

SESSION WEEKLY



MEET MELIN

ECONOMY: LOST IN TRANSITION

STATE LAND: NO NET LOSS, NO NET GAIN

BILLS OFF THE FLOOR ON THURSDAY

HF719 - HF879

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

Part-time jobs and student performance

High school students under the age of 18 would be prevented from working past 11 p.m. on school nights and before 5 a.m. on any school day, under a bill passed by the House. This marks the third consecutive year the House has passed such a measure. Similar bills stalled in the Senate.

Sponsored by Rep. Joel Jacobs (DFL-Coon Rapids), the bill was prompted by education concerns that part-time jobs are hurting student performance in the classroom.

— Session Weekly March 1, 1991

Lowering legal blood-alcohol limit

A measure to lower the legal blood-alcohol concentrate limit from 0.10 percent to 0.08 percent is moving forward in the House. HF51 is sponsored by Rep. Kevin Goodno (R-Moorhead). Showing bipartisan support, Rep. Matt Entenza (DFL-St. Paul) said that President Bush and Congress have all expressed support for 0.08.

— Session Weekly March 2, 2001

Session late and so short

Legislators will have to hit the ground running if they want to get a lot of work done in 2006.

March 1 marked the latest regular-session start date for the Legislature since 1984, and the second-latest since 1973, when legislators began meeting in both years of the biennium. This session will also be the shortest in at least eight years — assuming the Legislature adjourns by its May 22 deadline.

— Session Weekly March 3, 2006

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SESSION WEEKLY

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On the cover: Eight-month-old Alleeya Morris gets a kiss from her mother, Melanie Roark, prior to the beginning of the "Parents Lead the Way to Strengthening Families" awards ceremony held at the Capitol Feb. 25 as part of the National Parent Leadership Month. A member of the Winnebago Tribe of Nebraska, Roark received an award after being nominated by the St. Paul YWCA for being extremely active in St. Paul's American Indian community.

— Photo by Tom Olmscheid



PHOTO BY TOM OLMSCHIED

Prior to the Feb. 28 release of the February Economic Forecast, State Budget Director Margaret Kelly, from left, State Economist Tom Stinson and Minnesota Management & Budget Commissioner Jim Schowalter huddle behind an easel with graphs. The forecast shows an improvement of \$1.16 billion since the last forecast in November 2010.

Lost in transition

Forecast shows state's economy is still fragile

By Nick Busse

It's not hard to find good news in the state's February Economic Forecast. The state's biennial budget deficit has dropped by more than \$1 billion down to \$5.03 billion, according to its projections. And the economy is set to grow at a faster rate than had been expected, potentially accelerating the sluggish growth in the state's job market.

But thumbing through the 86-page document, one also finds cause for alarm. The improvements are due largely to fleeting federal stimulus; global turmoil threatens to erase the economic gains; and whatever

lawmakers do to solve the remaining budget gap will likely make the state's problems even worse.

For lawmakers, it all adds up to a sticky situation.

"You can see that we're not real certain about anything here," State Economist Tom Stinson told members of the House Taxes Committee March 2.

The forecast, released twice each year by Minnesota Management & Budget, is the definitive document lawmakers use to put together the state's biennial budget. It represents economists' best guess about what's going to happen to the state's economy over the next two to four years.

This year's February report shows Minnesota in a state of transition, with a slowly improving economy, but still facing fallout from the worst economic crisis in decades.

The looming \$5.03 billion budget shortfall accounts for nearly 13 percent of forecasted state spending, and is mostly the result of one-time budget fixes used in the last biennium. Beyond 2013, MMB estimates structural budget gaps of nearly \$2.2 billion annually.

First Reading continued on page 4

The state's slow-but-sure economic recovery promises to help ease budget pressures, but not by much. In fact, most of the \$984 million revenue boost predicted in the forecast comes not from a surging economy, but from a temporary stimulus package of tax cuts passed by Congress in December and signed by President Obama.

"Federal action created some additional stimulus, and that's what you see here," said MMB Commissioner Jim Schowalter.

Deficit shrinks

For legislators, the news that the state's deficit had dropped from \$6.19 billion to \$5.03 billion was unquestionably good. The irony of it was not lost on House Taxes Committee Chairman Greg Davids (R-Preston).

"Who would have thought that a \$5 billion shortfall is actually good news?" he said.

Almost immediately after the forecast's Feb. 28 release, Gov. Mark Dayton withdrew his proposal for a one-time income tax surcharge on the state's highest-income residents. The temporary tax increase would have raised \$918 million over the biennium. He said he would also withdraw proposed cuts to nursing homes and various other programs.

In their own reactions, Republican and DFL legislative leaders drew vastly different conclusions from the forecast. Reiterating their message of having the state "live within its means," Republicans said they would oppose raising any new taxes. They argued the forecast proves that taxpayers' money is better left with the taxpayers, who will use it to generate economic growth.

"When the money is left with the people who make it, earn it, invest it, they do the right thing," said House Speaker Kurt Zellers (R-Maple Grove).

Senate Majority Leader Amy Koch (R-Buffalo) agreed, and noted that "the largest portion of this improvement in the budget had to do with what Congress did in not raising taxes."

Meanwhile, DFL leaders said Republicans were merely pushing a continuation of former Gov. Tim Pawlenty's economic policies, which they said had failed Minnesota. They argued the tough economic times required



PHOTO BY TOM OLSCHIED

State Economist Tom Stinson talks during a press conference Feb. 28 about the uncertainty in the state's economic future.

the state to protect Minnesotans from costly property tax hikes, tuition increases and cuts to essential services.

DFLers seized on a comment Stinson made Feb. 28 — that while tax increases and budget cuts would both hurt the economy, budget cuts would hurt it more because they would have the greater impact on consumer spending.

"Dr. Stinson is right, based on all the research. That's why we've been continuing to advocate for a fair budget that doesn't continue to squeeze middle-class families," said House Minority Leader Paul Thissen (DFL-Mpls).

But Stinson also warned that the difference between budget cuts and tax increases wouldn't be very big, as far as the economy is concerned.

"They're probably both going to have a deleterious impact," he said.

Lots of things could still go wrong with the economic recovery, but at the March 1 meeting of the House Ways and Means Committee, the ones that seemed to be on most lawmakers' minds were the price of oil and the unemployment rate.

According to Stinson, unrest in Libya, Egypt and other Middle Eastern nations threatens to raise the price of oil and gasoline, which he said could diminish or even erase whatever stimulus the December tax package provided.

Rep. Frank Hornstein (DFL-Mpls) asked Stinson what lessons were learned when gasoline last reached \$4 a gallon in Minnesota.

"I think this situation is going to be a while before it plays itself out, and clearly we're not going to see the cost of oil going lower anytime soon," he said.

Stinson said an increase of \$10 per barrel of oil over a period of one year would cost the United States 250,000 jobs and slow economic growth from 3.2 percent to 2.7 percent of gross domestic product. He

predicted that if oil prices were to rise to \$126 per barrel for a year, it would fully negate the impact of the December stimulus package. Crude oil topped \$102 per barrel March 2, the highest amount since September 2008.

Whether such a scenario comes to pass, the state's employment situation will likely remain troublesome. As of December 2010 there were roughly 206,000 Minnesotans looking for work who couldn't find it. Stinson said the state won't regain its pre-recession employment levels until 2013.

When jobs do start opening up, Stinson said many of them — up to two-thirds, in some employment sectors — will be to fill positions left vacant by retiring baby boomers.

"That's one reason State Demographer Tom Gillaspay and I are more optimistic than the national forecasters about what's going to happen to the unemployment rate," he said.

HIGHLIGHTS

FEBRUARY 24 - MARCH 3, 2011

Editor's note: The following Highlights are coverage of select information heard in House committees and other House activities held Feb. 24-March 3. Designations used in Highlight summaries: HF-House File; SF-Senate File; Ch-Chapter; and *- the bill version considered by the House or the bill language signed by the governor.

Agriculture

Horse breeders seek tax status

When state legislators added the breeding, training and boarding of horses as an agricultural pursuit to statute last year, the change didn't correlate with property tax laws. So when St. Michael horse breeder David Dayon received notice that he was being assessed at a higher commercial tax rate, he sought help from the Legislature on behalf of the 13,000 farms that raise 150,000 horses in Minnesota.

HF539, sponsored by Rep. Bruce Anderson (R-Buffalo Township), would provide modifications to the agriculture classification law so these operations would qualify for the lower property tax rate. It was laid over in the House Agriculture and Rural Development Policy and Finance Committee March 3. Sen. Doug Magnus (R-Slayton) sponsors a companion bill, SF396, which awaits action by the Senate Agriculture and Rural Economies Committee.

Rep. Terry Morrow (DFL-St. Peter) said the bill may have implications with HF12, the Green Acres bill currently making its way through the legislative process. He recommended sending the bill to the House Taxes Committee.

Hennepin County assessor Bill Effertz said the bill could result in more discrepancies between city and county assessors.

— S. HEGARTY

Business & Commerce

Point-of-purchase credit sought

Although equipment purchased by a manufacturing company is exempt from sales tax, it is paid at the point of purchase and paperwork must then be submitted to

the state for a refund. In recent years, some of these refunds have been delayed because of the state's cash flow issues and budget problems.

Rep. Mike Benson (R-Rochester) sponsors HF633 that would do away with the refund and simply make the purchases tax exempt at the point of purchase. The House Taxes

Committee held the bill over March 1 for possible omnibus bill inclusion.

There was bipartisan agreement that the change is needed; the question is how to pay for the change.

"For those small businesses that are least able to support the float time, in a time of

SERVICE HELPER



PHOTO BY ANDREW VONBANK

A service dog takes a rest during the Deaf, DeafBlind and Hard of Hearing Lobby Day awards ceremony in the Capitol Rotunda March 2. The event, sponsored by the Commission of Deaf, DeafBlind and Hard of Hearing Minnesotans, aims to help legislators understand why state programs and services are needed.

economic downturn when creating jobs and increasing productivity are most critical to our economy, we are using their refund to carry the government,” said Rep. Jenifer Loon (R-Eden Prairie).

Benson said that because of the current deficit, the bill would become effective with purchases made after June 30, 2013.

The cost to the state in fiscal year 2014 would be approximately \$1 million and \$51,900 in fiscal year 2015. A portion of the refunds paid each year reflects sales tax paid in previous years as businesses have three-and-a-half years from the date of purchase or lease to file a refund claim.

Rep. Melissa Hortman (DFL-Brooklyn Park) said she has supported similar bills over the years, but she questioned the wisdom of binding a future Legislature to paying for the bill. “The cost to pay for this exemption is relevant. Banking on future economic growth is not realistic. ... Hope is not a payment mechanism,” she said.

David Radziej, president of Printing Industry of Minnesota, Inc., said that sales tax on a single piece of equipment is often thousands of dollars, and the delay in payment can create a significant drain on small manufacturers’ cash flow.

A companion, SF480, sponsored by Sen. John Sterling Howe (R-Red Wing), has been referred to the Senate Taxes Committee.

— L. SCHUTZ

Taylors Falls takes on Wisconsin

The mayor of Taylors Falls is in a border battle with Wisconsin. Only a 220-foot bridge span separates his community of approximately 1,000 from St. Croix Falls, Wis., and its new sign that states: “Open for business.”

Despite the larger community across the river, with its tax advantages and the perceived business-friendly climate, Mike Buchite has a plan to grow jobs in his community with a new business park. He needs one thing from the state, however: to have all or a part of his city designated as a border city development zone and \$100,000 to help him provide a state tax benefit to businesses choosing to locate there.

Rep. Bob Barrett (R-Shafer) sponsors HF112 that would accomplish the mission.

Approved by the House Property and Local Tax Division March 2, it was sent to the House Jobs and Economic Development Finance Committee. The companion, SF109, sponsored by Sen. Sean Nienow (R-Cambridge), has been laid over by the Senate Taxes Committee for possible omnibus bill inclusion.

A border city designation allows businesses locating or expanding in designated zones to qualify for property tax exemptions, corporate franchise tax credits and a sales tax exemption.

Through partnerships, Buchite now has

land and the funds for infrastructure. “I just need you to do one thing, level the playing field for me with Wisconsin. Allow me to compete,” he said. With the \$100,000, he would give land to any new business starting up in the new park.

Rep. John Benson (DFL-Minnetonka) said the problem with incentives is that it can create a system of winners and losers with businesses jumping from one incentive to another, and that the broader issue of taxes is what needs to be addressed.

Instead of asking the state for funding, Rep. Ann Lenczewski (DFL-Bloomington) suggested the city change its business classification rate, creating a shift that would fall on the shoulders of the entire community’s taxpayers.

— L. SCHUTZ

Education

Schools not state piggy bank

Last year Gov. Tim Pawlenty invoked a statute that had never before been used, to delay state aid payments this fall to districts with more than \$700 per resident pupil units in their cash reserve balance. The measure essentially allowed the state to treat the schools’ reserve funds as a piggy bank to cover its short-term cash flow crunch.

The House Ways and Means Committee approved a bill March 1 that would repeal the statute. Sponsored by Rep. Tim Kelly (R-Red Wing), HF576 now goes to the House floor. It has no Senate companion.

According to a Jan. 18 memorandum from Education Commissioner Brenda Cassellius, to school districts the shift resulted in delayed payments of an estimated \$192 million to 144 school districts. The delayed state aid is to be repaid in full on May 30, 2011. However, the memo informed districts they may not receive the amounts due as a cash payment, because of another accounting shift — the early levy recognition specified elsewhere in statute. In some districts, the tax shift-adjustment to state aid may eliminate or reduce the payback amount.

— K. BERGGREN

Elections

Voter ID bill moves forward

One of two voter ID bills making progress in the House cleared another committee hurdle Feb. 28.

PATHWAYS COMPROMISE



PHOTO BY TOM OLMSCHIED

Senate Education Committee Chairwoman Gen Olson, left, and House Education Finance Committee Chairman Pat Garofalo shake hands March 1 after the conference committee on alternative paths to teacher licensure voted to send the conference committee report back to the House and Senate for a vote. A compromise agreement with Gov. Mark Dayton is expected to guarantee the bill will be signed into law.

Sponsored by Rep. Mike Benson (R-Rochester), HF89 would require all voters to either present a valid government-issued photo ID or cast a provisional ballot. The House State Government Finance Committee approved the bill on a 12-6 party-line vote and referred it to the House Ways and Means Committee.

Under the bill's provisions, voters who don't possess a valid photo ID could receive a special voter ID card at no charge from their county. The practice of vouching as a means of voter identification would be eliminated, and in its place the bill would establish a provisional balloting system, whereby those without ID could verify their identity after the election to have their ballot counted.

Benson's bill is similar to HF210, sponsored by Rep. Mary Kiffmeyer (R-Big Lake). That bill, which includes a much broader package of election law changes, awaits action by the committee.

Supporters say the bill is necessary to ensure the integrity of election results, while opponents argue it would disenfranchise certain groups of voters. Committee members also heard from local officials who said the bill would create an unfunded mandate on local governments.

Ramsey County Elections Manager Joe Mansky said provisional voting is a complicated process that would strain city and county budgets and that has proved problematic in other states. He said county officials would prefer an electronic polling place roster that would allow them to verify voters' identities at the polling places without having to resort to provisional ballots.

Bloomington City Clerk Tom Ferber said the complexity of the provisional voting process would increase the likelihood of errors by election judges. He requested that the bill's effective date be pushed back to 2012, so as not to complicate the 2011 municipal elections.

Sen. John Sterling Howe (R-Red Wing) sponsors SF479, the companion to Benson's bill, which awaits action by the Senate Local Government and Elections Committee. SF509, the companion to Kiffmeyer's bill, is sponsored by Sen. Warren Limmer (R-Maple Grove). It awaits action by the same committee.

— N. BUSSE

Paying for the recount, lawsuit

Members of a House committee held over a bill Feb. 28 that would resolve some unpaid bills from a pair of election controversies.

Sponsored by Rep. Morrie Lanning (R-Moorhead), HF577 would appropriate \$470,375 to the Office of the Secretary of State to pay for costs from the 2010 recounts and legal fees from a lawsuit over restrictions on exit polling.

The House State Government Finance Committee held the bill over for possible omnibus inclusion. There is no Senate companion.

A majority of the funds, \$322,000, would be used to compensate counties involved in the 2010 recounts, including the gubernatorial recount. Secretary of State Mark Ritchie said his office relied on county auditors and their staff during the recount because it was less expensive for the state.

"We need to make sure that our partners at the county level are not harmed," Ritchie said.

The remainder, \$148,375, would go to pay legal fees for a 2008 U.S. District Court case brought against the state by several major news media companies. ABC, CNN, Fox News and others charged that a state law restricting exit polling near voting locations was unconstitutional.

In the lawsuit, the news organizations argued the First Amendment guaranteed their right to do exit polling at the door, rather than the 100-foot limit established by the Legislature. The court agreed and ordered the state to pay the plaintiffs' legal fees. The Legislature subsequently changed the law.

— N. BUSSE

No more automatic recounts

Minnesotans might see fewer election recounts, if a bill headed for the House floor becomes law.

Sponsored by Rep. Mike Beard (R-Shakopee), HF561 would eliminate automatic recounts of state and federal elections. It would also change the vote thresholds for elections to be recounted at taxpayer expense.

The House Government Operations and Elections Committee approved the bill and sent it to the House floor. There is no Senate companion.

Under the provisions, publicly funded recounts would still be available for state and federal elections if the vote difference between the winner and loser fall within a certain threshold. The change would be that the losing candidate must request the recount.

Currently, state and federal elections that fall within the threshold trigger the recounts

automatically. For local elections, the losing candidate already must request a recount.

In addition, the bill would narrow the threshold of the difference in candidates' votes that qualifies for a publicly funded recount. Under the new provisions, the threshold for most state and federal and some local races would fall from 0.5 percent to 0.25 percent.

Beth Fraser, director of governmental affairs for the Office of the Secretary of State, called it a "common-sense bill." She said an automatic recount was triggered last year in a judicial primary where neither candidate wanted one. Losing candidates can waive their right to a recount via a written request, but she said in this case the candidate didn't bother to do so.

Rep. Ryan Winkler (DFL-Golden Valley) said he didn't think one judicial race justified changing the law. He said he is more comfortable with the current standard, which does a better job of protecting voter intent.

— N. BUSSE

Employment

Airline workers' OT exemption

Delta Airlines employee Brenda Deutsch urged the House Commerce and Regulatory Reform Committee to approve a bill that would allow her to continue voluntarily trading shifts with other employees, so she can care for her ailing husband on weekdays.

Sponsored by Rep. Leon Lillie (DFL-North St. Paul), HF571 would allow air carrier employees to trade shifts even if it results in work weeks over 48 hours, which normally require overtime pay under the state's Fair Labor Act. The committee approved the bill March 1. It goes next to the House floor.

Bill Lentsch, Delta's senior vice president of Minnesota operations, said the airline's work week is 80 hours over a two-week period, but that for years employees have enjoyed the flexibility of being able to arrange their schedules to accommodate family needs, other employment or vacations.

Rep. Tom Anzelc (DFL-Balsam Township) wondered what percentage of employees want the exemption.

Lenstsch said the same opportunity to trade was in the union contract before employees recently voted to be non-union, and estimated that between 10 percent and 20 percent of employees take advantage of the

flexibility. He said he attends frequent town hall-style meetings at the Minneapolis-St. Paul International Airport and the airline's Iron Range center to solicit employee feedback.

Deutsch, a 17-year Delta employee, said she has counted on trading shifts to take family summer vacations for years, and more recently, to care for her husband, who has suffered from three strokes. Now, as sole breadwinner and caretaker in her family, she often works double shifts on weekends, and is home with her husband during the week, when she can schedule medical appointments for him.

"The opportunity to trade benefits the employee, not the company," said Glen Hammond of Hibbing, a Delta employee at the airline's Iron Range facility. Overtime is still paid in other circumstances, he said.

"It's considered a perk," Lillie said.

Sen. Ted Daley (R-Eagan) sponsors a companion, SF488, which awaits action by the Senate Jobs and Economic Growth Committee.

— K. BERGGREN

No bonding for pensions?

Cities, counties and school districts with unfunded pension liabilities would have one less tool to fund them, if a bill sponsored by Rep. Linda Runbeck (R-Circle Pines) becomes law.

HF696 would take away local governments' ability to bond for pension and postretirement health benefits for public employees. Under current law, cities, counties and townships can use their bonding authority to pay for postemployment benefits; school districts can also do so by way of a referendum.

Runbeck said it makes sense for cities to bond for capital assets like buildings, but not to compensate for poor financial management of pensions and retiree health benefits.

"I think having the authority in statute is a green light. It means that we think this is an acceptable practice," she said.

After some debate, members of the House Government Operations and Elections Committee laid the bill over March 1. It has no Senate companion.

Runbeck argued many private-sector employees don't have access to the kinds of pension and post-retirement benefits provided to public employees. She said local governments that can't fund these benefits should simply stop trying to provide them.

"We have a situation where commitments

were made that are not affordable," Runbeck said. "Our elected officials are under pressure to not do the right thing."

Opponents worry that the bill will lead to calls for the state to bail out pension funds. Rep. Mike Beard (R-Shakopee) brought up the Minneapolis Teachers Retirement Association, whose pension liabilities were absorbed into a state-level retirement fund after it went insolvent. He said bonding might be a better option for some local governments.

"If past indiscretions have been cleaned up, and going forward they're on a solid footing, wouldn't that be an opportunity where bonding actually might make sense?" Beard said.

Runbeck agreed to let the committee lay the bill over after Rep. Ryan Winkler (DFL-Golden Valley) offered to help draft an amendment that would require a study of local governments' unfunded liabilities.

— N. BUSSE

Env. & Natural Resources

Speeding up reviews

Signed
by
the
governor

Major revisions to the environmental permit process within the Department of Natural Resources and the Pollution Control Agency were signed into law by Gov.

Mark Dayton March 3.

Sponsored by Rep. Dan Fabian (R-Roseau) and Sen. Bill Ingebrigtsen (R-Alexandria), the law, effective March 4, 2011, requires the DNR and PCA to issue or deny environmental and resource management permits within 150 days of a submitted application. The 150-day clock will not start until the proposer's application is considered complete. The DNR and PCA will have 30 days to make that determination.

Some applications can now take months or years to complete and drive would-be projects to neighboring states, said law proponents.

Under the law, statements of need and reasonableness for rulemaking will include an assessment of the difference between the proposed rule and existing federal standards for air and water quality, as well as standards in bordering states. The law also allows the review process to bypass district court and go directly to the Court of Appeals.

Concern over allowing a project proposer to draft their own environmental impact statement was a controversial topic. In his

letter to the bill sponsors, Dayton said, "To assure the MPCA's heightened vigilance over the projects following the enactment of this legislation, I am preparing an Executive Order that will instruct the MPCA, the DNR, and any other responsible state authorities to develop and implement whatever measures are necessary to assure that neither the quality nor the integrity of ensuing Environmental Impact Statements is compromised, and that there is no weakening of either their or any RGU's performance of their reviews and oversight responsibilities."

HF1*/SF42/CH 4

— S. HEGARTY

Parks and Trails Fund requests

To aid in the process of connecting more people to the outdoors, acquiring more park land, accelerating the maintenance and rehabilitation of park facilities and offering grants to local governments, the Department of Natural Resources is requesting \$44.7 million from the Parks and Trails Fund for the 2012-2013 biennium from the House Legacy Funding Division.

Following 21 regional workshops across the state and targeted outreach to people under age 20, a steering committee compiled strategies for accomplishing the goals.

With more immigrants moving to the state, one strategy is to create ways of overcoming cultural barriers caused by a more diverse population, according to Courtland Nelson, director of the DNR State Parks Division.

Another underserved population includes young people who are tethered to electronics and will eventually become the next generation of park stewards. The DNR is looking at ways of using social media such as Twitter and Facebook to entice youth to visit a park.

Deferred maintenance in state parks is an ongoing problem, and Nelson said there aren't enough Legacy dollars coupled with other sources of funding to accomplish all the necessary work. One of the highest priorities is making park buildings and facilities accessible to those with disabilities, he said.

About \$12.3 million of the \$44.7 million request is for grants to local governments. The next biennium includes two full years of sales tax receipts and no startup costs for the Parks and Trails Fund, so the DNR has requested a 28 percent increase in the amount of grants they can pass on to counties and cities.

The Metro Regional Park Agency,

comprised of 10 Twin Cities metropolitan area park agencies, also presented its funding request to the division members, including \$3.2 million for land acquisition.

According to statute, 10 percent of the Parks and Trails Fund must be used to acquire land for parks of regional or statewide significance. The agency plans to use the money to build 700 new miles of trails, two new parks and to pay installments on land previously acquired. Emphasis will be placed on expanding opportunities close to where the highest population centers are. With increasing gas prices, agency representatives expect there will be higher demand for the parks closer to home, said Steve Sullivan, Dakota County Parks director. There were 38 million visits to the regional parks within the Metro Regional Parks system last year.

— S. HEGARTY

Legacy funds for veterans camps

Two camps for military veterans are requesting grants from the Arts and Cultural Heritage Fund to make improvements to the campgrounds that serve disabled veterans and their families.

Sponsored by Rep. Bob Dettmer (R-Forest Lake), HF105 was laid over March 1 by the House Legacy Funding Division for possible omnibus bill inclusion.

The bill seeks \$500,000 for capital improvements at the Disabled Veterans Rest Camp on Big Marine Lake in Washington County. Rep. David Dill (DFL-Crane Lake) successfully amended the bill to include a \$100,000 grant for the Veterans on the Lake campground on Fall Lake near Ely, which provides similar services as the rest camp on Big Marine Lake.

The bill was previously approved by the House Veterans Services Division, except the funding would have come from the General Fund. There, Rep. Phyllis Kahn (DFL-Mpls) suggested Dettmer seek Legacy funds, so the bill was rerouted to the House Legacy Funding Division, where members discussed which of the four Legacy funds would be most appropriate to use for camp renovations.

The camp's classification as a private campground may have prohibited its eligibility for Legacy money, but a current, expanded policy allows "sponsored guests" of veterans and their families to also camp. No decision was made about which fund any appropriation should come from.

Sen. Ray Vandever (R-Forest Lake) sponsors the companion, SF128, which awaits action by the Senate State Government

Innovation and Veterans Committee.

— S. HEGARTY

Higher Education

The future for medical professionals

Minnesota could be facing a health care crisis in the coming years as its residents age, including those who provide the treatment.

That is why officials from the Academic Health Center at the University of Minnesota reiterated to the House Higher Education Policy and Finance Committee March 1 the importance of minimizing any budget reductions the center may face. Approximately 15 percent of the center's revenue comes from state support. The committee took no action.

"There are critical shortages in this state in primary care physicians," said Dr. Aaron Friedman, vice president of health sciences and dean of the medical school. "We have a responsibility, and we feel strongly we should be helping in this regard." He said shortages also exist in psychiatry, surgery, orthopedics, nursing, dentistry, pharmacy



PHOTO BY ANDREW VONBANK

Dr. Daniel Garry, director of the Lillehei Heart Institute at the University of Minnesota, shows a human heart with attached pacemaker to members of the House Higher Education Policy and Finance Committee March 1 during a presentation on the university's Academic Health Center.

and large-animal veterinary medicine.

"In the past year alone we had an \$18 million cut," Friedman said. "Each dollar of state support into the health sciences leverages close to \$9 in revenue from both public and private grants and for taking care of patients."

The center trains 70 percent of the state's health professionals; is the state's only veterinary medicine school; provides 460,000 patient clinic visits annually while students learn beside a professional; and performs more than \$425 million of privately and publicly funded research.

Dr. Daniel Garry, director of the university's Lillehei Heart Institute, held a pacemaker attached to a human heart, while explaining how the first successful open-heart surgery was performed at the university nearly 60 years ago.

"Just like in 1952 when the University of Minnesota rocked the world, and made a profound impact in the treatment of heart disease, we, too, want to impact the treatment of our family members, our neighbors and our community members."

Raising tuition is not much of an option because the university already ranks near the top nationwide. "If we're going to continue to train our students and work across Greater Minnesota, we may not be able to be in certain places. We may not be able to go to certain clinics," Friedman said. "The rural physicians program ... is not required by our accreditation bodies. It's the right thing for us to do in Minnesota. That's the kind of thing we have to look at to accommodate 15 or 20 percent reductions."

— M. COOK

MnSCU fears more budget cuts

Eliminating more programs, reducing more staff and higher tuition are all possibilities as officials from the Minnesota State Colleges and Universities system seek solutions to a likely reduction in state funding.

In his biennial budget proposal, Gov. Mark Dayton proposes a 6 percent reduction, a \$75.6 million base cut. MnSCU officials are requesting to keep their biennial base level of funding at \$1.26 billion.

"With that we'd be below fiscal year 2003 funding, even though we're serving 37,600 more students than we were in 2003," Chancellor James McCormick told the House Higher Education Policy and Finance Committee at a Feb. 24 informational hearing.

McCormick said that while system

enrollment is up for the fifth straight year — to about 158,000 — the state appropriation continues to shrink. “State spending per student has declined from \$4,877 per student in 2001 to \$3,832 in 2011. During that time we’ve been forced to increase tuition to make up some of that loss.”

CFO Laura King said many colleges and universities have already taken budget reduction action. For example, 27 have announced position reductions; 17 have implemented early retirement plans; and 14 have announced the planned discontinuation of 81 programs.

“We had to go with a worst-case scenario: plan for the worst and hope for the best,” said Richard Davenport, president of Minnesota State University, Mankato.

System leaders have been asked to look at what a 15 percent and a 20 percent base funding reduction could mean.

“If we chose only one method to make the reduction, here’s what the impact would be: staff reductions of almost 1,000 full-time equivalents — more than 15 percent of our total staff — faculty reductions of 880 — almost 10 percent of the total faculty,” McCormick said. “This would mean 9,200 fewer course sections, a reduction of 166,000 credit registrations and a decreased enrollment of more than 16,000 students. Another approach would be a tuition increase of 12 percent.” Tuition has increased almost 5 percent each of the last two years.

Clarence Hightower, vice chairman of the MnSCU Board of Trustees, told the committee that the board is committed to keeping tuition down. “But to do that we’re going to absolutely need your help and support.”

— M. COOK

Military & Vet. Affairs

Plate for women veterans approved

Trista Matascastillo and Melissa Passeretti are proud of serving their country, and they’d like the opportunity to show it with a license plate to honor the more than 23,000 women veterans.

HF50, sponsored by Rep. Bruce Anderson (R-Buffalo Township), chairman of the House Veterans Services Division, would create a new veterans license plate to honor women veterans. As with most other veterans’ plates, there would be a \$10 application fee in addition to the annual registration fee for the vehicle. An additional \$5 surcharge for each



PHOTO BY TOM OLSCHIED

Minnesota Army National Guard SFC Gail Kaplan, left, testifies Feb. 28 before the House Veterans Services Division in support of a bill that would authorize a special veteran’s license plate for women. Trista Matascastillo, chairwoman of the Minnesota Women Veterans Initiative Working Group, right, also testified for the bill.

set of plates would go into an account so that the Minnesota Women Veterans Initiative Working Group could use it to help women veterans and to promote public awareness about them.

Matascastillo, chairwoman of the working group, said women veterans with other specialty plates often get thanked by the public for their husband’s service, because people tend to assume they are not the veteran. Passeretti, who served two tours of duty in Iraq, said her male counterparts support the bill.

The division approved the bill Feb. 28 and referred it to the House Transportation Policy and Finance Committee. A companion bill, SF51, sponsored by Senate Majority Leader Amy Koch (R-Buffalo), awaits action by the Senate State Government Innovation and Veterans Committee.

— S. HEGARTY

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Public Safety

More time for elevator upgrades

Rep. Tom Hackbarth (R-Cedar) would like to give residential and commercial building owners more time to comply with elevator upgrades required by the latest building code revision. According to statute, elevator upgrades must be completed by Jan. 29, 2012, or the elevator will be taken out of service.

“I don’t believe I have an elevator in my district, but a constituent of mine does own some condominiums and apartment buildings that have some elevators,” Hackbarth told the House Commerce and Regulatory Reform Committee March 2. After an inspection, the owner realized he needed more time to get the work done.

Hackbarth sponsors HF664, which would extend the compliance deadline. Owners would have three years to implement changes after submitting their work plan to the Department of Labor and Industry. The committee approved the bill, which goes next to the House floor. It has no Senate companion.

The most recent rules were adopted in 2007, but the economy has changed drastically since then, said Todd Liljenquist, director of government relations for the Minnesota Multi Housing Association, putting a burden on property owners. He said an informal poll of association members revealed 119 elevators in buildings they owned were indicated as needing work, but only 48 had already complied with the upgrades.

Besides the expense of making the upgrades, there is a limited number of contractors available statewide who can perform the work to make sure it’s in compliance, said Liljenquist. Hackbarth said the number of elevator inspectors is also limited, hindering the process.

— K. BERGGREN

Getting tough on repeat offenders

A second or later criminal sexual conduct may result in a felony charge at all degree levels.

Sponsored by Rep. Andrea Kieffer (R-Woodbury), HF532 would increase second and subsequent fifth-degree criminal sexual conduct offenses to a felony-level crime to match those of first- through fourth-degree offenses. The change could mean a penalty of up to five years in prison.

Approved March 2 by the House Public Safety and Crime Prevention Policy and

Finance Committee, the bill was sent to the House Judiciary Policy and Finance Committee. It has no Senate companion.

"Enhancing the penalties for this type of crime and conviction could have long-term impacts on preventing future, and potentially more serious, assaults," Kieffer said.

According to state statute, "A person is guilty of criminal sexual conduct in the fifth degree: (1) if the person engages in nonconsensual sexual contact; or (2) the person engages in masturbation or lewd exhibition of the genitals in the presence of a minor under the age of 16, knowing or having reason to know the minor is present."

Assistant Goodhue County Attorney Erin Kuester said these are types of offenses that can often be repeated.

"In this culture where we are saying repeat sex offenders are damage to the community and to victims, this is one of the offenses that we do not react to," she said. "Throughout the state of Minnesota, prosecutors have joined together and have found that this is one of the existing loopholes under current Minnesota law where it allows an individual

to repeatedly violate others individually, sexually, and the penalty does not change."

Letters of support were provided by the Minnesota County Attorneys Association and Washington County Attorney Peter Orput.

A preliminary fiscal note indicated the bill's impact would be five additional prison beds.

— M. Cook

Protecting law enforcement help

Last summer a driver in McLeod County failed to follow the directive given by a uniformed member of the sheriff department's mounted posse to a proper parking location. The driver drove in such a way that one mounted posse member had to take evasive action so as not to be hit, but the vehicle contacted the horse of another member.

"The incident brought to light the question of what charges could be brought against the driver given the language and the current assaulting or harming a police horse statute," said Rep. Ron Shimanski (R-Silver Lake). "The definition of a police horse in current statute seems to require the horse be used or ridden by a peace officer. In outstate Minnesota, the majority, if not all members, of sheriff's mounted posses, mounted patrols and all similar organizations are staffed primarily by volunteer personnel."

Because it was a volunteer on the horse, and not a licensed peace officer, the McLeod County Attorney's Office said the statute did not apply.

Sponsored by Shimanski, HF506 would add in statute the definition of a law enforcement assistant and make it a gross misdemeanor to assault such a person or animal "while the law enforcement assistant is operating at the direction of, under the control of, or on behalf of a peace officer or a law enforcement agency."

Approved March 3 by the House Public Safety and Crime Prevention Policy and Finance Committee on a split-voice vote, the bill awaits action by the House Judiciary Policy and Finance Committee. A companion, SF301, sponsored by Sen. Scott Newman (R-Hutchinson), awaits action by the Senate Judiciary and Public Safety Committee.

We are volunteers with our own horses who provide assistance for things like search and rescue, outreach and crowd control, said Ken Levinson, a member of the Carver County Sheriff's Mounted Posse. Acting as a representative of the sheriff's office, he assumed members were entitled the same

protections as law enforcement.

DFL members raised a number of concerns, including some of the language being too vague about whom exactly is a law enforcement assistant, and that protection like this does not exist for reserve officers.

Rep. Sheldon Johnson (DFL-St. Paul) suggested the bill be held over until some definitions are clarified; however, Shimanski and supporters vowed to address the concerns and provide an amendment at the bill's next stop.

— M. Cook

State Government

Compensation bump questioned

State Auditor Rebecca Otto said her office is one of the leanest run in state government, but House members questioned whether a proposed compensation increase for her employees is needed.

Otto's budget proposal includes an \$809,000 increase in pay and benefits for the office's 115 employees. The increase is also included in Gov. Mark Dayton's budget proposal.

Spaced out over two years, the plan calls for a 3.6 percent increase in fiscal year 2012 and 5.2 percent in fiscal year 2013. During a presentation to the House State Government Finance Committee, Otto was questioned by committee members concerned about the request.

"I'm looking at that as a pay raise of some sort," said Rep. Mike Benson (R-Rochester).

Otto defended her budget request, saying it is necessary to retain highly trained audit staff.

"This is to keep my staff. This is to hold on to the people that I have so that I don't have to cut staff so we can actually get our work done," Otto said.

She said all but \$19,000 would be repaid to the state's General Fund through "offsets" — fees and reimbursements paid by local governments. Eighty percent of the office's \$19.4 million budget is recovered through offsets.

Rep. Keith Downey (R-Edina) said the costs of audits in the private sector have been decreasing due to economic factors and improvements in technology. He questioned why the state auditor is increasing the cost of its audit staff and transferring that cost to cash-strapped local governments.

"It jumps out at me that we're increasing our costs and passing it onto the locals," he said.



PHOTO BY ANDREW VONBANK

Assistant Goodhue County Attorney Erin Kuester testifies March 2 before the House Public Safety and Crime Prevention Policy and Finance Committee in support of a bill that would enhance repeat criminal sexual conduct offender penalties.

The office is charged with monitoring the financial reports and practices of local units of government. Its employees collectively oversee some \$20 billion annually in local government spending. Since it is a constitutionally separate state office, the auditor is responsible for proposing their own budget to the Legislature.

Committee members took no action.

— N. BUSSE

Taxes

A step toward a reciprocity agreement

Minnesota is waiting for approximately \$60 million from Wisconsin that was due on Dec. 1, 2010. The money is the final payment owed through the income tax reciprocity agreement that former Gov. Tim Pawlenty canceled in 2009.

Since 1968, residents crossing state lines for work were able to file their income tax return in their state of residence. Paul Wilson, research director for the Revenue Department, told the House Taxes Committee March 2 that Pawlenty nixed the agreement because the state lost money and because of the 17-month delay in receiving any payment.

But now, a study proposal to establish income tax reciprocity benchmarks could be a step toward a new agreement. Sponsored by Committee Chairman Greg Davids (R-Preston), HF701 was held over for possible omnibus bill inclusion. The companion, SF122, sponsored by Sen. Roger Reinert (DFL-Duluth), awaits action by the Senate Taxes Committee.

Davids said that Wisconsin is interested in reinstating reciprocity, and that he would soon be sponsoring a bill to do so.

Due to the Legislature by March 1, 2013, the study would be conducted by the Minnesota and Wisconsin revenue departments. It would include:

- the number of residents of each state with earnings in the other state;
- the income earned by the residents; and
- the amount of tax revenue that would be lost or gained by each state if a reciprocity agreement were again implemented.

Wilson said there have been three reciprocity studies over the years, and a new one would be essential if the agreement was to be reinstated. He said that 13,000 Minnesotans will have to pay taxes to Wisconsin this year, something they

wouldn't have to do so if an agreement was in place.

— L. SCHUTZ

High-tech tax compliance

Lawmakers are considering computer software that could help track down tax dodgers while leaving honest taxpayers alone.

Sponsored by Rep. Joyce Peppin (R-Rogers), HF174 would require the Revenue Department to purchase high-tech tax compliance software that could identify potential candidates for tax audits. Such programs are already available from companies like SAS Institute Inc., whose software is used in Wisconsin.

John Dolejsi, a government account executive for SAS, said the company's tax analytics software uses predictive modeling to identify potential tax fraud and noncompliance. Using the information, tax collectors can focus and prioritize audits of individuals and businesses that might not be paying their fair share.

"Our goal here ... is to maximize the tax collection and minimize any of the disruption to businesses or individuals who shouldn't be audited or reviewed," Dolejsi said.

The House State Government Finance Committee laid the bill over March 2 for possible omnibus inclusion. There is no Senate companion.

Over the last decade, the Revenue Department has become more aggressive about collecting unpaid taxes. In 2000, 54 percent of department employees were involved in tax compliance activities; by 2010, that number had increased to nearly 75 percent.

Beginning in 2002, the Legislature and Gov. Tim Pawlenty ordered several new tax compliance initiatives. The department was able to bring in additional revenue by expanding its number of auditors; however, the return on investment has diminished from 10:1 in 2003 to 4:1 last year.

Some members expressed concern about the cost of such a system. Rep. Phyllis Kahn (DFL-Mpls) successfully amended the bill so that only "reasonable" responses to the department's request for proposals would be considered.

Rich Neumeister, a state resident who frequently lobbies on data privacy issues, cautioned lawmakers about letting private companies handle personal data on taxpayers.

"The bottom line here is this involves individual rights, privacy rights, and whether you want to call it hunting or trolling, that's what it is," he said.

— N. BUSSE

More produce for food shelves

Approximately 82,000 people visit a food shelf in the state at least once a week; nearly double the number since 2005.

'FLORIDA STORY'



PHOTO BY TOM OLMSCHIED

Patricia Levesque, center, executive director of the Foundation for Excellence in Education, shared "The Florida Story," an improvement in student outcomes, to a joint hearing of the House education committees Feb. 28. Jay Greene, right, the department head and 21st Century Chair in Education Reform at the University of Arkansas, and former Florida Education Commissioner John Winn also spoke during the hearing.

Newell Searle, vice president of external relations for Second Harvest Heartland, a regional food bank, told the House Taxes Committee March 1 that HF505 would provide a mechanism to increase the amount of fresh produce available at food shelves.

Sponsored by Committee Chairman Greg Davids (R-Preston), the bill would allow producers of agricultural products to write-off the value of the product, not just the cost of production, and it would expand the benefit beyond C corporations. The bill was held over for possible omnibus bill inclusion. It has no Senate companion.

"This levels the playing field for all donors. It would allow them to deduct part of the fair market value of the crop that they might otherwise just plow under, or in the case of apples, just let fall to the ground," Searle said.

Under current general charitable contribution rules, a business contributing inventory is limited to deducting an amount equal to its cost of creating the inventory or the fair market value, whichever is less. There are also rules that allow C corporations to deduct a larger amount. The bill would provide some partnerships and sole proprietors the same deduction.

This change would conform the state to a temporary federal tax provision for years 2010 and 2011. However, the Minnesota change has no expiration date.

"This is an opportunity to connect farmers with those who need the produce," Searle said. "It provides an incentive to them to recover some of the costs of producing bagging and transporting which can be more than they can absorb."

— L. SCHUTZ

Incentivizing job creation

It sounds like a good reward to businesses that create decent paying jobs: provide a tax credit for increasing your payroll from the previous years. The problem is, however, the revenue loss to the state in one fiscal year alone could be \$1.5 billion.

"This was meant to be a really good idea — capture the increased income tax revenue from business growth and give it back to employers," said the sponsor of HF446, Rep. Jim Abeler (R-Anoka).

His bill would allow businesses to claim a 5 percent credit against the corporate franchise tax or the individual income tax based on the increase in Minnesota payroll from the amount paid the previous year.

The bill was laid over March 1 by the House Taxes Committee for possible omnibus bill

inclusion. It has no Senate companion.

After learning of the bill's fiscal impact, Abeler was realistic about its future. "Is there a way to generate jobs that would have not come otherwise?" he asked. "What I'm bringing you is an idea that is a little rawer than I thought it would be."

According to the Revenue Department, the impact of the credit is "indeterminable," but with approximately \$30 billion in wages that could be eligible for the credit, the revenue loss in fiscal year 2015 could be \$1.5 billion.

"When you capture taxes that come from activity, you just continue to raise taxes on everyone else. It is an inherent subsidy," said Rep. Ann Lenczewski (DFL-Bloomington). "Even if I thought this was a good idea, how would the state determine that, in fact, a job only happened because of your legislation?"

Abeler acknowledged there were no clear answers to the question and his hope is that discussion continues on how to incentivize the state's employers.

— L. SCHUTZ

No more tax aids and credits

What would happen if all state aids and tax credits were abolished and all the shackles that bind local governments to state mandates and levy limits were eliminated? Rep. Ann Lenczewski (DFL-Bloomington) presented the scenario to the House Property and Local Tax Division March 2 in the form of HF398.

The bill would get to "zero-based budgeting for property taxes," she said, by doing away with all state aids, credits and mandates to local governments. Laid over for possible inclusion in an omnibus bill, it has no Senate companion.

Lenczewski said this is her attempt to get beyond rhetoric and have members think about the role aids and credits play in helping to equalize property taxes and services across the state.

"What I'm attempting to do is throw out the system, and use data to help people think, 'If you are going to redo the system how would you do it,'" she said.

If enacted, everything from local government aid to credits related to market value, disaster and taconite would go away. However, the property tax refund would be enhanced and the renter's credit assured. This would move from the state tax system to purely local decision-making, she said.

Scenarios created by the nonpartisan House Research Department and the Department of Revenue show that this all comes at a cost.

While the state may save approximately \$1 billion a year, the average property taxpayer in Greater Minnesota would see a more than 20 percent increase in their property taxes, while most in the Twin Cities metropolitan area would see at least a 10 percent increase. Towns on the Iron Range would experience a 107 percent



PHOTO BY TOM OLMSCHIED

St. Louis Park Fire Chief Luke Stemmer looks through a bill that many of the fire chiefs attending the House Property and Local Tax Division hearing March 2 said would greatly affect the funding of their pensions, and their ability to recruit new volunteer firefighters whose only benefit for their service is a pension.

hike in property taxes. A few cities, like Bloomington, would see a decrease.

Lenczewski encouraged members to have the conversation about how the system works as a unit and its impact across the state.

"The system works to equalize disparity. ... Sometimes the committee does better work if the rhetoric is toned down and recognizes these things have a purpose," she said. Only then can we frame the discussion around what to do with the \$5 billion deficit, she added.

— L. SCHUTZ

Thursday's Floor Action

No votes for Dayton tax plan

Amid charges of "political theater," Republicans put a version of Gov. Mark Dayton's tax increase plan to a vote on the House floor. No one voted for it.

Rep. Pat Garofalo (R-Farmington) offered the plan in the form of a minority report to HF451, a federal tax conformity bill. Dayton's original budget proposal included nearly \$4.13 billion in new revenues, mostly through taxes on the state's highest income earners. On Feb. 28, he scrapped a temporary surtax proposal on incomes over \$500,000. It would have brought in \$918 million.

House members voted 131-0 against the minority report March 3. Sponsored by Rep. Greg Davids (R-Preston), the bill now moves to the House Ways and Means Committee.

"I'm extending this as an offer and a courtesy to the minority party," Garofalo said. He noted that DFL lawmakers brought Gov. Tim Pawlenty's budget plans up for a vote when they were in the majority.

House Minority Leader Paul Thissen (DFL-Mpls) accused Republicans of "acting as armchair quarterbacks," playing games with the governor's budget plan instead of working on their own.

"This is political theater, like a magician snapping his fingers over here, while he tries to steal your watch over there," Thissen said.

Despite the one-sided vote tally, DFLers and Republicans had very different opinions of Dayton's plan to raise taxes.

"This is a job killer, folks," said Rep. Sarah Anderson (R-Plymouth). "We need to send a message to the citizens and to businesses that if they want to live in Minnesota, we want you to come here."

Rep. Tom Rukavina (DFL-Virginia) said Pawlenty's no-new-taxes policy failed to create jobs in Minnesota. He predicted the session would not end without some kind of

tax increase being passed.

"You're going to have to find some revenue to get us out of this mess eventually," Rukavina said.

— N. BUSSE

Alternative pathways to licensure

There's one stop left before alternative pathways to teacher licensure becomes law.

The House passed HF63/SF40* 81-50 March 3 after the Senate approved it 46-19 a few hours earlier. Gov. Mark Dayton is expected to sign the bill into law.

"If there's one message from this bill it is this: This bill raises standards. The standards for alternatively licensed teachers will be higher than the standards that apply to traditionally licensed teachers," said Rep. Pat Garofalo (R-Farmington), who sponsors the bill with Sen. Gen Olson (R-Minnetrista).

For example, he said, teachers in alternative licensure programs must have a 3.0 or higher grade point average; pass basic reading, writing and math skills exams; and obtain qualifying scores on subject area content exams and performance assessments.

The bill grants the Board of Teaching authority to rescind an alternative teacher preparation program that fails to meet those or other requirements laid out in the bill. Teachers with out-of-state licensure from accredited programs would also have a streamlined route to Minnesota licensure.

Some DFL members said they are concerned the measure doesn't stipulate enough quality assurances.

"I really think it's a watering down," said Rep. Lyndon Carlson, Sr. (DFL-Crystal), who said aspiring teachers need longer supervised student teaching time.

Rep. Mindy Greiling (DFL-Roseville) likes Teach for America, whose teachers would be licensed under the bill, but worries other alternative licensure programs wouldn't have the same high standards.

"This is a way too open bill," she said.

In a departure from House custom, Garofalo asked Rep. Carlos Mariani (DFL-St. Paul), who has sponsored similar bills in recent years, to offer closing remarks.

Mariani praised Minnesota teachers and schools overall, but said the bill will help address persistent problems in some high-need situations. He cautioned there is much more work to be done, including looking at tenure issues.

"If you think this discussion is difficult, wait 'til we tackle that discussion," he said.

— K. BERGGREN

Curbing expensive rules

State agencies would have to seek legislative approval before implementing administrative rules that cost businesses or individuals \$10,000 or more, under a bill passed by the House.

Sponsored by Rep. Torrey Westrom (R-Elbow Lake), HF203 would set limits on agencies' rulemaking authority. The bill would require agencies to determine whether compliance with a proposed rule would cost an individual, business or other entity more than \$10,000. If it does, the rule could not go into effect unless enacted by the Legislature. Passed 77-54, March 3, the bill now goes to the Senate, where Sen. David Senjem (R-Rochester) is the sponsor.

Every determination made by an agency would be subject to review by an administrative law judge. Also, portions of a proposed rule that would not exceed the \$10,000 cost threshold could be separated out from the costly provisions and go into effect without hindrance. According to Westrom, a nearly identical bill was passed in 2003 with bipartisan support in both the House and Senate, but was vetoed by Gov. Tim Pawlenty, who was concerned about giving up executive branch authority.

"This bill is about reigning in regulators or rulemaking processes that we all have been frustrated with," he said.

Opponents argued the bill would bog the Legislature down with having to make decisions on complex, highly technical rules. They also said it would violate separation of powers, forcing lawmakers to take on both executive and judicial powers.

"It would basically stop a lot of executive branch functions for us to get into the weeds on the details of every rule," said Rep. Melissa Hortman (DFL-Brooklyn Park).

— N. BUSSE

House passes 'Hannah's Law'

The parents and grandfather of a 4-year-old girl who died while in the care of a child care center last June after choking on a grape were in the House gallery when members voted 131-0 to pass a bill named in her honor. It now moves to the Senate where Sen. Dan Hall is the sponsor.

Known as "Hannah's Law," HF235*/SF381 would require all care center teachers and assistant teachers to complete CPR training for infants and children, and at least one staff person with training must be present during field trips and when transporting children. The training would have to occur within

90 days after the start of employment.

Sponsor Rep. Mary Liz Holberg (R-Lakeville) said the bill will “have people trained in first aid, so hopefully this situation will not happen again to another family,” a reference to circumstances of Hannah Kozitza’s death. There was not one trained provider in her care room that knew CPR when the tragedy happened.

Current law only requires one person in a care center to be trained, and they don’t have to be present in the room.

Ron Edlund, Hannah’s grandfather, said last month that the family wonders if the outcome would have been different if there had been at least one person in the room that was trained in CPR when Hannah died. Edlund, a Lakeville resident, contacted Holberg following his granddaughter’s death to propose legislation that would mandate such requirements.

Day care centers account for about half of the care for children in the state. Licensed home day care providers are already required to have CPR training.

— H. LONG

Ambulance claims left to the state

Under current law, there are two means by which ambulance services collect debts: through the Department of Revenue or through the county where the ambulance service operates. A bill, HF258*/SF217, would allow the department to do what its already doing — recapturing revenue from claims, according to the bill’s sponsor, Rep. Greg Davids (R-Preston).

Passed by the House 129-0 March 3, the bill removes counties as a collecting agent and their ability to charge ambulance services a fee to offset the cost of submitting claims on their behalf. An ambulance service that is owed money would turn to the department to address the claim.

The bill now moves to the Senate where Sen. Julianne Ortman (R-Chanhassen) is its sponsor.

— L. SCHUTZ

Safe schools mandate lifted

A \$30 per pupil Safe Schools Levy would remain intact, but a mandate that districts use a \$3 portion of it to fund licensed school counselors and other student support service staff could be lifted.

Sponsored by Rep. Connie Doepke (R-Orono), the House passed HF88, 75-54. It now moves to the Senate where a sponsor will be needed.

REMOVING MANDATES



PHOTO BY ANDREW VONBANK

Jan Alsweiler, right, chief lobbyist for Education Minnesota, testifies March 1 before the House Government Operations and Elections Committee during discussion of a bill that would remove education mandates. Rep. Sondra Erickson, left, is the bill’s sponsor.

The levy is a property tax assessment that funds non-classroom support personnel and programs such as violence prevention, drug awareness and intervention, licensed psychologists, counselors, school nurses and others. The bill would remove a “maintenance of effort” provision requiring districts to maintain the same funding level or the same number of those positions from year to year.

“This mandate was one of the top mandates the schools came to us and asked us to repeal,” said Doepke, of a mandate reduction task force she served on last session. “What it did was tie the districts’ hands to make decisions about what the needs of their particular community were.”

Other lawmakers said the bill would jeopardize students’ access to personnel who

help with emotional and psychological needs. Several made emotional appeals based on their experiences as teachers or school board members.

“Unfortunately what we have here today is we are being asked to erase a safeguard designed to ensure students access to counseling and other student support personnel does not get worse than it already is,” said Rep. Tom Tilberry (DFL-Fridley) referring to the state’s rank of 49th in ratio of students to counselors.

— K. BERGGREN

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Should Minnesotans be hunting for land?

Legislators aim for no-net-loss and no-net-gain targets

By SUE HEGARTY

From the pine forest to the prairie and from the boundary waters to bluff country, hunters, farmers and government officials are caught in a triangle over proposed land use legislation.

The debate escalated following the release of a 2010 legislative auditor's report about how much public land requires managing by the Department of Natural Resources.

"At the same time the DNR was acquiring land, they were kind of adding to the inventory of problems because they couldn't keep up with maintaining the land that they already owned," said John Yunker, an evaluation manager for the Office of the Legislative Auditor.

Then, another report by the DNR titled "Long-Range Budget Analysis of Land Management Needs" projected annual \$10 million shortfalls for land management costs.

"It seems like the allocation towards management is not what's needed in order to manage things properly," Rep. Steve Drazkowski (R-Mazeppa) said. "But at the same time, the acquisition dollars seem to be inflated beyond what we can afford."

Drazkowski sponsors HF332 that would prohibit the state from acquiring additional land unless an equal amount of state-owned land is declared surplus and sold, with the proceeds deposited into the General Fund.

The bill has bipartisan support in the Legislature and with some local governments, but is described as an "anti-hunting" bill by outdoors groups, such as the Fish and Wildlife Legislative Alliance.

"We don't think that that's a good policy," said Lance Ness, alliance president.

Hunting is allowed in state forests and wildlife management areas, managed by the DNR. It is a \$552 million annual business that employs 11,911 Minnesotans.

That explains why the fur is flying over the possibility of no-net-gain in public land. For every dollar invested in public land, there is a \$4 return on investment, Ness said.

But when private land converts to public, it may result in fewer agricultural acres or reduced property taxes for counties, cities and school districts. The issue has pitted local government and farmers against environmentalists and hunters.

Farmers and counties speak out

Most public hunting land is in the northern part of the state. Future acquisitions have turned to acquiring more land near the Twin Cities metropolitan area and in southern Minnesota.

Doug Peterson, president of the Minnesota Farmers Union, said farmers are frustrated by the amount of public land needing upkeep, such as controlling thistle that can expand to adjacent cropland. They also compete with the DNR and other interested buyers when land is sold.

"Minnesota Farmers Union urges the Department of Natural Resources and other agencies to continue to explore the working lands concept that works with farmers to acquire easements and reward farmers for adding wildlife and conservation benefits to

their farm, and not always have to be about buying land and taking it out of production," Peterson said.

Taking land off the tax rolls has significant effects on local governments too, especially in counties where a majority of the land is held in public ownership. In Lake County for example, 84 percent of 1.3 million acres is publicly owned, according to County Commissioner Rich Sve.

"We're a forested county. It is the opinion of the Lake County Board of Commissioners that we're at the maximum percentage of public lands," Sve said.

Koochiching County is the state's second largest geographically, but has a population of only 13,500 to support the infrastructure, such as roads and public services, according to Wade Pavleck, county board chairman. More than 80 percent is wetland.

Though the state does not pay property taxes, it does give counties a payment in lieu of taxes, known as a PILT payment.

The Minnesota Association of Townships also supports Drazkowski's "no-net-gain" bill. Township representatives said they don't always receive PILT payments from counties.

"The more land is removed from local

tax rolls, the greater the impact on the remaining property owners," the association said in a written statement.

"I think we need to realize this is a tough balance," said Rep. Denny McNamara

(R-Hastings), chairman of the House Environment, Energy and Natural Resources Policy and Finance Committee.

The state's ability to buy more land was helped along with passage of the 2008 constitutional amendment that provided dedicated funds for 25 years. The funds must

"It seems like the allocation towards management is not what's needed in order to manage things properly. But at the same time, the acquisition dollars seem to be inflated beyond what we can afford."

— Rep. Steve Drazkowski
(R-Mazeppa)



be used to supplement traditional funding to “restore, protect and enhance wetlands, prairies, forests and habitat for fish, game and wildlife.”

McNamara has a plan to address the concerns of those who think the state already owns more public land than it can manage. He amended HF471, the outdoor heritage appropriations bill he sponsors, to include setting aside \$5.6 million of the fund for an outdoor heritage land restoration and enhancement account. The State Board of Investment would invest the funds and the interest could be used to pay for ongoing maintenance of land purchased with outdoor heritage money. Counties, cities and townships would also be reimbursed for lost taxes. The bill awaits action by the House Legacy Funding Division.

“This addresses many of the concerns that folks have that the state is on a path to buy land it can’t afford to buy,” McNamara said.

Many hunting associations receive appropriations from the Legacy funds and oppose HF332, which was held over by the environment committee. Instead, they support a bill that would prohibit a net loss of public hunting land.



“Even with no net gain in the back of my mind, we still are acquiring some critical parts in that area. But we’ve got to find a balance and direct the resources to where we need them.”

— Rep. David Dill
(DFL-Crane Lake)

No net loss

Sponsored by Rep. Tony Cornish (R-Good Thunder), HF498 would require the DNR to find a replacement for any hunting land that is sold or closed to hunting. The bill has the support of the Minnesota Outdoor Heritage Alliance and Sportsmen for Change, among others.

Also held over by the environment committee, it would require the DNR to inventory public lands and determine the number of acres available for hunting as of July 1, 2011, so that there could be no net loss of additional hunting land after that date.

How much land is enough to satisfy 700,000 hunter’s appetites for small and large game? For some, it’s not just a matter of how much, but rather where those lands are located.

Rep. Rick Hansen (DFL-South St. Paul) said there are many parents in the urban areas who would like to teach their children to hunt but don’t have the time or resources to drive for hours.

Rep. David Dill (DFL-Crane Lake), an avid hunter who represents northern Minnesota with vast amounts of public land, supports both bills.

“Getting more public land is a problem for us because it takes away from economic opportunity,” Dill said. But he also supports “the opportunity to buy land where it’s needed,” such as where there are critical shortages of native prairie grass or waterfowl habitat.

He sponsored the bill last year that included purchasing thousands of acres for Lake Vermilion State Park.

“Even with no net gain in the back of my mind, we still are acquiring some critical parts in that area. But we’ve got to find a balance and direct the resources to where we need them.”

Does that include buying farmland? “That’s a very sticky point,” Dill said.

About a decade ago, the DNR bought tax-forfeited farmland in Koochiching County for a bird sanctuary, to the dismay of county officials.

“They didn’t work with us and it took that valuable piece of tax base off the tax rolls,” Pavleck said. “The one thing that’s been missing, in my opinion, is full engagement of the counties as a partner when it comes to land issues. It’s the most important thing we deal with, especially in a county like mine.”

Dill said counties should be allowed to make the final decision about whether private land converts to public use.

“I would certainly want the county board to know and have a check-off, in fact approval, that land be acquired,” he said.

Currently, if a county objects to a sale, there is a state appeals process that can reverse a county’s decision.

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 and 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

Safety versus savings

Home fire sprinklers would be costly, but can save lives

By KRIS BERGGREN

Where there's smoke, there's fire. Where there's fire, there should be water, safety advocates say, specifically fire sprinklers that could quell a house fire before it becomes deadly.

If a fire starts in your home, you could have as little as three minutes to escape before you'd be overcome by fumes or flames, according to State Fire Marshal Jerry Rosendahl.

That's down from about 17 minutes in 1975, in part because newer home construction materials are more combustible and highly toxic, Rosendahl told the House Commerce and Regulatory Reform Committee March 1.

Smoke detectors, including the hard-wired, interconnected battery-backup kind required since 2003 in new residential construction, are a good tool to save lives, he said, but sprinklers are better.

However, the price of sprinklers could be a burden on struggling homeowners and home builders alike. That's why Rep. Joyce Peppin (R-Rogers) sponsors HF460, which would prohibit requiring fire sprinklers in new or existing single-family homes.

"The cost of making this sprinkler mandatory in new dwellings didn't line up very well with the additional safety benefits," she said. A sprinkler requirement is among code modifications to be considered in a rulemaking review by the departments of Labor and Industry and Public Safety scheduled to start in April.



"I just want to remind everyone that there's nothing in this bill that prevents anyone from putting a sprinkler in their home."

— Rep. Joyce Peppin
R-Rogers



"Why not at least allow the discussion instead of putting a ban on the discussion, and see what it yields?"

— Rep. Joe Atkins
DFL-Inver Grove Heights

"Why not at least allow the discussion instead of putting a ban on the discussion, and see what it yields?" said Rep. Joe Atkins (DFL-Inver Grove Heights).

The committee approved the bill and sent it to the House floor. Sen. Warren Limmer (R-Maple Grove) sponsors a companion, SF297, which awaits action by the Senate Judiciary and Public Safety Committee.

Safety versus affordability

Fire chiefs may focus on the safety issues, but average Minnesotans want to know whether their paycheck will go up in smoke if they must install sprinklers.

The cost depends on whether the home is on city water, how far it is from the fire lane and its size. Estimates range from an average \$1.61 per square foot, according to the National Fire Protection Association, to up to

\$6 per square foot, according to Karen Linner, director of codes and research for the Builders Association of Minnesota. One builder spent \$16,000 on his home sprinklers, because it was too far from a fire lane and required two water tanks and a commercial pump.

Affordable housing advocates said Minnesota families on the financial margins can't afford any.

"This is the seventh straight year where

the number of people paying more than half of their income for housing has increased," said Chip Halbach, executive director of the Minnesota Housing Partnership. "We feel it's not the time to impose a sprinkler requirement on single family homes."

The 50,000 families who live in manufactured homes would be hard pressed to add sprinklers at an additional cost of \$4,000 to the cost of a 1,200-square-foot home and \$7,000 to the cost of a 3,000-square-foot home, said Mark Brunner, president of the Minnesota Manufactured Modular Housing Association.

BAM President Todd Bjerstedt supports fire prevention efforts, but said sprinklers don't significantly increase safety. According to the NFPA, there's a 99.45 percent chance of surviving a fire if at least one working smoke detector is installed and a 99.85 percent chance if a sprinkler is installed.


Not all fires included in those figures are equal, said Russ Sanders, the NFPA's central regional director. Most of last year's 400,000 reported house fires nationwide were easily contained and not life-threatening; it's the 23 percent that go beyond the room of origin that caused most of the 3,000 deaths of residents or firefighters that occurred in those fires. He estimates sprinklers would have saved 98 percent of the 3,000.

Linner said national fire safety has improved dramatically in the past three decades dropping 58 percent between 1979 and 2003.

"The decreasing number of fire deaths is a public safety success story. The entire housing stock is getting safer and the newest homes are the safest in Minnesota," she said, adding that older homes have risk factors such as outdated wiring, overloaded electrical circuits and wood burning fireplaces.

Those on both sides agree personal behavior is perhaps the biggest risk factor. Tampering with smoke alarm batteries or improperly using space heaters or extension cords increases risk. Careless smoking is the biggest risk factor, causing 42 percent of fire deaths, said Linner.

Conversely, personal choices can be a positive factor.

"I just want to remind everyone that there's nothing in this bill that prevents anyone from putting a sprinkler in their home," Peppin said. 

From staffer to representative

Melin wins special election to become newest Iron Range member

By SUE HEGARTY

Rep. Carly Melin (DFL-Hibbing) may be a new face on the House floor, but she's no stranger to Democrats at the Capitol —



Rep. Carly Melin

she interned for former Rep. Tony Sertich last year when he was House majority leader.

Sertich resigned in January after he was appointed to lead the Iron Range Resources and Rehabilitation Board.

"Things were a little different around here then," she said.

Melin is a proud "Iron Ranger" from Hibbing who planned on returning home after earning political science and social work degrees from Bemidji State University, where she was president of the College Democrats. However, a summer internship at the Public Interest Research Group in Washington,

D.C. presented itself, so off she went. That fall, she was accepted to Hamline University Law School, where she became chair of the Hamline Law Democrats.

She graduated from law school in 2010, passed the bar exam in July, and began working as a judicial law clerk, until she was tapped by the party to replace Sertich in District 5B.

So at the age of 25 years, 6 months and 9 days, Melin became the third youngest woman elected to the Minnesota House of Representatives. Former Chief Justice Kathleen Blatz, who also earned law and social work degrees, was about four months younger than Melin when she was first elected to the House.

Getting Iron Rangers back to work is Melin's primary focus.

"I campaigned a lot on the bonding bill. We have over 50 percent unemployment in the construction trades," she said.

She wants to put these people to work

DISTRICT 5B

Population (2009 est.): 34,718

Largest city: Hibbing

County: St. Louis

Top Concerns: Job creation and economic growth

improving the infrastructure along the Highway 169 beltway in her district. "The sewer system can't support development now," she said. Gov. Mark Dayton left a hole in the bonding bill for legislators to come up with their own projects and she recommends the central Iron Range sewer system as a top priority.

Once she settles into her new role as a legislator, she hopes she'll be able to enjoy her hobby of downhill skiing and take her golden retriever, Jane, for walks around the lakes.

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BILL INTRODUCTIONS

FEBRUARY 28 - MARCH 3, 2011

HOUSE FILES 719 - 879

Monday, February 28

HF719-McDonald (R)

Education Finance

Delano; one-time fund transfer for Independent School District No. 879 permitted.

HF720-Kiffmeyer (R)

Education Finance

Basic revenue funding prioritized and education finance formulas modified.

HF721-Kiffmeyer (R)

Transportation Policy & Finance

Disability parking provisions modified.

HF722-Leidiger (R)

Commerce & Regulatory Reform

Wage and hour provisions modified.

HF723-Anzelc (DFL)

Environment, Energy & Natural Resources Policy & Finance

Itasca; Canisteo mine pit drainage required.

HF724-Anzelc (DFL)

Transportation Policy & Finance

Route No. 332 removed from trunk highway system.

HF725-Garofalo (R)

Taxes

Tax incidence study requirements modified.

HF726-McElpatrick (R)

Taxes

Cohasset; use of tax increments authorized to repay the city for district payments.

HF727-Kath (DFL)

Veterans Services Division

Income tax subtraction for military reserve pay expanded to include Active Guard Reserve income.

HF728-Murray (R)

Transportation Policy & Finance

Marked Trunk Highway 14 construction project completion requirements established.

HF729-McFarlane (R)

Jobs & Economic Development Finance

BioBusiness Alliance money appropriated.

HF730-Mazorol (R)

Commerce & Regulatory Reform

Fairness for Responsible Drivers Act established, remedies of uninsured motorists limited and amount of criminal fines increased.

HF731-Doepke (R)

Education Finance

Capital referendum ballot language modified in cases where the same level of taxing authority is renewed.

HF732-Winkler (DFL)

Government Operations & Elections

Absentee voting without excuse authorized.

HF733-Winkler (DFL)

Government Operations & Elections

Early voting provided.

HF734-Lanning (R)

Environment, Energy & Natural Resources Policy & Finance

Moorhead; flood damage reduction project funding provided, bonds issued and money appropriated.

HF735-Gauthier (DFL)

Health & Human Services Reform

Sexual violence prevalence reporting required.

HF736-Winkler (DFL)

Government Operations & Elections

Legislative day definition modified.

HF737-Winkler (DFL)

Commerce & Regulatory Reform

Motor vehicle dealer prohibited from selling a service contract from an unregistered provider.

HF738-Cornish (R)

Judiciary Policy & Finance

Harassment restraining order provisions modified.

HF739-Ward (DFL)

Commerce & Regulatory Reform

Automatic external defibrillators required in school buildings.

HF740-Ward (DFL)

Environment, Energy & Natural Resources Policy & Finance

Watershed district manager numbers allowed to be decreased.

HF741-Murray (R)

Jobs & Economic Development Finance

Public infrastructure grants fund usage clarified.

HF742-Murray (R)

Jobs & Economic Development Finance

Greater Minnesota business development infrastructure grant program funding provided, bonds issued and money appropriated.

HF743-Loon (R)

Commerce & Regulatory Reform

Cigarette definition modified, study proposed, report required and money appropriated.

HF744-Murray (R)

Transportation Policy & Finance

Winter storm preparation road equipment exemption from highway restrictions modified.

HF745-Mack (R)

Health & Human Services Reform

Autism Spectrum Disorder Task Force created, appointments provided and development of a statewide strategic plan required.

HF746-Mack (R)

Health & Human Services Reform

Department of Human Services required to issue a request for proposals for an integrated online eligibility and application portal for food support, cash assistance, child care and health care programs.

HF747-Mazorol (R)

Judiciary Policy & Finance

Attorney fee relation to damages awarded factor provided.

HF748-Mazorol (R)

Civil Law

Trust for animal care provided.

HF749-Smith (R)

Civil Law

Family Reunification Act of 2011 created.

HF750-Woodard (R)

Public Safety & Crime Prevention Policy & Finance

Sex trafficking definition modified and commercial sex act defined.

HF751-Mariani (DFL)

Education Reform

School boards prohibited from withholding students' grades for failing to pay school lunch debts, discrimination against students eligible to receive a free or reduced-price lunch prohibited and parameters for collecting unpaid school lunch debts established.

HF752-Mariani (DFL)

Education Reform

School boards prohibited from withholding students' grades for failing to pay school lunch debts.

HF753-Howes (R)

Government Operations & Elections

Concurrent detachment and annexation provided.

HF754-Hamilton (R)

Health & Human Services Finance

Medical Assistance dental coverage modified, and dental services program established for the aged, blind or disabled.

HF755-Downey (R)

Education Reform

Pilot project established to examine school district joint operations to provide innovative delivery of programs and activities and share resources.

HF756-Stensrud (R)

Government Operations & Elections

State employee performance appraisal and bonus pay system components specified.

HF757-Kiel (R)

Health & Human Services Reform

School districts and charter schools annual requirement removed to provide students with information about available health care coverage through Minnesota health care programs.

HF758-Shimanski (R)

Taxes

Sales tax on purchases by political subdivisions eliminated.

HF759-Kahn (DFL)

Agriculture & Rural Development Policy & Finance

Hemp industry development and regulation provided.

rulemaking authorized, defense for possession and cultivation of industrial hemp provided and definition of marijuana modified.

HF760-Kahn (DFL)

Higher Education Policy & Finance

University of Minnesota projects funding provided, bonds issued and money appropriated.

HF761-Hortman (DFL)

Environment, Energy & Natural Resources Policy & Finance

Bicycle and pedestrian trail funding provided to connect the Northtown Transit hub to the metropolitan regional trail and to provide a safe route for elementary school students, bonds issued and money appropriated.

HF762-Hortman (DFL)

Education Reform

Public residential high school established for science, technology, engineering and mathematics.

HF763-Hilty (DFL)

Health & Human Services Reform

Swimming pool pond exemption expiration date removed.

HF764-Hilty (DFL)

Commerce & Regulatory Reform

Socially responsible for-profit business corporation incorporation provided.

HF765-Davnie (DFL)

Education Reform

Harassment, bullying, intimidation and violence policies provided.

HF766-Thissen (DFL)

Health & Human Services Finance

Spousal contribution required for long-term care expenses.

HF767-Erickson (R)

Education Reform

Alternative teacher professional pay system modified.

HF768-Hosch (DFL)

Commerce & Regulatory Reform

School districts required to obtain employee health coverage through the public employees insurance program, gross premium tax imposed on the program and enrollment fee imposed.

HF769-Bills (R)

Environment, Energy & Natural Resources Policy & Finance

Minnesota Zoo funding provided and money appropriated.

HF770-Mazorol (R)

Civil Law

Interest on verdicts, awards and judgments regulated.

HF771-Slawik (DFL)

Education Finance

Integration revenue authorized to be spent on pre-kindergarten students.

HF772-Slawik (DFL)

Taxes

Dependent care credit modified.

HF773-Davids (R)

Health & Human Services Reform

Excess health plan revenues transferred to the General Fund.

HF774-Hansen (DFL)

Transportation Policy & Finance

Dakota County; Robert Street Corridor transitway funding provided, bonds issued and money appropriated.

HF775-Persell (DFL)

Education Finance

K-12 pupil transportation full funding provided.

HF776-Loon (R)

Taxes

Spending tax increment deadlines extended under certain conditions.

HF777-Hansen (DFL)

Legacy Funding Division

State Capitol funding provided, bonds issued and money appropriated.

HF778-Hansen (DFL)

Legacy Funding Division

Competitive art education grant funding provided and money appropriated.

Thursday, March 3

HF779-Downey (R)

Health & Human Services Reform

Occupational licensure; right to engage in an occupation stated and conditions for government regulation of occupations specified.

HF780-Rukavina (DFL)

Environment, Energy & Natural Resources Policy & Finance

Virginia; wastewater treatment facility reconstruction funding provided, bonds issued and money appropriated.

HF781-Rukavina (DFL)

Higher Education Policy & Finance

Number of former legislators on the University of Minnesota Board of Regents limited.

HF782-Garofalo (R)

Education Finance

School district early repayment of maximum effort capital loans authorized.

HF783-Garofalo (R)

Education Finance

Number of public school pupils covered by the permanent fund endowment apportionment expanded.

HF784-Gunther (R)

Jobs & Economic Development Finance

Suitable employment related to staffing services definition, payments that delay benefits and penalty relating to suitable employment offers modified.

HF785-Garofalo (R)

Education Finance

Permanent school fund interest payments clarified.

HF786-Davids (R)

Government Operations & Elections

Charitable organization financial statement requirements for highest paid individuals modified and compensation information reporting consistency provided for federal and state purposes.

HF787-Atkins (DFL)

Commerce & Regulatory Reform

Wine tasting and sales allowed at annual festivals.

HF788-Falk (DFL)

Public Safety & Crime Prevention Policy & Finance

Ortonville; emergency operations center funding provided, bonds issued and money appropriated.

HF789-Lanning (R)

Government Operations & Elections

Public employee insurance program eligible employers modified.

HF790-Howes (R)

Taxes

Vital public safety personnel future aid payments reduced.

HF791-Gunther (R)

Education Finance

Swimming pool levy expanded to include small school districts.

HF792-Gunther (R)

Environment, Energy & Natural Resources Policy & Finance

Watline Trail funding provided and money appropriated.

HF793-Slawik (DFL)

Environment, Energy & Natural Resources Policy & Finance

Oak Park Heights; Bayport storm sewer project funding provided for a pedestrian tunnel and appropriated money transferred.

HF794-Davids (R)

Taxes

Improvement bonds authorized with certain terms and conditions; definitions modified; and clarifying, technical and other changes made relating to the issuance of municipal bonds.

HF795-Hoppe (R)

Health & Human Services Reform

Human Services commissioner instructed to initiate a foreign reciprocal agreement.

HF796-Davids (R)

Health & Human Services Reform

Segregated accounting required under prepaid Medical Assistance.

HF797-Davids (R)

Commerce & Regulatory Reform

Health plans that include out-of-network coverage required to permit assignment of benefits.

HF798-Davids (R)

Commerce & Regulatory Reform

Provider's right to audit financial aspects of health plan company contracts provided with the prepaid Medical Assistance program.

HF799-Davids (R)**Health & Human Services Reform**

Medical Assistance reporting generally accepted accounting principles required.

HF800-Davids (R)**Civil Law**

Antitrust law applicability to the prepaid Medical Assistance program specified.

HF801-Davids (R)**Civil Law**

Data Practices Act applicability to data provided to the state by managed care vendors specified.

HF802-Davids (R)**Health & Human Services Finance**

Medical loss ratio requirement established for prepaid Medical Assistance program.

HF803-Woodard (R)**Education Reform**

MNovate commission created.

HF804-Kiffmeyer (R)**Health & Human Services Reform**

Piggy bank health plan created to provide comprehensive, sustainable coverage for children up to age 26.

HF805-Anderson, P. (R)**Environment, Energy & Natural Resources Policy & Finance**

Price information filing required in power purchase agreements with Public Utilities Commission, utilities required to offer customers option to request energy from local wind projects, and certain utilities required to purchase energy from small wind projects.

HF806-Mack (R)**Health & Human Services Finance**

County human services duties streamlined.

HF807-McDonald (R)**Transportation Policy & Finance**

Original license plate display on collector vehicles provision modified.

HF808-Anderson, S. (R)**Transportation Policy & Finance**

Driver's license applicants allowed \$2 donation for public information and education on anatomical gifts and money appropriated.

HF809-Anderson, S. (R)**Commerce & Regulatory Reform**

Gratuity sharing notice provided and employers authorized to safeguard and disburse shared gratuities.

HF810-Westrom (R)**Public Safety & Crime Prevention Policy & Finance**

Governor and commissioner of corrections required to send foreign inmates back to their own country.

HF811-Kelly (R)**Environment, Energy & Natural Resources Policy & Finance**

Wind project setbacks established.

HF812-Kelly (R)**Environment, Energy & Natural Resources Policy & Finance**

Community-based energy development project definition amended.

HF813-Anzelc (DFL)**Environment, Energy & Natural Resources Policy & Finance**

Itasca County; private sale of tax-forfeited land authorized.

HF814-Anzelc (DFL)**Environment, Energy & Natural Resources Policy & Finance**

Itasca County; sale of tax-forfeited land bordering public waters authorized.

HF815-Melin (DFL)**Jobs & Economic Development Finance**

Chisholm; sanitary sewer and related infrastructure improvement grant funding provided, bonds issued and money appropriated.

HF816-Slocum (DFL)**Legacy Funding Division**

Air National Guard Museum funding provided and money appropriated.

HF817-Rukavina (DFL)**Environment, Energy & Natural Resources Policy & Finance**

Minerals management account distributions modified.

HF818-Dill (DFL)**Environment, Energy & Natural Resources Policy & Finance**

Two Harbors marina funding provided, bonds issued and money appropriated.

HF819-Dill (DFL)**Environment, Energy & Natural Resources Policy & Finance**

Two Harbors; campground expansion funding provided, bonds issued and money appropriated.

HF820-Davids (R)**Taxes**

Reciprocity agreement negotiation with Wisconsin directed and its termination permitted only by law.

HF821-Nornes (R)**Higher Education Policy & Finance**

Senior citizen higher education program eligibility changed.

HF822-Davnie (DFL)**Education Reform**

Limited English proficiency funding five-year limit removed.

HF823-Sanders (R)**Commerce & Regulatory Reform**

Administrative rule repealed which restricts the capitalization of permanent improvements to other real estate owned by a bank.

HF824-Hackbarth (R)**Environment, Energy & Natural Resources Policy & Finance**

Metropolitan regional park funding provided for operation and maintenance and money appropriated.

HF825-Marquart (DFL)**Taxes**

Local governments prohibited from expending resources to promote a local sales tax.

HF826-Gunther (R)**Jobs & Economic Development Finance**

Greater Minnesota business development public infrastructure grant funding provided, bonds issued and money appropriated.

HF827-Hamilton (R)**Health & Human Services Finance**

Nursing facility equal rate provision sunset placed.

HF828-Hamilton (R)**Health & Human Services Finance**

Nursing home rate equalization modified.

HF829-Vogel (R)**Commerce & Regulatory Reform**

Summer collegiate league baseball stadium or ballpark license issued to cities.

HF830-Howes (R)**Environment, Energy & Natural Resources Policy & Finance**

Wastewater infrastructure program funding provided, bonds issued and money appropriated.

HF831-Lenczewski (DFL)**Commerce & Regulatory Reform**

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

HF832-Lenczewski (DFL)**Taxes**

Tax increment financing use or district inclusion prohibited to assist gaming facilities.

HF833-Abeler (R)**Health & Human Services Finance**

Managed care plans and county-based purchasing plans capitation rate increases limited.

HF834-Hoppe (R)**Commerce & Regulatory Reform**

Public employee insurance program administrated by Minnesota Management & Budget for local government employees changes made and program required to pay taxes and assessments on the same basis as private-sector health insurers.

HF835-Hamilton (R)**Health & Human Services Finance**

Low-payment rate nursing facilities Medical Assistance operating payment rates adjusted and money appropriated.

HF836-O'Driscoll (R)**Veterans Services Division**

Service member preference expanded for game and fish lottery and drawing.

HF837-Sanders (R)**Commerce & Regulatory Reform**

Air admittance valve building code requirements modified to create jobs through innovative technology.

HF838-Gunther (R)**Jobs & Economic Development Finance**

Opportunities industrialization centers money appropriated.

HF839-Hilty (DFL)**Environment, Energy & Natural Resources Policy & Finance**

Private sale of tax-forfeited land authorized.

HF840-Dettmer (R)
Environment, Energy & Natural Resources Policy & Finance
Washington County; private sales of tax-forfeited land bordering public water authorized.

HF841-Buesgens (R)
Taxes
State general tax reduced, corporate franchise tax reduced and repealed, business income subtraction provided, and capital equipment exemption at the time of purchase allowed and application expanded.

HF842-Mack (R)
Environment, Energy & Natural Resources Policy & Finance
Minnesota Zoo asset preservation funding provided, bonds issued and money appropriated.

HF843-Buesgens (R)
Transportation Policy & Finance
Central Corridor Light Rail construction suspended, supplemental environmental impact statement required and federal funding deadline provided.

HF844-McFarlane (R)
Jobs & Economic Development Finance
Public library representative provided for the Governor's Workforce Development Council.

HF845-Nelson (DFL)
Higher Education Policy & Finance
North Hennepin Community College higher education asset preservation and replacement funding provided, bonds issued and money appropriated.

HF846-Anderson, D. (R)
Health & Human Services Finance
Emergency services grants and transitional housing money appropriated.

HF847-Kriesel (R)
Commerce & Regulatory Reform
Orthotic and prosthetic device insurance coverage required.

HF848-Clark (DFL)
Jobs & Economic Development Finance
Neighborhood Development Center grant money appropriated.

HF849-Nornes (R)
Higher Education Policy & Finance
College and university mandates eliminated.

HF850-Beard (R)
Environment, Energy & Natural Resources Policy & Finance
Public Utilities Commission authority to approve multi-year rate plan clarified, and multiple rate riders consolidated into single large energy project.

HF851-Runbeck (R)
Taxes
Deferred wage income tax exemption provided.

HF852-Hornstein (DFL)
Government Operations & Elections
City of Minneapolis and the Minneapolis Park and Recreation Board joint dedication fee changed.

HF853-Cornish (R)
Public Safety & Crime Prevention Policy & Finance
Human trafficking victim toll-free hotline money appropriated.

HF854-Cornish (R)
Public Safety & Crime Prevention Policy & Finance
Trafficking victims legal advocacy grant authorized and money appropriated.

HF855-Swedzinski (R)
Environment, Energy & Natural Resources Policy & Finance
Minnesota River Basin Area II floodwater retention systems funding provided, bonds issued and money appropriated.

HF856-Swedzinski (R)
Higher Education Policy & Finance
Tuition increase temporary freeze and permanent limitation at public higher education institutions.

HF857-Mahoney (DFL)
Higher Education Policy & Finance
University of Minnesota Twin Cities campus physics and nanotechnology building funding provided, bonds issued and money appropriated.

HF858-Cornish (R)
Public Safety & Crime Prevention Policy & Finance
Commissioner of corrections required to fund county sentence-to-service programs.

HF859-Atkins (DFL)
Commerce & Regulatory Reform
Motor vehicle insurance companies prohibited from restricting an insured's choice of rental vehicle company as a source of a temporary replacement vehicle, and insurers required to inform insured persons of that right.

HF860-Hamilton (R)
Agriculture & Rural Development Policy & Finance
Beginning farmer program tax credits provided.

HF861-Runbeck (R)
Taxes
Lino Lakes; tax increment financing district extension allowed.

HF862-Benson, M. (R)
Higher Education Policy & Finance
University of Minnesota and Mayo Foundation Partnership money appropriated.

HF863-Nornes (R)
Transportation Policy & Finance
Otter Tail County; flood-damaged property reconstruction grant funding provided, bonds issued and money appropriated.

HF864-Peppin (R)
Government Operations & Elections
Commissioner of Revenue authorized to enter into a reciprocal agreement with the federal government for collection of unpaid debts.

HF865-Kriesel (R)
Environment, Energy & Natural Resources Policy & Finance
Newport; funding provided to purchase real property, bonds issued and money appropriated.

HF866-Lohmer (R)
Veterans Services Division
Minnesota Assistance Council for Veterans grant provided for continued outreach to homeless veterans in Minnesota and money appropriated.

HF867-Anderson, B. (R)
Transportation Policy & Finance
Driving instruction permit provisions modified and clarified.

HF868-Shimanski (R)
Judiciary Policy & Finance
Conciliation court civil claim limit increased.

HF869-Nelson (DFL)
Taxes
Transit improvement area provisions modified.

HF870-Eken (DFL)
Public Safety & Crime Prevention Policy & Finance
Vehicle subject to impoundment order provisions modified and commissioner of public safety authorized to establish variance process.

HF871-Runbeck (R)
Government Operations & Elections
Employer contributions limited toward cost of employee health care benefits, and employer contributions prohibited toward cost of health care benefits for certain former employees, other than for law enforcement and firefighter retirees or employees.

HF872-Anderson, P. (R)
Jobs & Economic Development Finance
African Development Center training and program funding provided and money appropriated.

HF873-Garofalo (R)
Education Finance
Education finance obsolete language removed.

HF874-Garofalo (R)
Education Finance
Education finance obsolete language removed.

HF875-Brynaert (DFL)
Legacy Funding Division
Children's Museum of Southern Minnesota funding provided for new exhibits and money appropriated.

HF876-Smith (R)
Judiciary Policy & Finance
Court hearing opening modified in delinquency or extended jurisdiction juvenile proceedings.

HF877-Simon (DFL)
Taxes
Valuation exclusion authorized for certain improvements to homestead and commercial-industrial property.

HF878-Kriesel (R)
Veterans Services Division
Honor and Remember the Flag designated as an official symbol of the state's commitment to military service members who have lost their lives in service to our country, and display of flag required on certain days in certain locations.

HF879-Erickson (R)
Education Reform
Annual evaluations for principals established, and a group of experts and stakeholders convened to recommend a performance-based system model for these evaluations.

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MINNESOTA INDEX

Minnesota horticulture and agriculture

Minnesota total land area, in square miles.....	79,289
Minnesota total lake and water surface area, in square miles.....	4,779
Number of lakes in Minnesota.....	15,291
Number of farms in Minnesota in 2008.....	81,000
Ranking of agriculture industry in Minnesota economic sector.....	2
Average acres on a Minnesota farm.....	332
State ranking for livestock production.....	8
Percentage of livestock contribution to Minnesota total agricultural income.....	38.4
Approximate number of milk cows in state in January 2011.....	470,000
State milk production, in millions of pounds, in January 2011.....	771
Output in December 2010, in millions of pounds.....	754
Production per cow in January 2011, in pounds.....	1,640
Production in December 2010.....	1,605
Minnesota's 2010 wool production, in pounds.....	830,000
State rank.....	11
Sheep and lambs shorn in 2010.....	130,000
State ranking in agricultural exports.....	7
Percentage of total state exports that are soybeans.....	30
Percentage of all Minnesota agricultural exports coming from soybeans, corn, livestock products, wheat and feed.....	90
Minnesota nursery and landscape exports to other states, in millions.....	\$96
Minnesota nursery and landscape exports to Canada and other countries, in millions.....	\$4.7
Percentage of state agriculture jobs off-farm in processing, distributing, supply and service.....	80
Number of Minnesota organized farmers markets in 2010.....	128
Number of licensed wineries in state.....	30
Year the Department of Agriculture founded the Minnesota Grown program.....	1988
Year Minnesotan Alexander Anderson invented a machine for puffed rice.....	1902
Year the Lester loam was designated as the state soil.....	1987
Year Pink and White Lady's Slipper became state flower.....	1902

— C. CHAMBERLAIN

Sources: Minnesota State Horticultural Society's Minnesota Green Program, Department of Agriculture, www.50states.com, www.e-referencedesk.com, Minnesota Visitor, U.S. Department of Agriculture National Agricultural Statistics Service