



SESSION WEEKLY

**BUDGET BILLS MAKE FOR LONG HOURS
CREATING A CIRCLE OF SUPPORT
CHEERS! MINNESOTA BEERS AND BREWERIES
PUTTING A STOP TO INVASIVES**

HF1298 - HF1350

A NONPARTISAN PUBLICATION
MINNESOTA HOUSE OF REPRESENTATIVES • PUBLIC INFORMATION SERVICES
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Flashback to 1991, 2001, 2006



PHOTO BY TOM OLMSCHIED

Session Weekly April 7, 2006: Lee Herold, owner of Herold Flags in Rochester, describes the Minnesota state flag to members of the House Governmental Operations and Veterans Affairs Committee. The committee rejected a proposal that would have created a task force to look into designing a new state flag.

Transitioning from welfare to work

A measure that proponents say would promote employment for families on welfare was approved by the House Health and Human Services Committee.

The Minnesota Family Investment Plan (HF719) is an experimental welfare program that would consolidate the Aid to Families with Dependent Children, General Assistance for families and Food Stamps program. The plan would allow families to continue to receive benefits while earning up to 20 percent more money than is currently allowed under welfare regulations. The idea behind the measure, sponsored by Rep. Lee Greenfield (DFL-Mpls), is to ease the transition between welfare and full employment so that families can stay off of welfare.

Session Weekly April 5, 1991

Wine sales in grocery stores

Wine could be sold in grocery stores within the seven-county Twin Cities metropolitan area, under a bill approved by the Liquor Subcommittee of the House Commerce, Jobs and Economic Development Policy Committee. Opponents argued the bill would increase alcohol availability to youth and put additional costs on cities in order to have officers conduct required compliance checks. The sponsor of HF1205, Rep. Barb Sykora (R-Excelsior), said Minnesota would join 33 other states where wine is sold in grocery stores.

Later in the week, Sykora withdrew her bill under “aggressive” lobbying efforts, effectively killing the legislation for the year.

Session Weekly April 6, 2001

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SESSION WEEKLY

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On the cover: House and Senate leadership, from left, Senate Majority Leader Amy Koch, Senate Deputy Majority Leader Geoff Michel, House Majority Leader Matt Dean, House Speaker Kurt Zellers huddle to confer as the House hears the omnibus higher education finance bill March 29. Most legislative action moved to the House and Senate chambers this week to pass out finance bills that would balance the budget for fiscal years 2012-2013.

— Photo by Tom Olmscheid

All things local

Local option sales tax debate heats up as aid to cities decreases

By LEE ANN SCHUTZ

Lanesboro's population can easily double on summer weekends. The town of 780 in southeastern Minnesota is known for its scenic beauty, bike trails and quaint downtown shopping area. However, there can be too much of a good thing. As a regional tourist destination, the thousands of annual visitors create wear-and-tear on the city streets, public buildings and parks; so much so that \$3.5 million in capital project needs are beyond the reach of the locals' pocketbook.

So, Julie Kiehne, executive director of the Lanesboro Area Chamber of Commerce and City Administrator Bobbie Vickerman came before the Legislature asking to implement a local option sales tax of 0.05 percent to help cover \$800,000 of the projects' costs.

They weren't alone with a request.

The House Property and Local Tax Division met with the Senate Taxes Committee earlier in session to hear sales tax requests from several communities, including: Fergus Falls, to pay for a new regional community ice arena; Marshall, for a training center for emergency first responders and an amateur sports center;

Medford, to repay loans received from the Minnesota Public Facilities Authority; Hutchinson, to help pay off debt incurred from improvements to a water treatment facility; and Rochester, to finance several projects.

While the requests, in some form or another, made it into HF42, the omnibus tax bill, which the House passed March 28, the debate continues over the appropriateness of the local sales tax. Some say it is a local decision and the Legislature should stay out of it. Others, however, think it increases disparities among communities and shouldn't be allowed at all.

How it began

When the local government aid program was enacted in the early 1970s to equalize funding for services across the state, cities

First Reading continued on page 4



PHOTOS BY TOM OLMSCHIED

"Here we have a situation where the city of Rochester wants to raise \$161 million, over half paid for by people who don't live there. ... Yeah, leave it to local control; they know best how to get the money out of other communities."

Rep. Greg Davids and Rep. Tina Liebling went to the heart of the debate on the House floor over the use of local option sales taxes, during an exchange over Rochester's request. Some say these taxes should be purely a local decision. Others, however, think it increases disparities among communities and the taxes shouldn't be allowed at all.



"These projects were decided with citizen input and approval from the city council. This is about allowing our community to have its process respected, and allowing its citizens to vote on whether to extend the sales tax. ... This is really about local control."

were restricted from levying local sales and income taxes, which previous to that were an available but rarely used revenue stream. The only local sales taxes before 1971 were lodging and food and beverage taxes.

Despite the prohibition, a number of local sales taxes were authorized over the years, and in 1997, a sales tax advisory council recommended that the Legislature adopt

model statutory language for the imposition and administration of the local sales taxes. The goal was to create consistency and ease compliance.

That year, the Legislature enacted local sales tax rules. It added language in 1998 and 1999 that set standards for

authorizing new sales taxes, which included the need for legislative approval. Any jurisdiction asking for a sales tax must include to the Legislature information on the proposed tax rate, the amount of revenue to be raised, its intended use and the anticipated date when the tax would expire.

It wasn't until 1999 that the law required a local referendum before imposing the tax. The law also specifies that the revenue may only be used to fund certain capital improvements.

Before that time, the rules governing communities implementing taxes were open-ended.

For instance, Duluth was the first community, in 1973, to implement a tax. It

was at 1 percent, a half percent above the now standard 0.5 percent. With no expiration date, the money can be used for any city purpose approved by the city council.

The granting of local option sales tax requests is not a given. For instance none proposed from 2000-2004 were authorized, but a number were granted in 2005 and 2006, according to the nonpartisan House Research Department.

This year, Rochester's request was only partially met. This became the catalyst for a heated debate on the House floor over local control.

Rochester's 0.5 percent tax was authorized in 1983. It was initially enacted at 1 percent to raise \$16 million for a civic center and \$16 million for flood control. It has

been renewed three times, and extended in 2005 for an Olmsted County road project. This year, the city was before the Legislature again.

Rep. Tina Liebling (DFL-Rochester) pointed to the city's projects that, although requested, were not all included in the tax bill. She characterized the deletions as legislative interference.

"These projects were decided with citizen input and approval from the city council. This is about allowing our community to have its process respected, and allowing its citizens to vote on whether to extend the sales tax. ... This is really about local control; it is about allowing the community to vote yes or no, and not having it micromanaged by the Legislature."

Killing the Rochester sales tax was a promise that House Taxes Committee Chairman Greg Davids (R-Preston) made to his constituents, many of whom shop at the regional hub.

Why so heavy-handed? The sponsor of the omnibus tax bill said it goes to the argument of many who think local sales taxes only benefit communities with large commercial bases.

"Here we have a situation where the city of Rochester wants to raise \$161 million, over half paid for by people who don't live there. ... Yeah, leave it to local control; they know best how to get the money out of other communities," he said.

Rep. Paul Marquart (DFL-Dilworth) agrees. "It's a fairness issue." Those with good economic bases would benefit, while the majority of rural communities with little tax base would not, he said.

"Over time, you will see strong regional centers and all the other cities will be at a huge disadvantage," he said.

Over the years, 23 cities have imposed a general local sales tax of 0.5 percent. Hennepin County imposes a tax of 0.15 percent for Target Field and five counties in the Twin Cities metropolitan area impose a 0.25 percent tax for transit.

As local government aid stagnates for some localities and completely disappears for others, expect the debate on local option sales taxes to continue when the House and Senate conference their different omnibus tax bills. The Senate language (SF27) contains a provision that would allow cities, through a referendum, to impose local sales taxes up to 0.5 percent for selected capital improvement projects as an offset to local government aid.



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HIGHLIGHTS

MARCH 24 - 31, 2011

Editor's note: The following Highlights are coverage of select information heard in House committees and other House activities held March 24-31. 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.

Civil Law

Association records copied for a fee

Signed
by
the
governor

People living in a condominium, townhouse or other common interest community generally belong to an association that pays for such things as lawn care and snow removal. The association financial records, membership, board minutes, contracts and other agreements are available for owner review, but not copies. Under a new law, signed by Gov. Mark Dayton March 29, that will change, but there could be a cost.

Effective Aug. 1, 2011, owners will be allowed to have copies of the documents and would permit the association to charge a fee for copies; however, no more than 25 cents per page could be charged for 100 or fewer pages of black and white copies. Excluded from access, however, will be records related to information that was the basis for closing a board meeting.

Rep. Phyllis Kahn (DFL-Mpls) and Sen. Larry Pogemiller (DFL-Mpls) sponsor the law. HF362*/SF241/CH10

— L. SCHUTZ

Game & Fish

Bill would close DNR loophole

Several provisions in a game and fish bill vetoed last year by former Gov. Tim Pawlenty are back this year in HF984, with a few additions.

Testimony and amendments are expected to be taken April 5 in the House Environment, Energy and Natural Resources Policy and Finance Committee, which took no action on the bill March 31.

Highlights of the bill that Rep. Tom Hackbarth (R-Cedar) sponsors include: allowing two lines when fishing and adding

sandhill cranes to the list of game birds able to be hunted.

Another key provision would allow crop owners who experience elk damage to crops to also claim the cost of repairing fencing that surrounds the land damaged by elk.

In 2009, there were 16 reimbursement claims totaling \$70,501 in elk damages, a 10-year high. Last year, the Department of Natural Resources authorized the reduction of the elk population in herds that were causing the most damage. DNR officials said individual claims should slow down, although the cost of repairs keeps rising.

A new provision would close what the

DNR describes as a “loophole” in the law. It expands the definition of “wild animal” to include dead animals. It stems from an incident when an elk with valuable antlers died of natural causes and the property owner claimed it was rightfully his because a dead animal did not meet the statutory definition of a wild animal, that currently is defined as “living creatures.”

Sponsored by Sen. Bill Ingebrigtsen (R-Alexandria), the Senate companion, SF943, awaits action by the Senate Environment and Natural Resources Committee.

— S. HEGARTY

ROTUNDA TIME OUT



PHOTO BY ANDREW VONBANK

Pre-schoolers from the Wayzata Family Learning Center take a break in the Capitol Rotunda March 28. Along with staff, the students met with legislators to seek support for early childhood programs.

State Budget 101

A citizen's guide to understanding the numbers

By Nick Busse

If you listen to lawmakers from different parties discuss the state budget, it's easy to be confused. Not only are they debating hugely complex programs in terms that are unfamiliar to most people, but they never seem to agree on the numbers.

For example, one legislator might say a \$34 billion budget would be an increase in state spending; another might argue it's actually a decrease. Who is right and who is wrong?

To understand the state budget, all you really need to keep in mind are just a few basic concepts. This guide will teach you some of the ins and outs of the budget process and help you understand how to do your own research on taxation and spending.

Budget basics

Every two years, lawmakers and the governor must decide on the state's biennial budget — how much money the state will spend, and whether any changes are needed to the amount of revenue it collects from taxes and fees.

Under the state constitution, the Legislature is responsible for passing budget bills, sometimes called "appropriations bills" or "omnibus finance bills." The first year of a legislative biennium (the one right after an election) is devoted to passing a budget.

The budget is enacted when the governor signs all the bills. If changes need to be made later in the biennium, lawmakers can pass what are called "supplemental" appropriations bills to fill in any projected budget gaps.

'General Fund' vs. 'All Funds'

One key distinction to understand when talking about the budget is the difference between what's called the "General Fund"

budget and the "All Funds" budget.

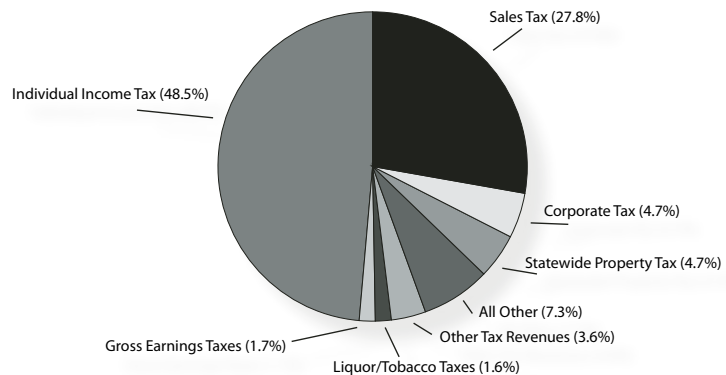
The majority of what the state spends comes out of a big pool of money called the General Fund. This is where your state income tax dollars go, as well as revenue from the state sales tax, the corporate tax and several others.

The General Fund gets the most attention when lawmakers are putting together the state budget. This is not only because it's the largest source of state spending, but also because they have control over what it pays for. The General Fund is used for what's known as "discretionary spending" — a fancy way of saying legislators can use the money for any purpose they choose.

The General Fund is only one part of the

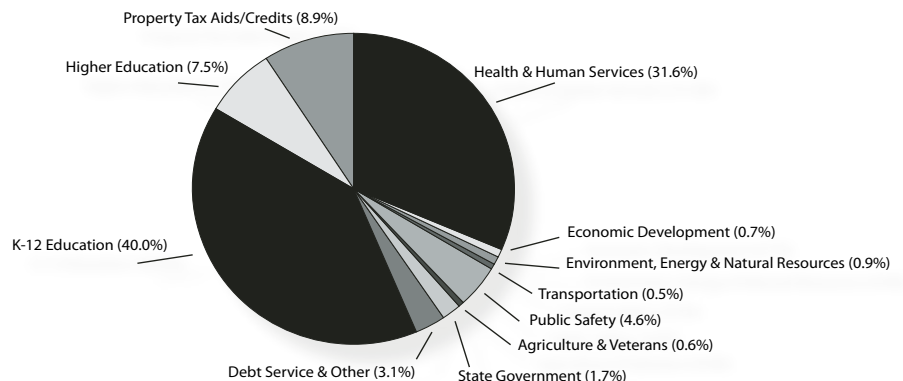
2012-13 General Fund - Forecasted

\$33.33 billion in revenue



2012-13 General Fund - Forecasted

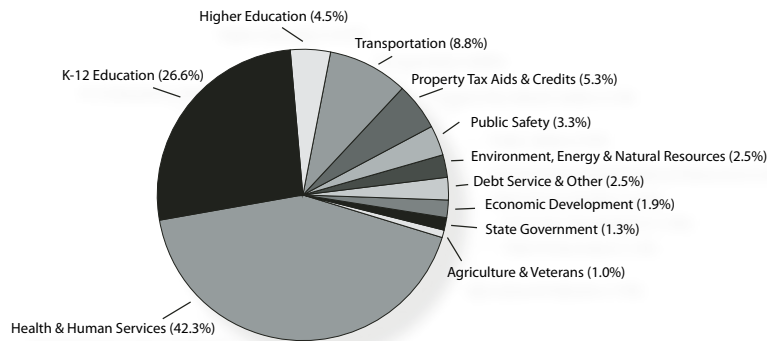
\$39.02 billion in spending



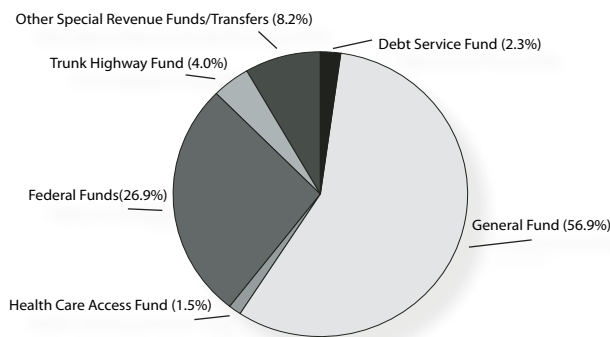
Source: Minnesota Management & Budget

2012-2013 All Funds - Forecasted

\$65.66 billion in spending



2012-2013 All Funds - Forecasted \$65.66 billion in spending, by fund type



Source: Minnesota Management & Budget

total budget, however. The state also has a number of smaller “dedicated funds” that can only be used for specific things. Often, these are paid for through special taxes and fees. In addition, the state receives money from the federal government that can only be used for specific programs like Medical Assistance or veterans programs.

The combined total of state spending from the General Fund, dedicated funds and federal funds is sometimes called the “All Funds” budget. Because the use of federal and dedicated funds is restricted by state and federal law, lawmakers typically spend less time debating them. But it’s important to remember that they’re a part of total state spending.

Why does the budget grow?

Not all state spending goes to pay for services provided directly by the state. Most of the money the state spends ends up in the hands of school districts, hospitals, nursing homes, local governments and other programming.

Many things impact the cost of providing public services — the rising cost of health care, for instance. This impacts not only the cost of paying for public employees’ health insurance benefits, but also major state health care programs like MinnesotaCare. Other factors include inflation and growth in state programs due to increased eligibility.

There are different ways to measure growth in the budget. In terms of raw numbers, the state’s all-funds budget has grown from a little less than \$37 billion in 2000-2001 to \$59.6 billion in 2010-2011 — a 61.1 percent

Borrowing from ourselves

It should be noted that lawmakers sometimes choose to take money out of dedicated funds and use it to shore up the General Fund during a time of deficit. Though legislators from both parties have used the practice, it remains a controversial one. Furthermore, not all special funds can be used in this way, especially those whose purpose is defined in the State Constitution.

Glossary of Budget-Related Terms

Omnibus — refers to bills that contain provisions affecting many different programs, as in “omnibus appropriations bill” or “omnibus finance bill.”

Fiscal Year — the 12-month period beginning July 1 and ending June 30 that serves as the state’s basic accounting cycle.

Fiscal Biennium — two back-to-back fiscal years that together comprise the state’s two-year budget cycle.

Base — Also called “forecasted base.” The amount of money the state is projected to spend, based on current law and economic projections, in a future biennium.

Change Item — refers to changes from forecasted base spending. When the governor or legislative leaders propose a budget, they often include a document with a list of change items to make their budget plan more understandable.

Direct Appropriation — spending that lasts for the duration of a fiscal biennium, and no longer.

Statutory Appropriation — spending that remains ongoing from one fiscal biennium to the next unless lawmakers change it.

Open Appropriation — spending that remains ongoing and that is based on a program’s fiscal need rather than a fixed amount.

Standing Appropriation — spends a predetermined annual amount for a specified period of time or indefinitely.

Economic Forecast — a document produced each February and November by Minnesota Management & Budget that estimates expected revenues and expenditures.

increase. Yet, during that same time, the share of state and local government revenue as a percentage of personal income fell from 16.2 percent in 2000 to 15.3 percent in 2010. How is this possible? Personal income simply grew at a faster rate than government — not for each and every person, but collectively.

This is not to say that there is a right or wrong way to measure growth in the budget. The point is merely that those who think government should spend less and those who think it should spend more have different ways of making their case.

Forecasted vs. actual spending

Lawmakers often argue over whether a particular budget proposal amounts to a cut or an increase in spending. This is because there are two ways of looking at a budget: one

is to weigh a budget proposal against current, or actual, spending; the other is to weigh it against what's called "forecasted" or "base" spending.

Imagine the state has a health care program that spends \$100 million in the current biennium. In the next biennium, budget officials predict that more people will become eligible for the program, raising its forecasted cost to \$120 million. If the Legislature funds the program at \$105 million in their next budget, is that a reduction or an increase?

The answer depends on your point of view. In terms of real dollars, \$105 million is obviously an increase over \$100 million. But if the forecasted base funding is \$120 million, an appropriation of only \$105 million might mean cutting services or tightening eligibility criteria so that fewer people can participate. If you depend on that program for your health care, you might consider it a \$15 million cut rather than a \$5 million increase.

When listening to legislators debate the budget, it's important to understand what they're referring to. Twice a year, Minnesota

Management & Budget releases an economic forecast that reflects both current spending levels as well as projected future spending and revenues. You can find the documents on the agency's website at www.mmb.state.mn.us.

'Legislative biennium' vs. 'fiscal biennium'

In the Legislature, the word "biennium" often refers to the two-year legislative cycle during which lawmakers serve out their term as elected officials. The term "fiscal biennium," however, refers to the state's two-year budget cycle. What's the difference?

The short answer is about six months. The current legislative biennium began in January of this year, and will end in December 2012. The next fiscal biennium, however, will begin on July 1 of this year and end June 30, 2013. The reason for this distinction is that when lawmakers talk about the state's biennial budget, they're referring to the fiscal biennium, not the legislative biennium.


If you're ever unsure of which is which, just remember that legislative biennia begin with an odd year (i.e. 2011-2012) and fiscal biennia begin with an even year (i.e. 2012-2013).

Following the money

Sometimes the best way to figure out what's really going on in the budget is to see for yourself. Fortunately, there is a wealth of nonpartisan resources available to the public.

Starting with the Legislature, the House and Senate have nonpartisan fiscal analysis staff who provide regularly updated spreadsheets detailing budget bills as they move through the legislative process. These budget tracking spreadsheets can be found on the House and Senate websites. Visit www.house.mn and www.senate.mn and click on the "Publications" tab near the top of the pages.

For even more detailed information on the budget, including economic forecasts and financial reports, MMB's website provides access to a wide variety of budget related documents. You can find them online at www.mmb.state.mn.us.

Also, if you ever have a question on budget-related activity in the Legislature, don't hesitate to call House Public Information Services at 651-296-2146 or toll-free at 800-657-3550. 

MEET THE PRESS



PHOTO BY TOM OLMSCHEID

Prior to the March 28 floor session, House Minority Leader Paul Thissen holds a press briefing on the proposed omnibus bills that the House will be hearing during the week.

More food inspectors

Direct sales food retailers may need handler license in some instances

By SUE HEGARTY

While many state government agencies brace for budget cuts, a Department of Agriculture food inspection program is anticipating a funding boost.

The additional \$490,000 would be a one-time appropriation over the next biennium to catch up with an estimated 40 percent backlog of inspections at convenience stores, grocers and other retail food handling outlets. It does not include retail restaurants, which are inspected by the Department of Health.

The accelerated inspections are proposed in the omnibus agriculture and rural development finance bill that was passed March 30 by the House. A conference committee is expected to iron out the differences between the House and Senate versions.

About 23 full-time equivalent inspectors currently check the cleanliness of retail food facilities, the temperature of walk-in coolers and freezers, employee handling methods, and steps taken to prevent cross-contamination of ingredients, among other things. Each averages about 300 inspections per year.

Sponsored by Rep. Rod Hamilton (R-Mountain Lake), HF1039/SF1016* also would require a report by Feb. 1, 2013, on the department's progress to close the inspection gap.

The department also is being asked to cross-train inspectors wherever possible. For example, meat inspectors would also learn to inspect dairy facilities.

Members of the House Agriculture and Rural Development Policy and Finance Committee sought assurances that the reason for the inspection backlog wasn't because inspectors were licensing home parties, such as Tastefully Simple or Watkins product sales.

Kay Thibodeaux, founder of the Suburban Home-based Business Association and a team leader with Dove Chocolate Discoveries, said some sellers have been told they need a retail food handler's license to take orders at home

parties. Association members have been approached by inspectors and told that they can't sell, display or sample products in a public setting, such as a craft show, without a license.

"Our delinquency rate that we calculated is not based on those home businesses," said Heidi Kassenborg, director of the Agriculture Department's dairy and food inspection division. Rather, they include high-risk facilities, such as grocery stores, she said.

Retail food handler licenses cost \$50 when annual food sales are under \$15,000. The license fee for sales between \$15,000 and

\$50,000 is \$77. Fees have not been raised since 2003 and no one is suggesting a fee increase this year. Instead, the division will receive the funding boost to hire about three additional inspectors. Kassenborg said it takes about 18 months to train someone to conduct high-risk retail inspections. The appropriation is enough to decrease the backlog to a 25 percent delinquency rate by 2013.

Licenses are issued based on gross annual sales, so the division focuses on the larger grossing facilities first, she said.

However, the division does receive questions surrounding home-based businesses and parties. Direct sellers might store the product in their basement, garage or freezer. There is a fine line between stocking enough for a craft show and becoming a food warehouse.

"If they're storing a lot of product, they may need to be licensed because there are issues with rodents. Sometimes storing things in a home freezer where other things can be probably isn't the best idea. Those things we have to take on a case-by-case basis," Kassenborg said.

The division has worked on a home party policy with Tastefully Simple and Kassenborg said it does not include going into private residences to inspect or license home parties.

There are an estimated 10,000 independent sellers of products representing up to 14 different companies, according to Thibodeaux. Nationwide, such businesses account for \$16.1 million in direct sales and \$23.3 billion in retail sales, she said.

"I would like to see, if it's going to be enforced, that it needs to be fairly enforced across all people who are direct selling or not at all," Thibodeaux said.

Some types of sellers are exempt, such as home canners and farmers markets. Thibodeaux said some direct sellers are sales people and not the manufacturer of the product. She'd like to see the inspection and fee requirements stop at the manufacturing level and not charge a retail food handler license fee to those who sell pre-packaged food products. 🍷



PHOTO BY ANDREW VONBANK

Rep. Rod Hamilton has the last word on the House floor before final passage of the omnibus agriculture and rural development finance bill March 30.

Changes in education

House approves omnibus education finance bill

BY KRIS BERGGREN

At a press conference before the House was scheduled to take up its omnibus education finance bill, HF934, its sponsor, Rep. Pat Garofalo (R-Farmington) recalled a point he made late last session.

“Change is coming and you can’t stop it,” he said. “Today, change is here.”

It arrived at about 2:30 a.m. March 30, when the House approved the bill 68-59. The Senate laid a companion on the table, but approved a different omnibus education bill, SF1030, sponsored by Sen. Gen Olson (R-Minnetrista) March 31, 36-25, then laid it on the table.

The bill would increase the basic revenue formula by \$131 per pupil through 2014; add back \$6 million of \$26 million in extended-time revenue cut in 2003; and create a new small schools revenue category for charter schools and districts with 1,000 or fewer pupils. It would cap, however, other revenue, including compensatory, and special education revenue, and cut integration revenue, all especially important to Minneapolis, St. Paul and Duluth.

Proposed policy changes include a school grading system and a teacher evaluation framework that put heavy emphasis on student test scores as a measure of teacher, school and district accountability; and performance-based pay and five-year renewable tenure for teachers.

“This bill really is the good, the bad and the ugly,” said Rep. Mindy Greiling (DFL-Roseville). “The good part was that we didn’t cut K-12 education as much as people expected.” The bad and the ugly are reflected in a slew of DFL amendments, most of which weren’t successful.

Nearly three hours of debate focused on a proposed “opportunity scholarship” program sponsored by Rep. Kelby Woodard (R-Belle Plaine) that would fund some low-income

students in low-performing schools in cities of the first class to attend nonpublic schools. DFL members questioned the proposal’s constitutionality, lack of proven effectiveness in closing the achievement gap and why it was limited to cities of the first class.

“No matter what you call it, it’s a school voucher program,” said Rep Tom Tillberry (DFL-Fridley), who unsuccessfully offered an amendment to delete the provision.

Rep. Tina Liebling (DFL-Rochester) said the state constitution prohibits public money being “appropriated or used” for sectarian schools, which many eligible students would be likely to choose. “That’s not some liberal doctrine; that is our Minnesota constitution ... that we all in this body took an oath to uphold.”

Garofalo and Woodard said the proposal is a pilot, focused on the largest cities because that’s where the achievement gap is the biggest problem.

“When you do this, it looks like you’re targeting the cities again. It looks a little bit like the LGA cuts,” said Rep. Ryan Winkler (DFL-Golden Valley). He unsuccessfully offered an

amendment to strike the application only to those cities.

“Our parents and our community have grown a little weary of people who don’t live in our community, who want us to be the provingground and the experimental ground for their latest ideas and brainstorm,” said Rep. Diane Loeffler (DFL-Mpls).

“Instead of picking on cities of the first class, I would say this is a benefit we’re providing to the families who can have a choice,” Woodard said.

Rep. Carlos Mariani (DFL-St. Paul) said the proposal is “bad public policy” that

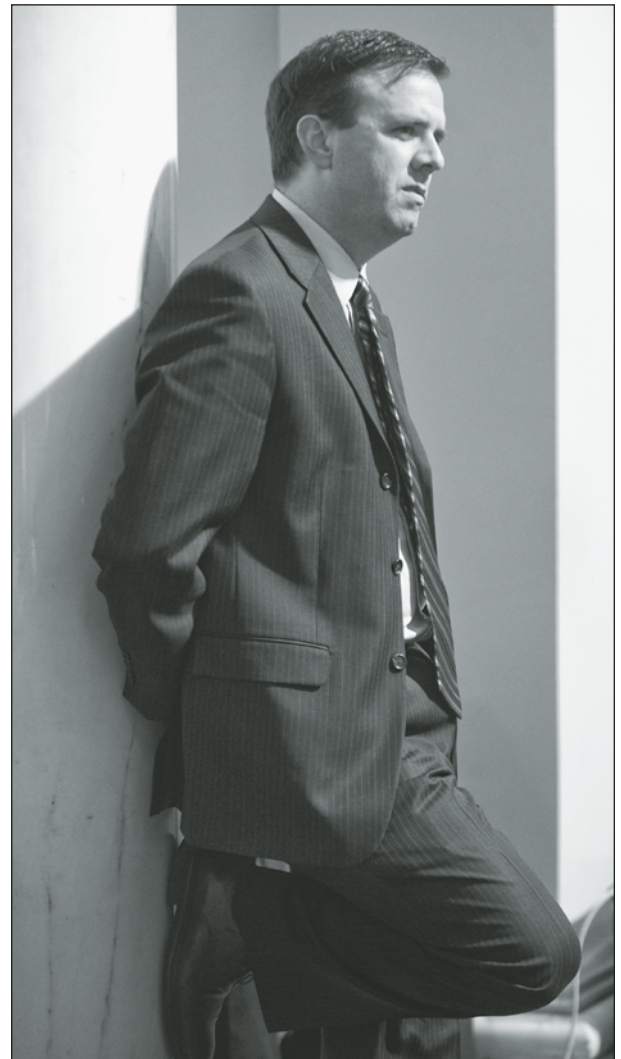


PHOTO BY TOM OLMSCHIED

Rep. Pat Garofalo, chairman of the House Education Finance Committee, leans against a column at the back of the House Chamber while listening to a lengthy debate on an amendment to the voucher section of the proposed omnibus education finance bill March 29.

could drain public dollars from high-need city students, and essentially create “two Minnesotas.”

“Everyone talks about the state fair as the ‘Great Minnesota Get-Together.’

No. The true great Minnesota get-together is our public K-12 system. It’s where we come together as a people. We’re going down the slippery slope of breaking apart that great Minnesota get-together.”



Rep. Erin Murphy (DFL-St. Paul) offered an amendment that would impose a sunset date and require a report on the demographics and academic performance of students who take the enrollment option, compared with similar public school students. The report portion was adopted, but not the sunset date.

Members on both sides sought further amendments.

Rep. Kathy Brynaert (DFL-Mankato) unsuccessfully proposed to modify a performance management system for teacher evaluation, sponsored by Rep. Branden Petersen (R-Andover). She said it counts students’ Minnesota Comprehensive

Assessment test scores too heavily in the teacher appraisal, given that those tests are not designed to be related to individual teachers’ effectiveness.

“Some of the best assessment experts in the

“Clearly anything that’s going to become law is going to require the support of a DFL governor and a Republican Legislature. There’s a lot of great reform in this bill. I ask you to put kids first, no excuses, no exceptions.”

— Rep. Pat Garofalo
R-Farmington

bureaucratic creations.”

Petersen said Brynaert’s position “takes an overly cautious approach to teacher evaluation.”

Integration revenue would be eliminated and repurposed as innovation revenue. The integration revenue program has been criticized as unfocused, but many districts rely on the funds to support magnet schools and inter-district



“This bill really is the good, the bad and the ugly. The good part was that we didn’t cut K-12 education as much as people expected.”

— Rep. Mindy Greiling
DFL-Roseville

collaborations intended to promote racial diversity. Rep. Rena Moran (DFL-St. Paul) successfully offered an amendment that would preserve the integration rule, though not the dedicated funding.

A \$1.75 million statewide expansion of the child care rating system Parent Aware, that sponsor Rep. Jenifer Loon (R-Eden Prairie) called “a Consumer Reports for parents,” was removed from the bill with a successful amendment offered by Rep. Mark Buesgens (R-Jordan).

“It sets up a whole new level of government meant to oversee our preschool programs,” he said. He was unsuccessful in his attempt to remove \$10 million proposed for early childhood education scholarships, which he proposed to maintain as cash for potential flood relief efforts.

Garofalo let others do most of the talking during the six-hour session, but concluded on an optimistic note.

“Clearly anything that’s going to become law is going to require the support of a DFL governor and a Republican Legislature. There’s a lot of great reform in this bill. I ask you to put kids first, no excuses, no exceptions.”

Minnesota State Agencies

Administration.....	651-201-2555
Agriculture	651-201-6000
	800-967-2474
Commerce.....	651-296-4026
Corrections.....	651-361-7200
Education.....	651-582-8200
Employment and	
Economic Development	651-259-7114
	800-657-3858
Enterprise Technology.....	651-296-8888
Explore Minnesota Tourism	651-757-1845
	800-657-3535
Travel Info	888-868-7476
Health.....	651-201-5000
	888-345-0823
Higher Education Services.....	651-642-0567
	800-657-3866

Housing Finance Agency	651-296-7608
	800-657-3769
Human Rights	651-296-5663
	800-657-3704
Human Services	651-431-2000
Iron Range Resources	218-735-3000
	800-765-5043
Labor and Industry.....	651-284-5005
	800-342-5354
Management & Budget.....	651-201-8000
Mediation Services.....	651-649-5421
Metropolitan Council.....	651-602-1000
Military Affairs	651-268-8919
Natural Resources	651-296-6157
	888-646-6367
Pollution Control Agency.....	651-296-6300
	800-657-3864

Public Safety General Information	651-201-7000
State Patrol	651-201-7100
Revenue	
General Information.....	651-296-3403
Collections	651-556-3003
	800-657-3909
Sales and Use Tax Line.....	651-296-6181
	800-657-3777
Taxpayer Helpline	651-296-3781
	800-652-9094
Taxpayer self-service.....	651-296-4444
	800-657-3676
Withholding.....	651-282-9999
	800-657-3594
Transportation	651-296-3000
	800-657-3774
Veterans Affairs	651-296-2562

Environment bill reflects 'priorities'

House addresses wild rice, harvesting timber and closing of state parks

By SUE HEGARTY

The omnibus environment, energy and natural resources finance bill passed 72-57 by the House March 29 includes General Fund reductions to environmental agencies and doesn't allow fees to increase in dedicated funds, which DFLers said would be the same as raising taxes.

"In these tough times, this is a budget that brings forth the priorities of the Legislature—living within our means," said Committee Chairman Denny McNamara (R-Hastings), the sponsor of HF1010.

One of these priorities includes shifting funds from some of the Legislative-Citizen Commission on Minnesota Resources recommended projects to emerging issues, such as invasive species, chronic wasting disease and a new scientific study of the effects of sulfates on wild rice.

The Senate amended the bill before passing it 36-28 March 31. A conference committee is expected to work out the differences. Sen. Bill Ingebrigtsen (R-Alexandria) is the Senate sponsor.

Overall, the bill would allocate \$195.7 million from the General Fund for the environment, including the Department of Natural Resources, Pollution Control Agency, Board of Water and Soil Resources, Public Utilities Commission, parks and zoos. It's about \$37 million less than the governor's recommended budget.

An amendment successfully offered by Rep. Tom Hackbarth (R-Cedar) stripped the bill of a provision to harvest black walnut timber in two state parks and use the money to help operate the parks. DNR officials have said budget cuts could result in up to 20 state park closings. Hackbarth called the DNR's assertion a "threat."

McNamara said more discussion is needed about the future of two state forest nurseries

that have been operating at a loss and compete with the private sector. Although the House version does not include a provision to close the nurseries, the Senate's does, said Rep. Bill Hilty (DFL-Finlayson). Hilty's amendment to place a moratorium on the sale of state forest nurseries failed.

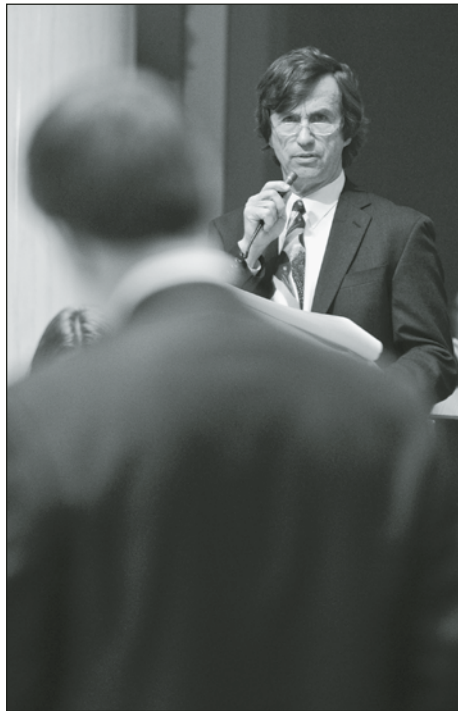


PHOTO BY ANDREW VONBANK

Rep. Denny McNamara, chairman of the House Environment, Energy and Natural Resources Policy and Finance Committee, debates the omnibus environment, energy and natural resources finance bill with Rep. Ryan Winkler, foreground, on the House floor, March 29.

A bill highlight is bipartisan support for a new scientific study on the effect of sulfates in wild rice waters. A 70-year-old study helped establish the current PCA standard to not exceed 10 milligrams of sulfate per liter of water. Wastewater treatment plants and mining operations are believed to contribute to higher-than-normal sulfate levels in rivers, lakes and streams where wild rice naturally grows. The proposed study is expected to take up to two years to complete.

The controversy centers on whether to raise the current PCA standard from 10 to 50 milligrams per liter during the interim period. During committee hearings, a 250-milligram standard was proposed. Rep. David Dill (DFL-Crane Lake) succeeded in amending the standard to 50 as a compromise. He said he now supports keeping the standard at 10.

There is also bipartisan support to set aside funds so the DNR can properly manage newly acquired land. Rep. Steve Drazkowski (R-Mazeppa) suggests that LCCMR environmental trust fund dollars kick-start a new land management account, which would include paying counties a payment in lieu of property taxes, commonly called PILT.

Although legislators support setting aside funds to manage land acquired by the DNR, some questioned using the trust fund to pay PILT. The fund is primarily state lottery receipts.

"I have two concerns. One is telling Minnesotans this money can pay PILT. ... We don't have any basis for believing that, either financially or constitutionally," said Rep. Jean Wagenius (DFL-Mpls).

Minority members also criticized how environmental trust fund projects were removed from a previously approved LCCMR list and new projects inserted in their place. Several attempts to reinstate projects failed. Members also accused Republicans of cutting General Fund support for invasive species and supplanting those cuts with trust fund appropriations.



Collegiate concerns conveyed

Omnibus higher education finance bill approved by House

By MIKE COOK

Tuition would go up, funding levels would drop to levels not seen in more than a decade and top officials' salaries could go down.

These are among the potential results of the omnibus higher education finance bill passed 69-60 by the House March 29.

Sponsored by Rep. Bud Nornes (R-Fergus Falls), HF1101 now goes to the Senate. Its omnibus bill, SF924, sponsored by Senate President Michelle Fischbach (R-Paynesville), was passed 36-27 March 29 and tabled. A conference committee is expected to work out the differences.

"Under the circumstances, this is the best we could do," Nornes said.

"The bill stinks," said Rep. Tom Rukavina (DFL-Virginia). "There's no highlights in here, just lowlights."

The bill would decrease higher education funding by \$411 million, or a 14.1 percent base reduction. The total is 10.9 percent lower than the 2010-2011 total forecast. Gov. Mark Dayton's budget calls for a \$170.9 million cut to higher education. Funding levels would reach late-1990s levels.

Nornes said protections would be put in place so students do not bear the brunt of the money woes: the bill would fully fund the state grant program, and there would be no reduction to the work-study program or to post-secondary child-care grants. "Gov. Dayton did not fully fund the state grant program in his budget," Nornes said. "He also had some reduction to the state

work-study program and the post-secondary child care grants; 35 percent cut to work study and child care 5 percent."

Further, the bill would set a maximum annual tuition cap of 4 percent for state university students and 2 percent for state college students in the Minnesota State Colleges and Universities system. Because of the University of Minnesota's autonomy, a cap cannot be placed on its tuition increases. However, the expectation is that it will not exceed 5 percent either year.

"Our goal of this bill was to ensure students didn't bear the brunt of these reductions by having increased tuition that was unreasonable," Nornes said.

Systems are expected to make up about a third of the state appropriation reduction by increasing tuition. They will also need to reduce spending and reform to live within their means, Nornes said.

"Maybe this bill will send the right message to the higher ed institutions that

they need to start controlling their costs," said Rep. Linda Runbeck (R-Circle Pines). "It's becoming unaffordable."

Rep. Gene Pelowski Jr. (DFL-Winona) successfully offered a pair of amendments to potentially reduce costs in the MnSCU system.

The first would limit future salary of the chancellor to that of the governor, and would prohibit bonus payments. Pelowski said Chancellor James McCormick's salary was \$360,000 this past year and he received a \$40,000 bonus. "To give a bonus for the leader of an educational system that has had record increases in tuition, record increases in debt and record cuts is repellent."

The other amendment would require a MnSCU internal evaluation of ways to evaluate efficiencies and effectiveness of delivering a postsecondary education. "It must recommend methods to refocus administration at the campus level and reduce or eliminate duplicative administration through central services."

Rep. Steve Drazkowski (R-Mazeppa) unsuccessfully sought to encourage the university's Board of Regents to lower the president's salary by \$250,000 per year. The Legislature can only recommend the university do certain things.

Rep. King Banaian (R-St. Cloud) successfully amended the bill to prohibit the use of state or federal funds to support human cloning. "This is simply concerned with the funding of research into this. It is not an outright ban. ... It does not ban a state institution doing it if it was able to find private funding to do so."

A number of DFLers, including Rep. Tim Mahoney (DFL-St. Paul) and Rep. Tina Liebling (DFL-Rochester), fear the amendment would force companies to leave for other states because research being done today would be prohibited.

"You still will not be able to do some of the stem cell researches that are going on today," Mahoney said. "It greatly affects the Mayo Clinic, greatly affects the University of Minnesota."



PHOTO BY ANDREW VONBANK

Rep. Bud Nornes presents the omnibus higher education finance bill on the House floor March 29. The bill was approved 69-60.

Transit spending concerns

Omnibus transportation finance bill tries to limit metro; rural transit hurt

By MIKE COOK

Its route wasn't as smooth as supporters would like, but the omnibus transportation finance bill was green-lighted March 28 by the House.

Sponsored by Rep. Mike Beard (R-Shakopee), HF1140 now goes to the Senate where Sen. Joe Gimse (R-Willmar) is the sponsor. The House vote was 70-61.

The bill increases funding for county and municipal state-aid highways by \$126 million to \$1.18 billion, and is forecasted to increase state highway funding by about \$120 million to

\$2.56 billion. Rural transit would increase by \$1 million from increases in the motor vehicle sales tax, even though the General Fund reduction is \$7.6 million for the biennium.

"Because of the slight uptick in the economy, gas tax revenues are coming up again, and we had an uptick in the motor vehicle sales tax, which is dedicated to transportation, 60 percent of it to roads and bridges. We are going

to see a significant increase, a 5 or 6 percent increase in funding for state highway projects next year," Beard said.

Opponents note that actual MVST revenue has fallen short of projections in nine of 10 years, often by tens of millions of dollars, which could lead to an actual decrease in Greater Minnesota transit funding. "To rely on that is to rely on money that probably isn't going to be there," said Rep. Kent Eken (DFL-Twin Valley).

Beard said the bill would decrease General Fund spending for Metropolitan Transit by \$130 million; however, increased MVST revenue and other factors put the total state funding decrease at closer to \$40 million.

"This bill represents about a 9 percent cut to



PHOTO BY TOM OLMSCHIED

House Transportation Policy and Finance Committee Chairman Mike Beard, *standing right*, presented the proposed omnibus transportation finance bill when the House took up the measure March 28.

Met Council transit funding on about \$400 million worth of state funds,” Beard said.

In a letter, Susan Haigh, the Met Council chairwoman, said that a \$120 million cut could mean a \$4 fare increase, a 50 percent ride loss and laying off approximately 550 employees.

Beard noted the numbers paint a worse-case scenario, and he questioned their reliability. “How does a 9 percent cut equal that massive a hit to the service of people who depend on transit in this state? I’m concerned about those numbers and how that math works.”

The bill permits the council to transfer uncommitted money in the Livable Communities fund — used to address affordable and lifecycle housing needs and provides funds to assist communities in carrying out their development plans, and the

amounts levied and collected under the right-of-way acquisition loan fund program — used to preserve right-of-way in rapidly growing areas — which could only be used to cover operating deficits for transit, paratransit, light rail and commuter rail services.

“This is with precedent,” Beard said, noting the same authorization was given two years ago.

Help for Metro Transit would also come from the suburban opt-outs that have agreed to transfer their \$4.2 million statutory increases to the Met


Council for regular route service and other transit operations.

Beard successfully amended the bill so that money from the Counties Transit Improvement Board may be allocated to the Met Council for transit purposes. Rep.

Ann Lenczewski (DFL-Bloomington) successfully amended the bill so that an allocation could only occur if approved by county voters.

Beard said the board, whose activities to improve transit are funded with a quarter-percent sales tax in five Twin Cities metropolitan area counties, has \$90 million in reserves. He said when the board was authorized in 2008, its first \$30 million went to the Met Council to help with an operating deficit.

Another successful Beard amendment would let the council transfer to its transit operating budget monies levied and collected used for government and public affairs, regional systems planning and growth strategy and local planning assistance.

Rep. Frank Hornstein (DFL-Mpls) unsuccessfully tried to amend the bill to reduce the reserves of the suburban opt-outs with that extra money transferred to the Met Council for transit operations. “These systems are almost \$18 million over the (legislative) auditor’s recommendation for needed reserves,” he said. 

The bill increases funding for county and municipal state-aid highways by \$126 million to \$1.18 billion, and is forecasted to increase state highway funding by about \$120 million to \$2.56 billion. Rural transit would increase by \$1 million from increases in the motor vehicle sales tax, even though the General Fund reduction is \$7.6 million for the biennium.

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11 A Rep. Torrey Westrom-(R) B Rep. Mary Franson-(R) Sen. Bill Ingebrigtsen-(R)	25 A Rep. Glenn Gruenhagen-(R) B Rep. Kelby Woodard-(R) Sen. Al Dekruif-(R)	39 A Rep. Rick Hansen-(DFL) B Rep. Joe Atkins-(DFL) Sen. James Metzen-(DFL)	53 A Rep. Linda Runbeck-(R) B Rep. Carol McFarlane-(R) Sen. Roger Chamberlain-(R)	67 A Rep. Tim Mahoney-(DFL) B Rep. Sheldon Johnson-(DFL) Sen. John Harrington-(DFL)
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Handcuffs or opportunity

Omnibus tax bill's debate highlights each party's priorities

BY LEE ANN SCHUTZ

The omnibus tax bill sets the financial boundaries for the omnibus bills to follow, but its debate on the House floor March 28 gave both parties the chance to showcase their priorities.

"Having the tax bill done first, we'll have the numbers that we need to move forward, and I'm excited about that, so people can see where we're at," said House Taxes Committee Chairman Greg Davids (R-Preston), the sponsor of HF42. Its focus is creating jobs, putting money into the private sector for job creation and back into taxpayers' pockets, he said.

Passed 73-59 by the House, the bill now moves to the Senate, where Sen. Julianne Ortman (R-Chanhassen) is the sponsor. The Senate omnibus tax bill, SF27, which she sponsors, differs from the House version, so a conference committee is expected to work out the differences.

House Minority Leader Paul Thissen (DFL-Mpls) said the bill's provisions "are the handcuffs that chain us into awful choices ... with real consequences." He added that it would substantially raise property taxes.

The bill's cornerstone provision would decrease lower and middle individual income tax rates from

their current levels of 5.35 percent and 7.05 percent to 4.75 percent and 6.75 percent, phased in over three years.

The proposed phase-out of local government aid to Minneapolis, St. Paul and Duluth had one DFLer warning rural members that this bill would end the LGA program, and have a substantial impact on communities with low tax bases.

"This bill is a decoy for rural members. It will end LGA as we know it ... about 35 percent of the residents of the state will not benefit from LGA. That is an erosion," said Rep. Paul Marquart (DFL-Dilworth).

But the provision's architect, Rep. Linda Runbeck (R-Circle Pines), the House Property and Local Tax Division chairwoman, said rural communities and suburbs are protected from reductions, and that LGA was designed to equalize basic services among the state's municipalities, not to fund discretionary projects. She challenged the spend-

ing patterns of the state's two largest cities, calling some projects "frivolous."

Bill provisions would:

- direct the revenue commissioner to begin talks with Wisconsin with the goal of entering into a new reciprocity agreement that would be effective for tax year 2012;
- create a Minnesota science and technology fund with \$1.5 million appropriated in fiscal years 2012 and 2013, and \$3.5 million in each fiscal year thereafter for grants to support initiatives;
- lower the property tax refund from 19 percent to 12 percent of gross rent paid;
- approve imposition of a local sales and use tax by several cities and towns;
- extend eligibility for a market value exclusion benefit for the surviving spouse or approved family caretaker of certain disabled veterans;
- remove several county maintenance of effort provisions that do not reduce federal funds or automatically increase state spending;
- decrease payment in lieu of taxes payments to counties; and
- eliminate the political contribution refund.

In a unique procedural move, the DFL attempted throughout the nearly seven-hour debate to have an amendment from Rep. Lyle Koenen (DFL-Clara City) act as a conduit for several DFL provisions. This offered the DFL the opportunity to talk about increasing the renter's credit, restoring market value credit and conforming the state tax code to the federal code as it relates to married couples. While the latter provision was accepted, it ultimately went down when Koenen's amendment was withdrawn.


The bill is made up of approximately 40 separate bills heard in the House Taxes Committee or the House Property and Local Tax Division. At the General Fund bottom line, the bill adds \$548 million, largely through reductions to state aids and credits. 



PHOTO BY TOM OLMSCHIED

Rep. Linda Runbeck, chairwoman of the House Property and Local Tax Division, explains the property tax section of the proposed omnibus tax bill March 28 on the House floor.

To find out who represents you at the Capitol ...
Call House Public Information Services
at 651-296-2146 or 800-657-3550

Creating a 'Safe Harbor'

Wide-ranging support for bill to decriminalize juveniles exploited by prostitution

By HANK LONG

Heather Boyum is 31. She says she was deprived of the last 15 years of her life after a man she initially considered her boyfriend exploited her and led her to a lifestyle of many "false promises and broken dreams."

Boyum delved into prostitution at age 16, and for much of her life as a young adult she saw multiple "johns" every day of the week. She was passed between three different pimps and admits her situation was not only traumatizing, but left emotional scars as she became isolated from family and friends. But last fall she found Breaking Free, a St. Paul-based organization that provides education and support services to victims of prostitution and sex trafficking.

"Had I known 15 years ago what I know now, that there are programs like Breaking Free available for women in prostitution, that there is a safe place to go and we are not going to be treated like criminals, especially when it's something we have been forced into, my life would have been significantly different," Boyum told the House Judiciary Policy and Finance Committee March 15.

As many as 14,000 young women and girls become victims of prostitution and sex trafficking every year in the United States, said Lisa Gagnier, who left a life of prostitution she began as a young adult. Although New York and California see the highest number of sex trafficking cases, the number of cases in Minnesota is growing, she said.

"Sometimes we find ourselves in situations that we don't quite know how to get out of," she said. "And some, even when they are arrested, don't speak out in fear of retaliation."

"We need to show our youth out there that there are people out there who care and love for them and are fighting for their well being."

'Safe Harbor' legislation

Sponsored by Rep. Steve Smith (R-Mound), HF556, known as the "Safe Harbor" bill, is included in the omnibus public safety and judiciary finance bill, SF958.

It aims to resolve a conflict between state law and child protection statutes where juveniles can be prosecuted for crimes related to prostitution while at the same time be declared in need of child protection services, said Jeff Bauer, director of public policy at The Family Partnership, a Minneapolis-based child advocacy organization.

The bill also triples fines for those found guilty of adult prostitution services and dedicates revenue from increased penalties to help fund the work of the arresting and prosecution agencies and crime victim services. It also directs the Public Safety and Human Services departments to create a victim-centered counseling model

for juvenile victims of sex trafficking and prostitution, if sufficient outside funding is donated.

Bill mirrors some metro policies


In February, county attorneys from around the Twin Cities metropolitan area, along with a number of representatives from law enforcement agencies, announced changes they would make to their own policies for how they handle children exploited for prostitution. Those changes are reflected in HF556, said Dakota County Attorney James Backstrom.

"We established in the metro area, by policy, exactly what this bill will establish statewide," Backstrom said, "which is to seek to treat these exploited young women as the victims they rightfully are and not as criminals under our system of justice."

Currently, juveniles prosecuted for prostitution-related crimes are offered rehabilitation programs like Breaking Free as a condition of parole or reduced sentencing. Rep. John Lesch (DFL-St. Paul) asked how the "Safe Harbor" bill would affect teens that don't consider themselves victims and don't want to participate in such programs.

"We can certainly initiate a child protection proceeding and intervene to protect that child and accomplish, I believe, the same goals in terms of getting them the services they need and to address some of those issues even though at that time they may be unwilling to participate," Backstrom said.

Rep. Tina Liebling (DFL-Rochester) said she supports the legislation that would "treat children as children" and give them the protection they need.

"Too often we criminalize the behavior of children and pretend they are just little adults, and they are not," she said. 

A hand up in climb out of poverty

Bipartisan initiative looks to fund expansion of 'Circles of Support' program

By HANK LONG

How does one define poverty? Many technical formulas include factors ranging from income level to measuring the regularity of access to food.

Xavier Bell believes poverty is measured by more than just a lack of basic tangible needs.

"(Living in poverty) also includes a lack of meaning and a lack of relationships," said Bell, a program manager for Community Action Duluth, a nonprofit agency with an admittedly lofty goal of engaging the community to help find solutions that will end poverty. "We realize social isolation is a problem for many low-income people," he said, "and it is one barrier that keeps people in poverty."

Community Action Duluth is one of several organizations across the state that has made an effort to dissolve that barrier with implementation of Circles of Support, a volunteer-based program that focuses on helping low-income people develop social assets as tools to achieve economic independence. Other communities that use program include Marshall, Grand Rapids and Little Falls.

Now in its sixth year, the Duluth chapter of Circles of Support has utilized volunteers to serve as "allies" for individuals and families looking for a hand up out of a life of struggling to meet their basic needs. Allies meet with participants at least once a month for 1-2 years to help them develop social assets across class and, oftentimes, racial barriers, Bell said. The majority of the program's participants are single mothers trying to hold down a job and/or further their education. Allies inside the participant's "circle" often serve as mentors and may help them with a job application, proofread an essay for school or help out with minor household tasks. The larger goal, proponents say, is for

participants to develop a social network that they might not otherwise have because of their current station in life.

"I think what we are seeing with Circles is an example of how we can bridge the gap between those barriers that exist between people who have those social assets and those who don't," Bell said. "The volunteer aspect is critical to our success."

Funding expansion

The effectiveness of the Circles of Support program, as it has been implemented in communities across the state, has not gone unnoticed.

Rep. Morrie Lanning (R-Moorhead) witnessed the success of similar programs in his hometown and believes Circles of Support is one of the better community-based models out there.

He sponsors HF77, which would appropriate grants for expansion of the Circles of Support program to other

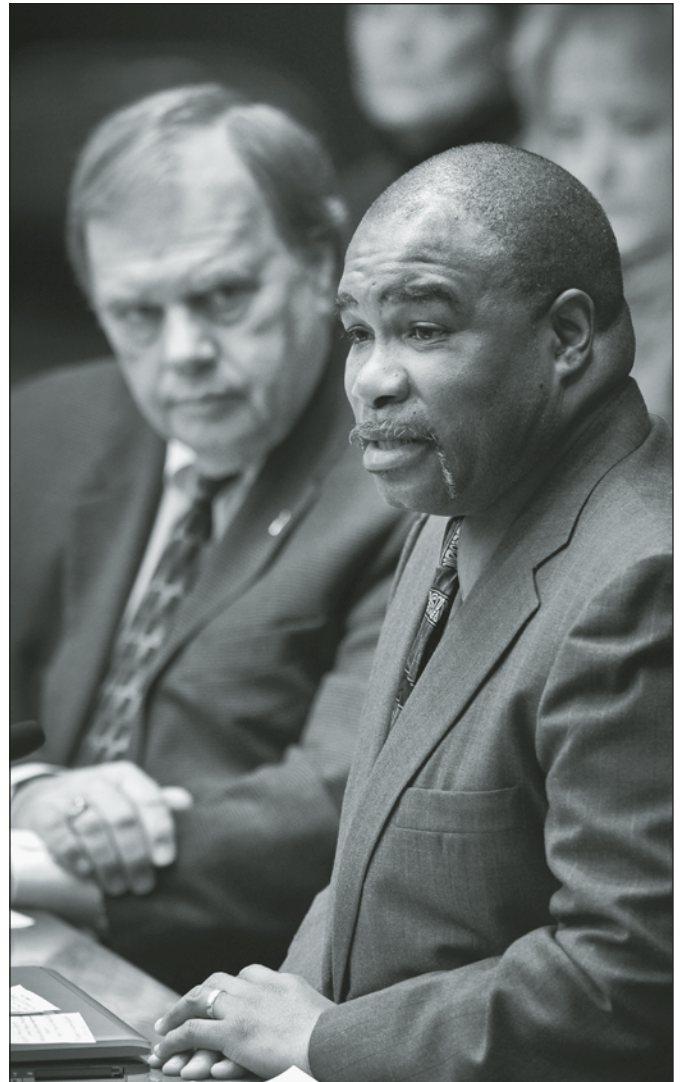


PHOTO BY ANDREW VONBANK

Xavier Bell, a program manager at Community Action Duluth, testifies before the House Health and Human Services Finance Committee March 8 in support of a bill that would provide healthy community and circle of support initiative grant program funding.

community action organizations throughout the state. The House omnibus health and human services finance bill contains \$400,000 for the program in the 2012-2013 biennium.

Sen. Mike Jungbauer (R-East Bethel) sponsors the Senate companion, SF110. It awaits action by the Senate Health and Human Services Committee.

Also included in the bill is \$200,000 for Northern Connections, another Minnesota-based social asset development program that the Ladder Out of Poverty Task Force concluded is a "best-practice model."

The bill was borne out of recommendations from the Ladder Out of Poverty Task Force as it toured the state last summer in an effort to find models for success in helping low-income individuals and families move towards economic independence.

Lanning said the programs highlighted in HF77 exemplify the idea that a "hand up and not a handout" is the best way to work toward eliminating poverty, a bipartisan goal developed by the Legislature in 2006.

"There are times when people do need direct financial assistance support if they are not able to take care of their basic needs," Lanning acknowledged, "but that's not the way you eliminate poverty. You do it by

helping them improve their education, their training, their social assets and financial assets."

Spirit of bipartisanship

Rep. Patti Fritz (DFL-Faribault), a task force member who also sponsors HF77, said she was impressed by the spirit of bipartisanship the group displayed in its work throughout the summer as it toured communities across the state.

"I looked around at the other legislators working on this task force and I just thought 'Good, they think like I do,'" Fritz said. "I believe the ideas we developed have been well thought out and are ideas that we can work on now and in the future."

In one of its stops, the task force visited Ruth's House of Hope, a transitional home for women in Faribault. Fritz said such visits were vital to the work of the task force as it developed legislative initiatives to tackle issues related to poverty.

"(The task force) not only heard from those who were helping to run these community resources, but we heard from the clients living in the house at the time," Fritz said. "That's an important perspective to have when we are working on these issues."

Allowing people who are working to get


themselves out of poverty to come to the table and be a part of the solution was probably the most important aspect of the task force, said Amy Brenengen, director for the Office on the Economic Status of Women.

"It was very eye opening to hear from the participants themselves just how programs, like Circles of Support, have aided them," said Brenengen. "Listening to their stories was probably our number one priority."

The possibility of funding the expansion of programs like Circles of Support to other communities across Minnesota leaves Bell with a sense of optimism in the state's effort to end poverty by 2020, an admittedly lofty goal, but one he said becomes more attainable as more people get involved.

"(Circles of Support) is really about engaging volunteers in this issue of poverty," he said, "and allowing them to see how it impacts not just the people who are in poverty, but the community as a whole."

For more on Circles of Support go to: <http://www.communityactionduluth.org/circles.html>.

For more information on the Ladder Out of Poverty Task Force and its goals go to: <http://www.commissions.leg.state.mn.us/ladder/ladder.html> 

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Putting a stop to aquatic invasive species

Broader enforcement, stiffer penalties proposed for violators

By SUE HEGARTY

Aside from the state's budget woes, invasive species is the biggest issue facing the Department of Natural Resources, according to policy and government relations director Bob Meier.

Rep. John Ward (DFL-Brainerd) is taking aim at combating aquatic invasive species such as Asian carp, Eurasian water-milfoil, Zebra mussels and the spiny waterflea.

Endorsed by the DNR, HF1162, which Ward sponsors, would significantly change recreation rules on and off Minnesota waters. It is the culmination of meetings with angling associations, cabin owners and the DNR.

"Some people will tell you it doesn't go far enough; some people will tell you it goes too far, but we need to be proactive on these issues," Meier told the House Environment, Energy and Natural Resources Policy and Finance Committee March 24.

Approved by the committee on a split-voice vote, the bill's next stop is the House Public Safety and Crime Prevention Policy and Finance Committee. Sen. Tom Saxhaug (DFL-Grand Rapids) sponsors a companion, SF847, which awaits action by the Senate Environment and Natural Resources Committee.

Boaters would be required to obtain a free AIS decal from distribution points and attach it in plain sight on the watercraft prior to launching. The decal would contain the new rules associated with AIS prevention tactics.

The provisions, if enacted would become effective in time for the 2011 fishing opener, which would make educating the public a quick lesson in new water recreation laws.

Recommended changes include increased authority for boat inspections, stiffer penalties for AIS violations, required training for lake service providers, required education for watercraft owners and operators and streamlined permitting for AIS plant management activities. Current law applies to boating-related equipment. The definition would expand to "water-related" equipment,

such as docks, rafts, vehicles and other equipment that comes in contact with water and could harbor invasive species.

Last year, a new law required boaters to drain water from live wells and bilges by pulling the drain plug prior to transporting boats. That law would be broadened to include draining water from portable bait buckets, too.

"I would think the bait buckets themselves could be an education tool," said Committee

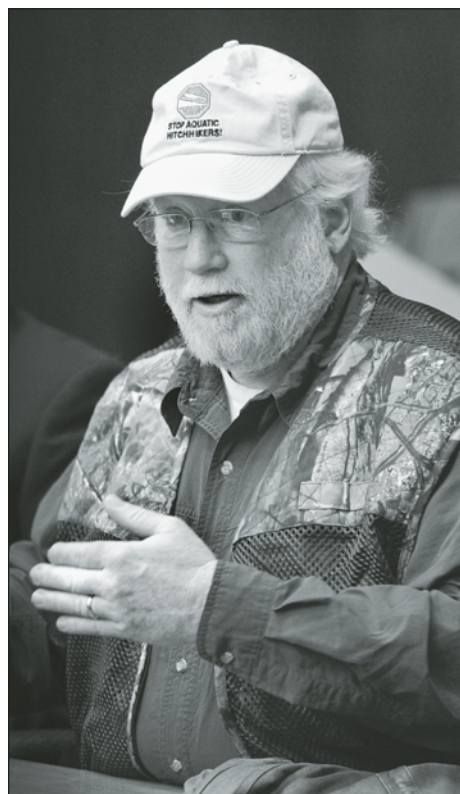


PHOTO BY ANDREW VONBANK

Vern Wagner, vice president of Anglers for Habitat, testifies before the House Environment, Energy and Natural Resources Policy and Finance Committee March 24 in support of a bill that would modify non-native species provisions.

Test Your Knowledge

True or False: It is against the law to pull a boat on public roads with the drain plug left in place.

Answer: True.

Chairman Denny McNamara (R-Hastings).

Nets or other equipment used to harvest bait minnows from AIS-infested waters would not be allowed for use on any other water body. A tag would need to be affixed to the net to identify its limited use.

"If you're using nets in Mille Lacs to harvest bait in the spring, you cannot take them to un-infested waters in the future. (You) will have to have a second set of nets," said Luke Skinner, invasive species program supervisor with the DNR.

Trained inspectors would be allowed to inspect watercraft for aquatic invasive species anywhere. Officers also could pull someone over for hauling watercraft on public roads with the drain plug still engaged, which could result in a misdemeanor offense.

Rep. Dan Fabian (R-Roseau) is concerned about "heavy-handed" conservation officers. "You have a tremendous obligation at this point, if this bill passes, to do everything that we can to make sure that people are educated," he told DNR officials. "I want to make sure that we allow people to make an honest mistake and not get the book thrown at them."

Fines would double from last year to between \$100 and \$500. Rep. Jean Wagenius (DFL-Mpls) said the fines were low in comparison to the great amount of harm that invasive species can do to a lake and the cost to eradicate. "It's really not a lot (of money)," she said.

The DNR tracked 2010 enforcement operations and said of 7,053 people approached, 1,060 people received verbal or written warnings and 128 were cited for violations. Only one of the citations was for a criminal offense, said Maj. Rodmen Smith, DNR enforcement operations manager.

Two omnibus bills merged into one

DFL legislators oppose cuts to Department of Human Rights, Civil Legal Services

By HANK LONG

The House passed a two-for-one public safety and judiciary omnibus bill March 31 along party lines after discussion where the DFL categorized the proposed cuts as “extreme,” but Republicans termed them necessary “tough choices.”

The House voted 71-59 March 31 to approve HF440/SF958*, which includes \$728 million for judicial system and support services and \$1.2 billion for public safety and corrections. The bill as amended now returns to the Senate. A conference committee is expected to work out the differences.

One day earlier, the House Ways and Means Committee incorporated the omnibus public safety and judiciary finance bills into the Senate’s combined version. The Senate passed its omnibus bill for public safety and courts funding 36-28 March 29.

DFL members who lined up against the House bill criticized its inclusion of what they called “substantial” reductions to the Department of Human Rights and Civil Legal Services along with other public safety and Department of Corrections spending. They also criticized the transfer of \$8.5 million from the Fire Safety Account to the General Fund.

House Majority Leader Matt Dean (R-Dellwood) countered that the bill looks at protecting the courts and public safety in the context of tough budget targets. “Sometimes you have to live within your means. Sometimes that means making tough choices and moving ahead. That’s what this bill does.”

Rep. John Lesch (DFL-St. Paul) said the legislation represents a “stinky, ugly foot that we are trying to shoehorn into this shoe that don’t fit because of the budget targets” the majority put in place.

The bill’s language outlines a 65 percent funding reduction for the Department of Human Rights, which amounts to a \$4.34 million cut to services that Rep. Tony

Cornish (R-Good Thunder) said go beyond the department’s core mission. Cornish chairs the House Public Safety and Crime Prevention Policy and Finance Committee.

Rep. Carlos Mariani (DFL-St. Paul) said the proposed reduction “eviscerates” the Department of Human Rights budget, which he said would have “very real negative impacts on our communities of color in the state of Minnesota.”



PHOTO BY TOM OLMSCHIED
Rep. Tony Cornish listens as House members debate the combined omnibus public safety and judiciary finance bills.

“It’s pretty clear what the values are before us, members,” he said. “Our GOP majority today believes that what Minnesota values in terms of our value of human rights are not important and are not a priority.”

“To say that I don’t care about human rights, that was just hurtful,” Cornish countered. He added that education and outreach efforts for the department should come from federal funding.


Also a point of contention in the bill is a 16.9 percent (\$4 million) reduction in funding for Civil Legal Services. That represents about half of the \$8 million reduction in funding for the judicial system and support services budget from the previous biennium. DFL members said the cuts will put an even heavier burden on Civil Legal Services to aid the state’s poorest residents who use those services to help them determine whether to pursue legal recourse.

“Our state and nation are based on the premise of justice for all, and this bill means justice will only be for those who can afford it,” said Rep. Tina Liebling (DFL-Rochester).

House Judiciary Policy and Finance Committee Chairman Steve Smith (R-Mound) pointed out that only one-third of Civil Legal Services funding comes from the state and that the bill does not attempt to restrict any non-state use of funding.

“We could have taken the easy route and just put in the existing numbers,” Smith said, “yet our responsibility of our fiscal committee goes well beyond simply filling in number in a spreadsheet. We faced many decisions that were not easy, but our task and our responsibility was to put the resources we have on the table and put them to their best and most appropriate use.”

Among the initiatives in the bill are:

- offenders with 60 days or less remaining on their sentence would serve that time in a county jail or workhouse, rather than state prison; and
- provides minimum and maximum sentences for persons proven to be predatory sex offenders. 

BILL INTRODUCTIONS

MARCH 28 - 31, 2011

HOUSE FILES 1298 - 1350

Monday, March 28

HF1298-Smith (R)

Judiciary Policy & Finance

District judge disposition monthly review authorized for compliance with 90-day disposition requirement.

HF1299-Murray (R)

State Government Finance

Albert Lea; water and sewer project funding provided, bonds issued and money appropriated.

HF1300-Anderson, P. (R)

Agriculture & Rural Development Policy & Finance

Feedlot pasture exemption requirement modified.

HF1301-Torkelson (R)

Health & Human Services Reform

Hybrid nursing home and assisted living pilot project established and money appropriated.

HF1302-Kahn (DFL)

Commerce & Regulatory Reform

International model code incorporation provided.

HF1303-Garofalo (R)

Commerce & Regulatory Reform

Revenue-based filing fee gradually adjusted beginning in fiscal year 2014.

HF1304-Huntley (DFL)

Rules & Legislative Administration

Governor's budget established for health and human services; changes made to continuing care, chemical and mental health, children and family services, licensing, health care, Department of Health and health-related boards; funding provided for the Departments of Health and Human Services and other health-related boards and councils; forecast adjustments made; rulemaking authorized; reports required; and money appropriated.

HF1305-Davids (R)

Transportation Policy & Finance

United States Fish and Wildlife Service state land conveyance provided.

HF1306-Morrow (DFL)

Transportation Policy & Finance

Commissioner of transportation granted subpoena power.

HF1307-Mullery (DFL)

Jobs & Economic Development Finance

Minneapolis; summer youth employment program grants awarded and money appropriated.

HF1308-Kahn (DFL)

Environment, Energy & Natural Resources Policy & Finance

Utility recovery of costs related to a new nuclear power plant allowed.

HF1309-Kahn (DFL)

Rules & Legislative Administration

State government finance; amount billed by the commissioner of management and budget for statewide services provided changed, General Fund budget reserve maximum amount set, additional forecast balance allocated, which fund bond proceeds are credited to specified, Environmental Quality Board technical changes made, Enterprise Real Property Technology System funds availability extended and money appropriated.

HF1310-Shimanski (R)

Transportation Policy & Finance

Overweight vehicle permit provisions modified, provision governing medical waiver to operate commercial vehicle in intrastate commerce modified, obsolete language removed and clarifying changes made.

HF1311-Eken (DFL)

Rules & Legislative Administration

Agriculture and the Board of Animal Health money appropriated, and requirements, programs and provisions changed.

HF1312-Torkelson (R)

Environment, Energy & Natural Resources Policy & Finance

New Ulm; flood hazard mitigation funding provided, bonds issued and money appropriated.

HF1313-Hayden (DFL)

Health & Human Services Reform

HIV transmission public education program provided.

HF1314-Torkelson (R)

Environment, Energy & Natural Resources Policy & Finance

Springfield; flood hazard mitigation funding provided, bonds issued and money appropriated.

HF1315-Torkelson (R)

Environment, Energy & Natural Resources Policy & Finance

Minnesota River Basin Area II flood hazard mitigation funding provided, bonds issued and money appropriated.

HF1316-Davids (R)

Taxes

Income, withholding, estate, property, sales and use, mortgage registry, lodging and other various taxes and tax-related provisions policy, technical, administrative and clarifying changes made; aids

and delinquent tax liabilities provisions changes made.

HF1317-Gruenhagen (R)

Commerce & Regulatory Reform

Separate insurance risk pool provided for employers that have between 51 and 100 employees.

HF1318-Erickson (R)

Education Reform

Commissioner of education prohibited from adopting common core standards.

HF1319-Mack (R)

Jobs & Economic Development Finance

Minnesota housing tax credit provided.

Tuesday, March 29

HF1320-Abeler (R)

Health & Human Services Reform

Sex offender civil commitment petition screening panel established for purposes of determining whether the civil commitment of certain sexual offenders is appropriate, county payment of expenses required, identification and development of alternative treatment facilities provided, reduction in custody petitions provided for patients in alternative programs or assisted living units, implementation of the statewide judicial panel required for commitment proceedings regarding sexual psychopathic personalities and sexually dangerous persons, consideration of alternatives provided to commitment or alternative treatment programs and stay of commitment governing provisions included.

HF1321-Woodard (R)

Education Reform

Charter school provisions clarified.

HF1322-Hoppe (R)

Transportation Policy & Finance

Travel in left-hand lanes requirements amended, driver's manual modified, technical changes made and money appropriated.

HF1323-Hoppe (R)

Transportation Policy & Finance

Online motor vehicle insurance verification system established and money appropriated.

HF1324-Crawford (R)

Jobs & Economic Development Finance

Braham publicly owned infrastructure funding provided, bonds issued and money appropriated.

HF1325-Melin (DFL)

Jobs & Economic Development Finance

Floodwood business development public infrastructure funding provided, bonds issued and money appropriated.

HF1326-Atkins (DFL)

Commerce & Regulatory Reform

Bed and breakfast allowed to serve Minnesota beer.

HF1327-Anderson, B. (R)

Veterans Services Division

Veteran-owned small business set-aside program changed, veteran-owned small business county set-aside programs authorized and reporting requirements changed.

HF1328-Kahn (DFL)

Commerce & Regulatory Reform

Tanning salon customer protection state laws strengthened.

HF1329-Kahn (DFL)

Health & Human Services Reform

Tanning facilities and their use regulated.

HF1330-Kahn (DFL)

Environment, Energy & Natural Resources Policy & Finance

Research bear notification to hunters required.

HF1331-Benson, M. (R)

Government Operations & Elections

State agencies required to enter into contracts to provide consulting services for improvements to state-operated systems and services.

Wednesday, March 30

HF1332-Hansen (DFL)

Government Operations & Elections

Legislative auditor governing provisions modified.

HF1333-Nelson (DFL)

Transportation Policy & Finance

Transportation construction manager/general contractor contracts provided.

HF1334-Mack (R)

Health & Human Services Reform

Chiropractor scope of practice modified.

HF1335-Quam (R)

Capital Investment

Bond sale premiums amended.

HF1336-Swedzinski (R)

Environment, Energy & Natural Resources Policy & Finance

Ramsey Park funding provided and money appropriated.

HF1337-Banaian (R)
Jobs & Economic Development Finance

St. Cloud Civic Center funding provided, bonds issued and money appropriated.

HF1338-McFarlane (R)
Government Operations & Elections
White Bear Lake and White Bear Lake Volunteer Fire Department Relief Association; use of special actuarial work authorized in determining the 2009 and 2010 special fund financial requirements and minimum municipal obligations.

HF1339-Abeler (R)
Health & Human Services Reform
My Life, My Choices Task Force established.

HF1340-Hilty (DFL)
Environment, Energy & Natural Resources Policy & Finance
Pine County; public and private sales of tax-forfeited lands bordering public waters permitted.

HF1341-McDonald (R)
Health & Human Services Reform
Health services to children under Minnesota public health care programs fiscal information reporting required.

Thursday, March 31

HF1342-Falk (DFL)
Environment, Energy & Natural Resources Policy & Finance
Coyote management option provided for counties.

HF1343-Dettmer (R)
Civil Law
Immunity provided in cases involving the use of school facilities for recreational activities.

HF1344-Torkelson (R)
Environment, Energy & Natural Resources Policy & Finance
Procedure required for an entity using state money to acquire land for designation as a wildlife management area or a scientific and natural area.

HF1345-Champion (DFL)
Transportation Policy & Finance
Highway construction projects contract bid preference provisions modified.

HF1346-Nelson (DFL)
Environment, Energy & Natural Resources Policy & Finance
Aitkin County; private sale of lands authorized.

HF1347-Anderson, P. (R)
Agriculture & Rural Development Policy & Finance
Dairy Research, Teaching and Consumer Education Authority established, and duties and procedures specified.

HF1348-Beard (R)
Transportation Policy & Finance
Railroad property exempted from storm sewer or storm water utility assessments, levies or charges.

HF1349-Hamilton (R)
Commerce & Regulatory Reform
State Building Code residential program definition added.

HF1350-Kath (DFL)
Legacy Funding Division
Waseca Art Center funding provided and money appropriated.

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PEEKING THROUGH



PHOTO BY ANDREW VONBANK

Katelyn Doyle, from left, Amanda Severson and Emma Johansen, pre-schoolers from the Wayzata Family Learning Center, peek through the marble columns to get a better view of the Capitol Rotunda March 28.

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MINNESOTA INDEX

Cheers!

Number of breweries in Minnesota in 2010	24*
In 2000	27
In 1990	8
In 1980	4
In 1875, at the state's peak	123
Number of breweries currently in the planning stage	20
Total number of breweries that have existed in the state's history, as approximate	290
Number of those founded before Prohibition, as approximate	250
Year the Volstead Act, named after Minnesota Congressman Andrew Volstead, was enacted to enforce Prohibition	1919
Year Prohibition was repealed by Congress	1933
Number of breweries that opened or re-opened following repeal	24
State rank in number of breweries per capita in 2008	29
In gallons, per capita beer consumption by Minnesotans age 21 or older in 2009	29
National rank	32
Year Bavarian native Anthony Yoerg established the state's first brewery in St. Paul	1849
Year August Schell Brewing Co. was founded in New Ulm	1860
Current rank among oldest family-owned breweries in the United States	2
Year St. Paul's Summit Brewing Company opened the state's first new brewery since World War II	1986
Year the state's number of brewing operations surpassed the level last reached during the Great Depression	1997
Year the state's first brewpub, Taps Waterfront Brewery, opened in Minneapolis	1989
Year Taps closed	1991
Between 2005 and 2010, money spent on lobbying by the Minnesota Beer Wholesalers Association	\$502,500
By the Minnesota Licensed Beverage Association (i.e. liquor stores, bars and restaurants)	\$397,500
By the Minnesota Municipal Beverage Association (i.e. city-owned liquor stores)	\$360,000
In the Capitol's Rathskeller cafe, number of German sayings painted on the walls related to beer or drinking	11

— N. Busse

*Granite City Food & Brewery, which has five retail locations in the state, is counted as one brewery.

Sources: Doug Hoverson, "Land of Amber Waters: The History of Brewing in Minnesota"; Minnesota Craft Brewers Guild; Beer Institute; Brewers Association; Minnesota Historical Society; Minnesota Campaign Finance and Public Disclosure Board