s in significance," Carlson said.

Some similarities can be drawn between the past and present:

- the state's prior years of financial growth and stability evaporated quickly;

- unemployment numbers began to climb in 1981 before reaching an historic high of nearly 200,000 in 1983; and
- Democrats controlled the House and Senate, and Republican Gov. Al Quie was adamantly against tax increases to solve the budget woes.

Looking back for solutions

Carlson said he is thinking a lot about his 1981-82 experience — especially the three-pronged approach it took to solve the budget problem, and the six special sessions and two regular sessions it took to do it.

"If we were to look at the early 80s, and I'm not saying that will be the model this time, it was a three-legged stool; there were shifts, mainly in K-12 funding, there were increases

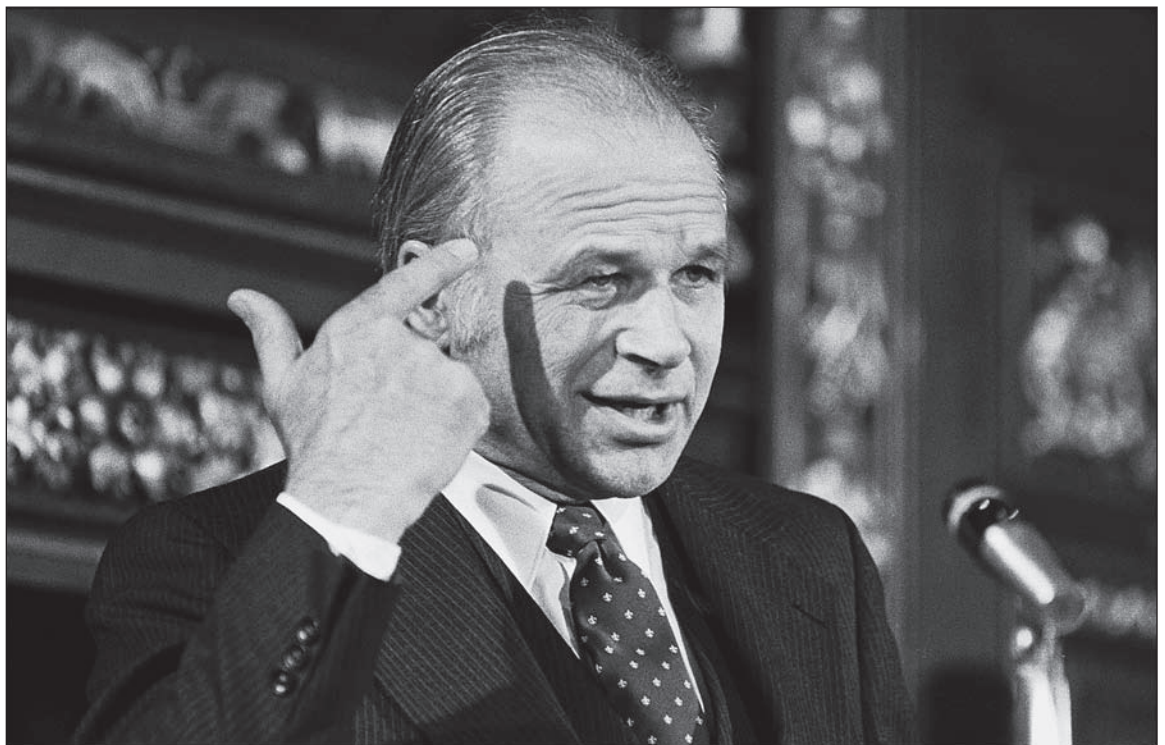


PHOTO BY TOM OLMSCHIED

"The gun was to your head. You finally have to decide what you're going to do," Gov. Al Quie said in 1982 as he allowed a budget-balancing bill to become law without his signature. The law erased a more than \$700 million budget deficit through tax increases and spending cuts.

‘One of the big problems we encountered in the 80s is that we lost time, thereby limiting options.’

— Rep. Lyndon Carlson Sr.
House Finance
Committee chairman

in revenue and there were budget reductions,” Carlson said.

Revenue-raising was the key to balancing the budget back then, but it also ended any hopes Quie had for re-election.

Quie had repeatedly stated that tax increases would not be part of any budget-balancing solution, but after the 1981 November Forecast, it was apparent that cuts and shifts weren’t going to be enough. Quie realized that tax increases — a move he knew would be political suicide — were needed to stave off further unacceptable cuts.

“It was the biggest battle I had inside of me,” Quie said in a recent interview.

“It was my calling to be in politics; it was the toughest thing for me to do, to not run. But the state was more important to me. I knew taxes had to be increased to solve the problem.”

By taking himself out of the discussion of raising taxes and the political fallout it would cause, legislators could focus on solving the problem through deferring payments, cutting expenditures and temporarily raising the sales tax and income tax, he said.

Advice for today

Quie advises legislators to stay true to their principles as they work to resolve today’s budget problems — for him those are funding education and infrastructure.

“Educating kids is a long process — preschool through their early 20s. Funding education is a long-term investment in the state’s future.” As for infrastructure, he said the state has the primary responsibility for maintaining our roads and bridges — another long-term investment that he said pays dividends.

Quie said that before the 1981 recession, Minnesota, because of its diversified economy, seemed insulated from any national economic downturn. But diversity proved no match for that recession, especially when the state was hit hard in farming and mining, and a policy change had left the state with little reserves.

“No one was prepared for a recession that

‘It was my calling to be in politics; it was the toughest thing for me to do, to not run. But the state was more important to me. I knew taxes had to be increased to solve the problem.’

— Former Gov. Al Quie



PHOTO BY TOM OLMSCHIED

Rep. Lyndon Carlson, chairman of the House Finance Committee, listens as Tom Hanson, commissioner of Minnesota Management and Budget, presents Gov. Tim Pawlenty’s 2010-2011 biennial budget proposal Jan. 28 to a joint hearing of the House Finance and Ways and Means committees.

went on and on,” Quie said. “I pushed my finance people to look further into the future.” It seemed as though the problem was solved

by one special session, but things just kept getting worse, he said.

This experience is not lost on Carlson.

If the February Forecast — expected to be released in the month’s final week — for the state budget is as dire as expected, Carlson recommends acting quickly to solve the problem. “One of the big problems we

encountered in the 80s is that we lost time, thereby limiting options. You can’t raise enough revenue in a short amount of time to offset the problem; you get down to the last few months, and you can’t necessarily downsize your workforce, because you don’t have enough savings to balance the budget,” he said.”

Looking forward

Carlson is optimistic this session can end on time, but he has no illusions of it being an easy process.

Special circumstance, special sessions

During the 1981-1982 biennium, six special sessions were held to deal with the state’s budget shortfall.

June 6, 1981

Four bills were enacted, including \$875 million in taxes, payment shifts and collection speedups, and expenditures of \$71.2 million for elementary and secondary education and Medical Assistance.

July 1-2, 1981

This session was called because of cash flow problems resulting from revenue shortfalls. Under law at the time, the state could not borrow more than \$100 million to avoid cash flow problems — a problem that exceeded that amount. A new law raised the limit to \$360 million.

Dec. 1, 1981-Jan. 18, 1982

This session was necessitated by an estimated revenue shortfall of \$869 million, causing a projected deficit of \$768 million. The budget was balanced with a package of tax increases, appropriation cuts, a payment shift and a tax collection speedup. At that time, a 7 percent temporary surtax on individual income tax was enacted.

March 30, 1982

This session was called to respond to changes in the federal unemployment compensation law. The Legislature appropriated money to pay interest on federal government loans used to pay unemployment compensation benefits.

July 9, 1982

The Legislature voted to release money from the Northeastern Minnesota Economic Protection Trust to help deal with the unusually high unemployment in northeastern Minnesota.

Dec. 7-10, 1982

Facing another revenue shortfall, this special session included a package of \$342 million in appropriation cuts and spending. The earlier enacted 7 percent tax surtax was increased to 10 percent and an earlier temporary sales tax increase was raised from 4 to 5 percent.

Information from the Minnesota Legislative Reference Library and Minnesota Senate Fiscal Review 1981-1984

“Some members will be opposed to accounting shifts and some will be opposed to any revenue increases. Those of us close to the budget are saying we have to keep all tools on the table, and hopefully reach consensus — and hopefully bipartisan consensus.”

He would caution members to “remain flexible — we have some very difficult decisions to make.” 🍷

A young, rural voice

Falk to keep push for renewable energy policies

By SONJA HEGMAN

Age was and is not a factor for Rep. Andrew Falk (DFL-Murdock).

"I've got two of the three oldest population districts in the state and being the youngest member of our majority caucus and the second-youngest member of the body, it shows we can still be progressive out there," he said.



Rep. Andrew Falk

A lifelong resident of Murdock, population 303, Falk is the fifth generation on his family's 100-year-old farm. He raises soybeans and does processing for seed companies and domestic exports. He also works as a renewable energy developer, which helps

him in his role as vice chairman of the House Energy Finance and Policy Division.

"We need a voice to represent young people and what we can do to revitalize rural America," he said. "I think renewable energy is one of the best ways of doing that."

Professionally, Falk has completed commercial scale wind projects since 2005 and worked with Aaron Peterson, his House predecessor, on a lot of his renewable energy policies and renewable energy standards. When Peterson said he wasn't going to seek re-election, Falk decided to run for his seat, "And here I am." Falk was Peterson's campaign manager at one point.

Like many small-town legislators, Falk said he is concerned about what the loss of Local Government Aid could do to the towns and cities in his district.

DISTRICT 20A

Population: (2007 est.) 34,045
Largest City: Benson
Counties: Big Stone, Lac qui Parle, Lincoln, Swift and Yellow Medicine
Top Concerns: Energy, LGA, education

"These towns provide the fabric to hold together a rural economy, and LGA helps support an ag-based economy which benefits the entire state," he said. "We need to make sure we support the rural parts of the state."

Above all, Falk said he and his colleagues need to be honest about what cuts will do to the quality of life for state residents.

"It's a challenging time, but we have a tremendous opportunity to do some real good for the citizens of the state," he said. "Our constituents are the best source of new ideas that help us do our job."

A political education

After years of teaching about politics, Kath leads by example

By NICK BUSSE

As a political science and economics teacher, Rep. Kory Kath (DFL-Owatonna) has spent the last nine years helping develop his students at Owatonna High School into the next generation of leaders. When the opportunity arose to represent his district as a member of the House, Kath decided it was time to lead by example.



Rep. Kory Kath

"I was very concerned about education policy. I was very concerned about the state of our state itself. And I said, 'You know what? This is the time. This is the time to get in there and provide that next generation of leadership that needs to step up,'" he said.

Although he's never held an elected office before, it would seem that Kath's entire career has been pointing him toward the Capitol. He studied political science at Gustavus Adolphus College, where he developed a passion for debating policy. Hoping to instill the same interest in young people, he opted for a career in education and moved back to his home district, where he became active in promoting student government and youth leadership programs.

Kath, who said he was "never really that active" in party politics prior to running for office, is the first DFLer to represent his district since 1982; however, he played down the partisan significance of his electoral upset.

"I'm not very partisan. I'm a good listener. I love to listen to people, on both sides of the aisle and everywhere in between, about

DISTRICT 26A

Population: (2007 est.) 39,558
Largest City: Owatonna
Counties: Steele, Waseca
Top Concerns: Education, health care, fixing the budget deficit

what are the issues we're facing and how can we come to some common solutions for problems," Kath said.

The husband and father of two said his hopes for the legislative session include reforms that will bolster the state's economic growth and help bring about solutions to the current budget deficit. He would like to see the state, federal and local governments form partnerships to address the problem, and hopes lawmakers can work together on a bipartisan basis to that end.

"Right now we are at a crossroads, and it's so important for us to reach across party lines," he said.

The deficit is top priority

Kelly promotes fiscal responsibility

By KRIS BERGGREN

Rep. Tim Kelly's new office walls are bare, but there are some family photos of his wife and four children displayed on his desk and bookshelves. There is also a framed colored pencil drawing of a football player who appears to be intercepting a pass. It's a picture of Kelly, a former strong safety for Minnesota State University, Mankato, drawn by his son. The team won the conference championship two seasons after he graduated.

"We were in the building years," he said. Perhaps Kelly (R-Red Wing) feels similarly now, as he and his House colleagues face a



Rep. Tim Kelly

monster budget deficit that will likely take months or years to tackle. "The situation we're in is so front-page," Kelly said. "People believe government has to live within its means. That is what I heard going door to door." That's why his number one concern is fiscal responsibility.

A financial advisor, Kelly decided to run after serving on the Red Wing School Board for five years. There he wrestled with equitable funding for the district and made tough cuts "without diminishing the product."

Lifting a ban on nuclear energy is also a big priority. Kelly's father worked at the Prairie Island nuclear plant for 30 years and shared his impressions of the plant's "fantastic results" and "impeccable" safety record. Last year's spike in gas prices and current green energy concerns make nuclear energy worth

DISTRICT 28A
Population: (2007 est.) 37,899 Largest City: Red Wing Counties: Goodhue, Wabasha Top Concern: State deficit

revisiting as a renewable, local source of energy, he said. "We should definitely look at advancing that technology and use what's there."

Kelly was reassured to hear that House members on both sides of the aisle take the "family is first" attitude seriously. Although he lives outside the 50-mile radius of the State Capitol, making him eligible for the housing per diem, Kelly commutes daily to and from his Red Wing home and, at least for now, shares carpooling duty to his children's athletic events with his wife, Sue. He's grateful to her for managing their household as an at-home parent.

"I have the easy job," he said.

A global view in St. Paul

Mack was page, intern, now member

By SUSAN HEGARTY

Rep. Tara Mack (R-Apple Valley) may be a new legislator, but she's a veteran when it comes to navigating the Capitol.



Rep. Tara Mack

Previously Mack worked as a page on the House Ways and Means Committee and served as an intern for former House Speaker Steve Sviggum.

"My internship taught me a lot about just how much people's daily lives are affected in St. Paul. Everything from the schools kids are going to, the roads we're driving on, property taxes, business climate — so much is determined in St. Paul. That was eye-opening for me," Mack said.

Her path toward public service began as a high school senior, when she attended the

National Young Political Leaders Conference in Washington D.C. She later graduated from the University of Minnesota with a bachelor's degree in political science and global studies. While in college, she studied for a year at a university in Italy and interned with the Master in Peace Keeping Management program.

"It was a tremendous opportunity. I lived with an Italian woman who spoke no English," said Mack, who thankfully had taken one year of language classes.

She also has worked as a volunteer coordinator on an Iowa ranch where abused and foster children "get out of the environment they've been in and get to be a kid for awhile."

The House Early Childhood Finance and Policy Division is one place she'll be able to apply those experiences. Mack also serves on the House Health Care and Human Services

DISTRICT 37A
Population: (2007 est.) 39,190 Largest City: Apple Valley County: Dakota Top Concerns: Growing jobs, reforming healthcare and educating students for a global economy

Policy and Oversight Committee. She counts reducing costs and increasing health care choices among her top priorities. Creating jobs and ensuring that Minnesota schools are equipping students to thrive in a global economy are important too, according to Mack.

"Kids are being educated for jobs that haven't even been invented yet," she said.

Mack and her husband, Justin, are active in mission work through their church. "We do live in a privileged nation, and we have a lot of things that a lot of the world doesn't have. I think it gives us great global perspective," she said.

Honored to serve

Sanders focuses on kitchen-table issues

By KRIS BERGGREN

Rep. Tim Sanders (R-Blaine) recently described growing up on the Wright Patterson Air Force Base near Dayton, Ohio, one of several



Rep. Tim Sanders

Midwestern bases where his Air Force father was stationed. The “strong” military community offered a positive sense of identity, plus tangible thrills. “You’re out there playing Little League and there are fighter jets going over. It’s a

childhood I’m so glad I had,” he said. He clearly admires his father, who retired with the rank of major, then went to medical school, and also his brother, an Air Force pilot “qualified for any mission the Air Force can fly.” One of Sanders’ “prized possessions” is the framed Minnesota flag on his office wall,

a gift from his brother upon Sanders’s election to the Blaine seat, intended as “an emblem of my service to the state.” He’s proud to bring his personal background to his assignment on the House Veterans Affairs Division.

But the economy — especially kitchen-table issues such as job security, health insurance and good schools — is of primary concern to the young families and retirees in his district. Sanders, who has taken a leave from his job in the insurance industry for the session, is among those young families; he and his wife, a nurse, have a 10-month-old son.

“That’s the top concern I’m hearing every day: what are we going to do about the budget? My entire campaign was focused on the economy,” he said.

Sanders also hopes to reform voting and election laws in Minnesota, and is pleased to sit on the House State and Local Government

DISTRICT 51A

Population: (2007 est.) 46,270
Largest City: Blaine
County: Anoka
Top Concern: Fixing the economy

Operations Reform, Technology and Elections Committee.

“Obviously, we look at the situation with Coleman and Franken,” he said. “Whatever side you’re on, people feel it’s a compromise. You shouldn’t see that inside a democracy.”

Sanders, who majored in political science at the University of Minnesota, learned the “non-glamorous” side of public life, including the long days, as an intern in former U.S. Rep. Jim Ramstad’s Minnetonka office. He admired Ramstad’s ability to work across the aisle and “stay close to his party while representing his constituents. Working with Jim got me to the point of ‘I love this.’”

Waiting years for his seat

Sterner looks to prove his bipartisan background

By MIKE COOK

Rep. Phil Sterner (DFL-Rosemount) is finally scratching a political itch.



Rep. Phil Sterner

He’s always been active in politics, including an internship with former Rep. Howard Knutson, but by age 26 he had four children and knew that being a father came first. However, he remained active in the party.

“I knew I wanted to do this at some point,”

he said.

When former Rep. Dennis Ozment, a Republican, decided to retire after 24 years, Sterner took the chance.

Throughout his campaign, Sterner said he met constituents who told him they had never voted for a DFLer, but they would give

him a try. “Now the pressure’s on,” he said, smiling.

Part of that is because Ozment did not always vote the Republican party line, rather thinking what was best for his constituents.

“We told people you have to vote for a D instead of an R, but if you like how Dennis did overall, that’s what you’re getting. You’re getting a moderate that’s open-minded,” Sterner said. “A lot of people took my bipartisan theme and said, ‘OK, Sterner, you got two years. Let’s see how bipartisan you really are and see what you can do for our district.’”

Sterner, an insurance agency owner, said his community involvement was an asset in his win. In addition to serving on the Rosemount City Council and being active in the chamber of commerce, Sterner has a lifetime of volunteerism experience, including Boy Scouts, Girl Scouts, church, youth

DISTRICT 37B

Population: (2007 est.) 45,077
Largest City: Apple Valley
County: Dakota
Top Concern: “Education is real important to the people in my district.”

athletics and in the schools where his duties included being a site council president and coordinating a band booklet.

The economy and education rank high among constituent concerns as does green job growth. However, Sterner, whose campaign slogan was “Engaging in a new community conversation about what’s best for all,” knows neither he nor his colleagues have all the answers.

“I think everybody has a stake in their representative. We want to make sure we’re not focusing on a targeted group,” he said. “It’s not about Phil. It’s about what the voters want. ... I need to be open-minded on things.”

Monday, January 26

HF264-Clark (DFL)

Health Care & Human Services Policy & Oversight

Health insurance coverage of durable medical equipment required to include coverage of items necessary to reduce asthma symptoms, and state health care program coverage required for certain items necessary to reduce asthma symptoms.

HF265-Hortman (DFL)

Health Care & Human Services Policy & Oversight

Property collection by affidavit provided, Darlene Luther Revised Uniform Anatomical Gifts Act and other statutes amended to clarify and conform inconsistent provisions, and other corrections and clarifications made relating to disposition of items on death.

HF266-Fritz (DFL)

Finance

Parental fees modified for services for persons with developmental disabilities.

HF267-Hortman (DFL)

Transportation & Transit Policy & Oversight Division

Motor vehicle restraint required for child passengers under age 8 and shorter than 4 feet 9 inches tall.

HF268-Welti (DFL)

Taxes

Published delinquent tax list correction permitted.

HF269-Welti (DFL)

State & Local Government Operations Reform, Technology & Elections

Out-of-state travel policy requirements changed.

HF270-Morrow (DFL)

Finance

Environmental impact statement completion required, funding provided for right-of-way acquisition, design, construction and reconstruction of Trunk Highway 14.

HF271-Lesch (DFL)

Finance

Mississippi River license plate created.

HF272-Shimanski (R)

Health Care & Human Services Policy & Oversight

Public assistance program finger imaging system established to identify applicants and recipients.

HF273-Sailer (DFL)

Finance

Independent School District 38, Red Lake, maximum effort capital loan provided.

HF274-Howes (R)

Finance

Shingobee Connection Trail funding provided.

HF275-Laine (DFL)

Commerce & Labor

Homeowner's insurance non-renewal prohibited when based on certain nonpaid claims, and premium increases prohibited when based on certain factors.

HF276-Slawik (DFL)

Taxes

Dependent care credit modified.

HF277-Fritz (DFL)

Finance

State cemetery improvement funding provided.

HF278-Reinert (DFL)

Finance

Duluth; sanitary sewer overflow storage facility construction funding provided.

HF279-Huntley (DFL)

Finance

Duluth; nursing facility payment rate increased.

HF280-Otremba (DFL)

Agriculture, Rural Economies & Veterans Affairs

MinnesotaCare; resubmission for federal approval requested of the elimination of depreciation add-back for self-employed farmers.

HF281-Kahn (DFL)

Commerce & Labor

Augsburg College on-sale liquor license authorized.

HF282-Reinert (DFL)

Public Safety Policy & Oversight

Peace officer reciprocity licensing exam eligibility criteria broadened to include certain persons in active military service.

HF283-Brynaert (DFL)

Finance

Southern Minnesota Women's Hockey Exposition Center and performing arts center funding provided.

HF284-Clark (DFL)

Commerce & Labor

Credit or debit cards; unreasonable blocks prohibited on customer's access to credit capacity.

HF285-Clark (DFL)

Health Care & Human Services Policy & Oversight

WIC coupons allowed to be used to purchase organic food.

HF286-Clark (DFL)

Health Care & Human Services Policy & Oversight

Acupuncture equal access provided and services required by certain group policies and subscriber contracts, Edith R. Davis memorial provided, claim determinations required regarding acupuncture services made or reviewed by acupuncture practitioners and acupuncture referral reporting required to acupuncture practitioners and reimbursement rates.

HF287-Emmer (R)

Public Safety Policy & Oversight

Implied Consent Law repealed.

HF288-Emmer (R)

Commerce & Labor

Labor organization payroll deduction and certain expenditure authorization required.

HF289-Sanders (R)

Environment Policy & Oversight

Game and fish lottery and drawing preferences expanded for service members.

HF290-Peppin (R)

Health Care & Human Services Policy & Oversight

Medical record retention and composition regulated relating to abortion.

HF291-Westrom (R)

Transportation & Transit Policy & Oversight Division

Mini-truck titling, registration and operation regulated.

HF292-Rukavina (DFL)

Health Care & Human Services Policy & Oversight

Medical marijuana use provided, civil and criminal penalties provided.

HF293-Ruud (DFL)

Health Care & Human Services Policy & Oversight

Colorectal cancer screening provided for the uninsured.

HF294-Ruud (DFL)

Taxes

Minnetonka; tax increment financing district duration extended.

HF295-Loeffler (DFL)

Finance

Consumer-directed community supports modified.

HF296-Kahn (DFL)

State & Local Government Operations Reform, Technology & Elections

Office of lieutenant governor abolished, and constitutional amendment proposed.

HF297-Hansen (DFL)

Environment Policy & Oversight

Twin Cities metropolitan area regional dog park and matching grant program created.

HF298-Gardner (DFL)

Health Care & Human Services Policy & Oversight

Day training and habilitation insurance provisions changed, liability limits set, age limit changed for operators of vehicles for hire, commissioner directed to seek a federal waiver and a sales tax exemption allowed for certain vehicles.

HF299-Kalin (DFL)**Finance**

Lindstrom; Allmensrat Wilderness Park funding provided.

HF300-Davnie (DFL)**State & Local Government Operations Reform, Technology & Elections**

Major political party precinct caucuses; certain privileges applied to caucuses held in first-class cities during odd-numbered years.

HF301-Hosch (DFL)**Environment Policy & Oversight**

Fishing contest permit requirements modified.

HF302-Hosch (DFL)**Public Safety Policy & Oversight**

Secured treatment facility definition expanded for purposes of fourth-degree assault to include locked psychiatric hospitals.

HF303-Lillie (DFL)**Agriculture, Rural Economies & Veterans Affairs**

Congress of the United States memorialized to appoint an independent counsel to investigate the Prisoner of War - Missing in Action issue.

HF304-Hackbarth (R)**Environment Policy & Oversight**

Either-sex deer permit provided for recently discharged service members.

HF305-Kalin (DFL)**State & Local Government Operations Reform, Technology & Elections**

Development credits bank transfer authorized for local government.

HF306-Swails (DFL)**State & Local Government Operations Reform, Technology & Elections**

Non-campaign disbursements specified.

HF307-Bly (DFL)**Transportation & Transit Policy & Oversight Division**

Dan Patch commuter rail line planning and development restrictions removed.

HF308-Haws (DFL)**Taxes**

Public safety radio equipment exemption expanded.

HF309-Olin (DFL)**Finance**

Livestock and crop depredation payment funding provided.

HF310-Peppin (R)**Taxes**

Biotechnology research credit increased.

HF311-Peppin (R)**Agriculture, Rural Economies & Veterans Affairs**

Ethanol producer payment program and minimum ethanol content requirement repealed.

HF312-Seifert (R)**State & Local Government Operations Reform, Technology & Elections**

State conferences required to be conducted electronically to the extent possible.

HF313-Seifert (R)**State & Local Government Operations Reform, Technology & Elections**

Out-of-state travel expenses prohibited with certain exceptions.

HF314-Mariani (DFL)**K-12 Education Policy & Oversight**

Compulsory attendance age increased to 18.

HF315-Johnson (DFL)**Finance**

Ramsey County; workforce development funding provided for adjudicated youth reentering the community and at-risk youth.

HF316-Johnson (DFL)**Finance**

St. Paul; Union Depot funding provided.

HF317-Nornes (R)**Public Safety Policy & Oversight**

Adult certification for juveniles age lowered, and violent juvenile offense defined.

HF318-Nornes (R)**State & Local Government Operations Reform, Technology & Elections**

Service credit purchase authorized for a period of past due omitted contributions.

HF319-Nornes (R)**Finance**

Fergus Falls; Tower Road Bridge project funding provided.

HF320-Dettmer (R)**K-12 Education Policy & Oversight**

School districts allowed to pay the costs of conducting a criminal history background check on an employee, contractor or volunteer.

HF321-Dettmer (R)**Finance**

Independent School District 831, Forest Lake, fund transfer authorized.

HF322-Nornes (R)**K-12 Education Policy & Oversight**

Signature requirement increased for an election to revoke an operating referendum.

HF323-Davids (R)**Health Care & Human Services Policy & Oversight**

Medical response unit reimbursement pilot program established and emergency medical service programs funding provided.

HF324-Buesgens (R)**State & Local Government Operations Reform, Technology & Elections**

Corporation definition broadened.

HF325-Nornes (R)**Finance**

Glendalough State Park new trail funding provided.

HF326-Clark (DFL)**Health Care & Human Services Policy & Oversight**

Bisphenol-A prohibited in products for young children.

HF327-Murphy, E. (DFL)**Health Care & Human Services Policy & Oversight**

Birth record disclosure affidavit required, and non-identifying medical history update required.

HF328-Murphy, E. (DFL)**Health Care & Human Services Policy & Oversight**

Adoption record and original birth certificate governing provisions modified.

HF329-Reinert (DFL)**Commerce & Labor**

Boiler operation regulation exception provided.

HF330-Scalze (DFL)**Commerce & Labor**

Homeowners provided with a longer period within which to notify contractors of construction defects.

HF331-Nornes (R)**K-12 Education Policy & Oversight**

Seat belt requirements amended for motor coaches used in school-related transportation.

HF332-Jackson (DFL)**Commerce & Labor**

Death deed transfer clarifying, technical and conforming changes made; common element certificates of title expanded to include planned communities; designated transfer requirements exempted; cartways in cities procedures established; and power of attorney provision modified relating to real property transactions.

HF333-Mullery (DFL)**Commerce & Labor**

Minnesota Foreclosure Remediation Fee Act provided.

HF334-Hilstrom (DFL)**Civil Justice**

Prejudgment garnishment prohibited in certain circumstances.

HF335-Mullery (DFL)**Civil Justice**

Trespass and scrap metal sale provisions provided.

HF336-Gardner (DFL)**State & Local Government Operations Reform, Technology & Elections**

Pesticide application warning requirements modified that apply in cities with pesticide application ordinances.

HF337-Fritz (DFL)**Health Care & Human Services Policy & Oversight**

Home care tax credit established, long-term consultation team amended and caregiver burden scale established.

HF338-Kalin (DFL)**Finance**

Minnesota agricultural property tax law modified, and new property tax law classification established for preservation and legacy land.

HF339-Emmer (R)**Taxes**

City local government aid program repealed and Minnesota fair plan created.

HF340-Hosch (DFL)**Finance**

Minnesota agricultural property tax law modified.

HF341-Dettmer (R)**Finance**

Minnesota agricultural property tax law modified.

HF342-Kahn (DFL)**Commerce & Labor**

State lottery authorized to lease space for, and operate, a casino in the main terminal of the Minneapolis-St. Paul International Airport.

HF343-Hausman (DFL)**Finance**

Living-at-home/block nurse program additional base funding provided.

Thursday, January 29

HF344-Haws (DFL)**Health Care & Human Services Policy & Oversight**

Recovery of money requirements modified by adding group residential housing.

HF345-Hansen (DFL)**Finance**

Minnesota Conservation Corps funding provided for parks, natural resource protection and restoration, and flood protection contracts.

HF346-Urdahl (R)**State & Local Government Operations Reform, Technology & Elections**

Pension benefit costs required to be recognized for purposes of calculating nursing facility payment rates.

HF347-Lenczewski (DFL)**State & Local Government Operations Reform, Technology & Elections**

Mandatory retirement age eliminated for administrative law judges and compensation judges.

HF348-Lesch (DFL)**Civil Justice**

Law prohibiting sheriffs, deputy sheriffs and coroners from practicing law repealed.

HF349-Kath (DFL)**Taxes**

Owatonna; transfer of sales and use tax proceeds authorized to a qualified project.

HF350-Demmer (R)**Finance**

Minnesota agricultural property tax law modified.

HF351-Fritz (DFL)**Finance**

Long-term care provider rate increases provided.

HF352-Anzelc (DFL)**Finance**

Memorializing the president and Congress to take early action on the weakened economy to promote a healthy Minnesota economy.

HF353-Olin (DFL)**Environment Policy & Oversight**

Lake of the Woods; Lake of the Woods Water Sustainability Foundation referred by the Minnesota Legislature to the International Joint Commission for examination and report.

HF354-Hilstrom (DFL)**Commerce & Labor**

Mortgage foreclosure proceedings notice and mandatory mediation required prior to commencement on homestead property, and homestead-lender mediation account created.

HF355-Solberg (DFL)**Environment Policy & Oversight**

Itasca County; apportionment proceeds from the sale of certain tax-forfeited land provided.

HF356-Gardner (DFL)**Finance**

Minnesota manufactured home relocation trust fund changed.

HF357-Falk (DFL)**Energy Finance & Policy Division**

C-BED contracts provided.

HF358-Ruud (DFL)**Health Care & Human Services Policy & Oversight**

Excessive co-payments on multiple sclerosis drugs limited.

HF359-Norton (DFL)**Health Care & Human Services Policy & Oversight**

Autism spectrum disorders coverage required.

HF360-Simon (DFL)**Taxes**

St. Louis Park; tax increment financing district duration extended.

HF361-Simon (DFL)**Taxes**

St. Louis Park; tax increment financing district duration and time extended for certain activities.

HF362-Knuth (DFL)**Commerce & Labor**

Homeowner's written notice requirement to building contractor of construction defect eliminated.

HF363-Zellers (R)**Taxes**

Corporate income tax rate gradual phase out provided beginning in 2010.

HF364-Pelowski (DFL)**Finance**

Port development assistance funding provided.

HF365-Morgan (DFL)**State & Local Government Operations Reform, Technology & Elections**

Minnesota Constitution amendment method changed, and constitutional amendment proposed.

HF366-Paymar (DFL)**Public Safety Policy & Oversight**

POST board powers and duties clarified.

HF367-Urdahl (R)**Finance**

Howard Lake; grant provided for ditch work.

HF368-Urdahl (R)**Energy Finance & Policy Division**

New nuclear power plant certificate of need existing prohibition abolished.

HF369-Urdahl (R)**Finance**

Annandale Tactical Training Center grant provided.

HF370-Urdahl (R)**Finance**

Dassel-Cokato; ISDN 466 bicycle trail funding provided.

HF371-Howes (R)**Environment Policy & Oversight**

Private property owners rights stated regarding groundwater, lakes and watercourses.

HF372-Bigham (DFL)**Taxes**

South St. Paul; tax increment financing district duration extension authorized, and expenditure of increments provided.

HF373-Murphy, M. (DFL)**Finance**

Northern Lights Express Passenger Rail funding provided.

HF374-Thissen (DFL)**Health Care & Human Services Policy & Oversight**

Special transportation services renamed, medical transportation requirements modified and reimbursement modified.

HF375-Zellers (R)**Finance**

Highway 610 completion funding provided.

HF376-Dill (DFL)**Environment Policy & Oversight**

Trails added to the grant-in-aid snowmobile trail system.

HF377-Thissen (DFL)**K-12 Education Policy & Oversight**

State grant program created to pay for a portion of the facility costs of certain community partnership programs.

HF378-Slawik (DFL)**Finance**

Early childhood education funding provided.

HF379-Slawik (DFL)**Health Care & Human Services Policy & Oversight**

Smoking prohibited in a vehicle transporting a child under age 18.

HF380-Simon (DFL)**Commerce & Labor**

Residential building contractor investigation discontinuance prohibited when homeowner makes a warranty claim.

HF381-Eken (DFL)**Finance**

Red River watershed flood protection farmstead ring levee construction funding provided.

HF382-Marquart (DFL)**Finance**

Red River flood hazard mitigation project funding provided.

HF383-Simon (DFL)**Finance**

Southwest Transit Way Corridor environmental impact statement and preliminary engineering funding provided.

HF384-Thissen (DFL)**Health Care & Human Services Policy & Oversight**

Technology standards and tools developed to exchange information electronically between groups, and benefit assignment for health and medical savings accounts required.

HF385-Anderson, B. (R)**Health Care & Human Services Policy & Oversight**

Human services appeals oversight board established.

HF386-Anderson, B. (R)**Public Safety Policy & Oversight**

Drug paraphernalia crime amended to change the mental state requirement, specifically address sales of drug paraphernalia, and certain drug paraphernalia crimes consolidated into a single statutory section, and possession of certain items associated with controlled substance use prohibited.

HF387-Anderson, B. (R)**Finance**

Green Acres Law 2008 changes repealed.

HF388-Bigham (DFL)**Health Care & Human Services Policy & Oversight**

Clinical drug trial participation prohibited.

HF389-Greiling (DFL)**Public Safety Policy & Oversight**

Model penal code provisions adopted relating to criminal responsibility of persons with a mental disease or defect.

HF390-Kalin (DFL)**Finance**

Rush Line Corridor bus service funding provided.

HF391-Kalin (DFL)**Finance**

Rush Line Corridor funding provided.

HF392-Lenczewski (DFL)**Taxes**

Internal Revenue Code federal update made.

HF393-Johnson (DFL)**Taxes**

Land constituting an intermediate airport reattached to the city and school district where the property is located.

HF394-Urdahl (R)**Taxes**

Farm machinery definition expanded, and construction and other materials used in livestock farming operations exempted.

HF395-Lenczewski (DFL)**Commerce & Labor**

Location of state-operated or state-licensed gambling facility prohibited in a city unless the voters of the city have approved the facility in a referendum.

HF396-Kohls (R)**Public Safety Policy & Oversight**

Aggravated forgery law clarified to cover documents associated with federal I-9 employment eligibility verification forms.

HF397-Urdahl (R)**Finance**

Dassel-Cokato bicycle funding provided for pavement overlay.

HF398-Hilty (DFL)**Commerce & Labor**

Incorporation of socially responsible for-profit business corporations provided.

HF399-Anderson, S. (R)**Transportation & Transit Policy & Oversight Division**

Fuel-efficient vehicles allowed to be operated on high-occupancy vehicle lanes.

HF400-Anderson, S. (R)**Taxes**

Income tax credit provided for telecommuting conversion expenses and ongoing telecommuting expenses.

HF401-Solberg (DFL)**Taxes**

Solicitor defined for nexus purposes.

HF402-Thao (DFL)**Health Care & Human Services Policy & Oversight**

Regulation system established for technicians performing body art procedures and for body art establishments.

HF403-Gardner (DFL)**Environment Policy & Oversight**

Yard waste containers required to be compostable, and biodegradable standard for certain plastics established.

HF404-Buesgens (R)**Environment Policy & Oversight**

Personal watercraft operational requirements modified.

HF405-Brod (R)**Taxes**

Individual income tax rates reduced.

HF406-Brod (R)**Taxes**

Individual income tax rates reduced.

HF407-Brod (R)**Taxes**

Federal exemption amount conformed.

HF408-Brod (R)**State & Local Government Operations Reform, Technology & Elections**

Staggered terms of office for senators provided, and constitutional amendment proposed.

HF409-Brod (R)**Taxes**

Alternative minimum tax repealed.

HF410-Norton (DFL)**Health Care & Human Services Policy & Oversight**

Plasma protein therapies and home nursing services coverage required, and Medical Assistance coverage of plasma protein therapies required.

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www.house.mn/hinfo/hinfo.htm

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www.house.mn/hinfo/sdaily.htm

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www.house.mn/sessionweekly/

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www.house.mn/has/employment.asp

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www.house.mn/cco/rules/permrule/permrule.htm

House educational programs

www.house.mn/sergeant/sergeant.htm#Education

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officials point out that while this is true, the situation will not cause an increase in the payroll tax. Moreover, Mahoney said that the expected federal stimulus package may include a provision that allows states to borrow unemployment funds interest-free.

Whatever the case may be, Mahoney said that workers who lose their jobs aren't interested in the complexities of unemployment funding; they just need the help.

"The guy walking down the street who just got unemployed, he doesn't understand the extensions and, you know, Minnesota's trust fund vs. the federal trust fund. ... He understands that he's unemployed and he needs to pay the bills," Mahoney said. 

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EARLY CHILDHOOD SUMMIT



PHOTO BY ANDREW VONBANK

David Lawrence, Jr., president of The Early Childhood Initiative Foundation and "University Scholar for Early Childhood Development and Readiness" at the University of Florida, gives the keynote address at the Early Childhood Summit in the House Chamber Jan. 28. He and other speakers talked about their involvement in early childhood development and school readiness issues.

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MINNESOTA INDEX

Employment or lack thereof

State unemployment percentage rate in December	6.9
National rate, as percent	7.2
Last year Minnesota had a greater than 6 percent unemployment rate	1985
State, national unemployment percentage rates in December 2007	4.7, 4.8
State unemployment percentage rate in December 2005	4.3
State unemployment percentage rate in December 2000	3.3
Jobs cut by Minnesota employers in past year, as approximate	55,400
Minnesota's labor force in December 2008	2,951,753
In December 2007	2,933,786
Unemployed Minnesotans in December 2008	202,814
In December 2007	137,360
In December 2006	127,187
Median hourly wage in Minnesota in the third quarter of 2008	\$17.20
National average	\$15.67
Median wage in the seven-county Twin Cities metropolitan area	\$18.94
In southeast, southwest Minnesota	\$16.02, \$14.13
In central, northeast, northwest Minnesota	\$14.94, \$15.32, \$13.95
Projected wage increase, as percent, statewide between 2006 and 2016	9.8
New Minnesota jobs in the health care and social assistance sector in 2007	15,100
In 2008	9,000
Projected in 2009	5,000
Anticipated state job loss between the third quarters of 2008 and 2009	29,600
Percent of job cutbacks concentrated in five industries: nondurable-goods manufacturing, administrative and support services, construction, durable-goods manufacturing and retail	66
Between third quarters of 2008 and 2009, industries expected to increase job numbers	4
Industries expected to lose jobs	19
Estimated 2009 Minnesota job openings generated by replacement needs and employment growth	67,000
Percent increase, from July 2008 to July 2012, in the number of Minnesota workers turning age 62	30
Customers served in 2008 by the state's 47 WorkForce centers, as estimate	100,000
Approximate number of Minnesotans who received Unemployment Insurance benefits in 2008	214,000
Billions of dollars received, as estimate	1

— M. Cook

Sources: Department of Employment and Economic Development; Minnesota Budget Trends Study Commission, *Commission Report to the Legislature*, Jan. 12, 2009.

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