

77, Fall

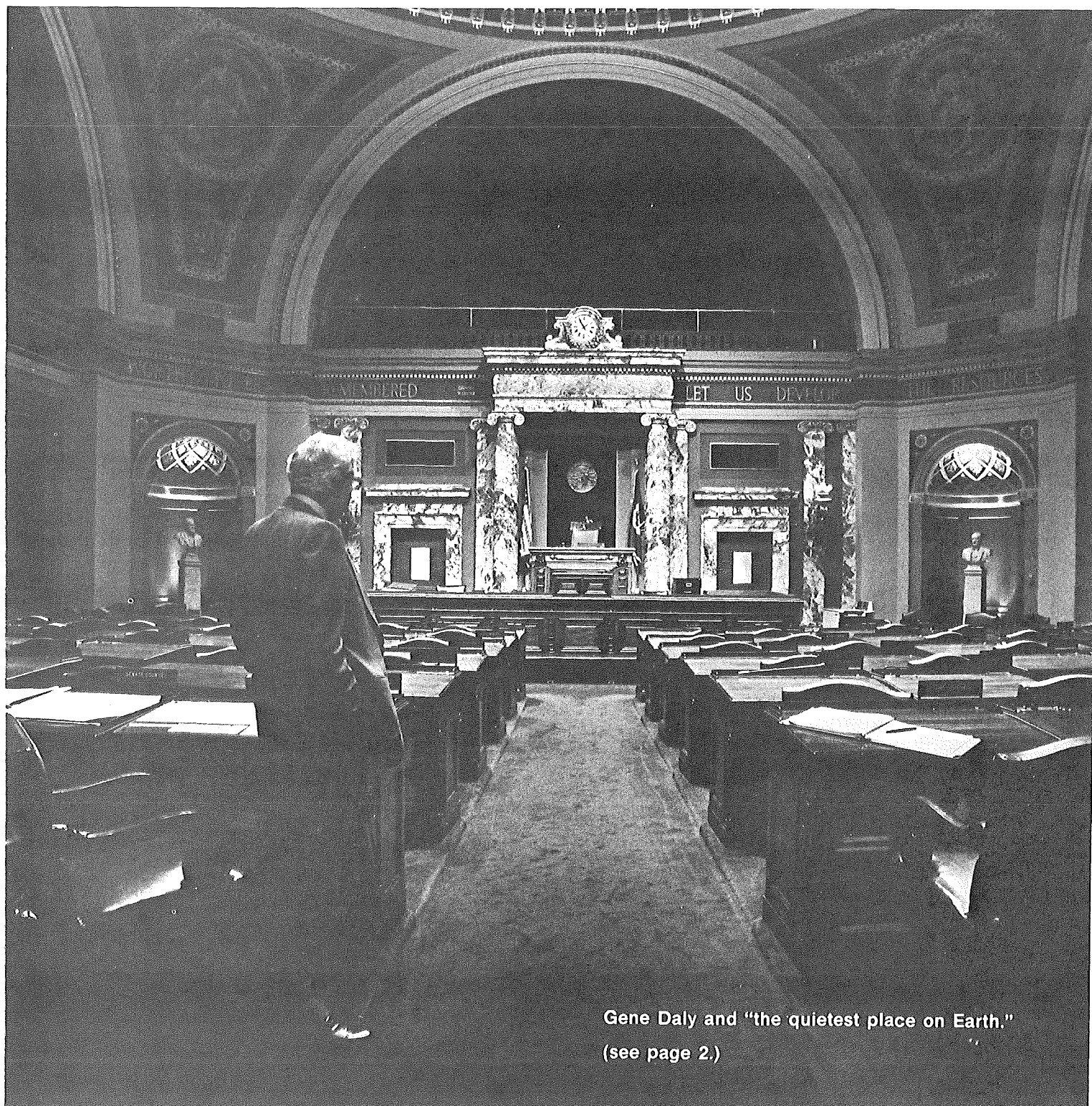
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VOL. 3, NO. 3

FALL, 1977

Perspectives

A Publication about the Minnesota State Senate



Gene Daly and "the quietest place on Earth."
(see page 2.)

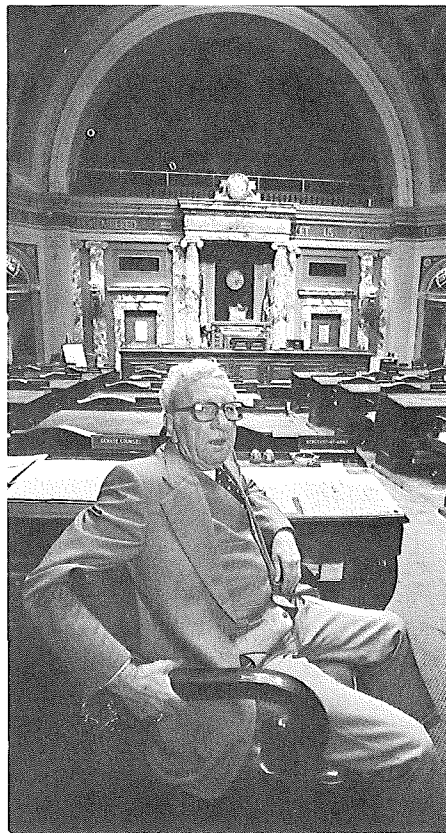
People

Sen. John Milton (DFL-White Bear Lake) resigned from the Senate effective November 1, 1977. Milton, who was elected to the Senate in 1972 and re-elected in 1976, resigned to accept a job with a local firm. A special election will be held in the district Dec. 3 to select a replacement.

Sen. Franklin Knoll (DFL-Mpls.) was the recipient this summer of a Bush Fellowship. Knoll plans to study at either Harvard or Stanford the summer of 1978. Currently he is considering either a program for senior managers in government at the Kennedy School or study done in conjunction with his interest in urban housing programs.

Marshall Whitlock has been appointed the first executive director of the Legislative Commission to Review Administrative Rules. The Commission was established in 1974 to investigate legislator's or citizen's complaints about state agency rules and to determine whether such rules are compatible with legislative intent. Senate members serving on the bi-partisan committee include chairman Wayne Olhoff (DFL-Herman), Sen. Nicholas Coleman (DFL-St. Paul), Sen. Tim Penny (DFL-New Richland), Sen. Jerome Gunderson (DFL-Mabel), and Sen. John Keefe (IR-Hopkins).

interim (in'ter-im) n. an interval of time between one event, process, or period and another. -adj. Belonging to or taking place during an interim; temporary.



"The quietest place on Earth," Gene Daly used to say, "is this chamber the day after the Legislature adjourns."

Daly, who just retired this year as Senate Sergeant at Arms, was referring to the hushed quiet that comes with a startling suddenness — one day, people and pandemonium; the next, empty space and silence.

Most of the legislators go home — to their families and businesses, farms, law practices, classrooms, or other places of work. Many permanent employees take short summer vacations and session employees probably rest a few days before looking for new jobs. (About half of the Senate's employees are hired on a session only basis and are dismissed as soon as adjournment comes to reduce operating costs.)

The pace changes overnight from a frenetic flurry to deliberative decision-making: Interim is a time for thinking about issues while session is a time for acting on them. Committees meet, but not with the several-times-a-week frequency of the session.

And so it is with the 1977 interim, now over half-way toward completion. The background is being researched; the homework is being done; and on some issues, a consensus may be emerging.

While no one can say with certainty what problems will preoccupy the legislature in January, a few key issues have already surfaced. This issue examines several . . .

Perspectives

Perspectives is a publication of the Senate Public Information Office. The office also issues weekly news summaries and other publications that are available free of charge to interested and concerned citizens. For further information, call (612) 296-0504 or write to: Senate Public Information Office, Room B-29 State Capitol Building, St. Paul, MN 55155.

Correction

Mistakes have a habit of hiding away in dark corners in almost all publications, never being discovered until the last possible minute — and sometimes later.

So it was with this issue. We were preoccupied with headlines that didn't fit and photos that weren't in the right place. Because of that we missed the fact that Gene Daly only retired as a **full-time** employee, relinquishing his duties as Personnel Officer but intending to be back during sessions as Sergeant at Arms.

That's the best news we've heard for some time. The bad news was that we discovered it too late to correct it except through this addition. (And while we're at it, we also missed a couple of typographical errors on pages three and five.)

Since this writer once uncovered the **American Heritage Dictionary's** confusion of Johns and Mark Hopkins in its first edition, it is fair to say that mistakes of this kind do happen even in the best publications. Funny how that never makes us feel any better though.

— The Editor

Tax chairman's bill would eliminate property taxes

by Dave Peterson

Just shortly before the end of the 1977 legislature session, Senate Tax Committee Chairman William McCutcheon (DFL-St. Paul) introduced a sweeping piece of legislation that would totally eliminate residential property taxes in Minnesota.

Commercial real estate would continue to be subject to property taxes.

To make up for the lost property tax revenues, the bill (S.F. 1507) would empower local governmental units to impose a piggy-back income tax that would be added as a surcharge to state income taxes. That's basically what the bulky 352 page bill would do — its concepts are simple but the 352 pages are necessary to correct all statutory references to property taxes.

The idea, as McCutcheon fully expected, is proving to be somewhat controversial.

"I don't sponsor non-controversial legislation," said McCutcheon somewhat matter-of-factly at one of several hearings on the bill held this summer. (McCutcheon, who carried recently passed gun control legislation and is the chief sponsor of the Senate determinate sentencing bill, is supported in that contention by his record.)

Chances slim

At the outset McCutcheon recognized that chances for passage were probably slim. But he expressed concern that the property tax was becoming so onerous that it "may be preventing home ownership," and noted that Minnesota once exempted the first \$4,000 in property taxation and that in effect, this provision meant that many paid no property taxes at that time.

When he introduced the bill in May he said he hoped that the legislation could be useful as a vehicle to promote discussion about property taxes and other revenue sources, and also to help define what government services should be performed by what units — the municipalities, the counties, and the state.

Now he says he has succeeded.

"What I tried to bring into focus was the fact that Minnesota was moving away from property taxes as a revenue source, and, as that happened, that there would have to be more emphasis on income and sales taxes," McCutcheon said in a recent interview. "There's been a gradually decreasing emphasis on the property tax and . . . I'm not sure of the year but I think by the year 2000 there wouldn't be any property tax if current trends were to continue. But if we're going in that direction, I think we should stop and take a look first and make certain that this is what we want to do from a public policy standpoint."

After an introductory presentation on the bill at the Capitol, the first hearings and public testimony were held in Luverne and Willmar in August, and in Rochester in September. Much to McCutcheon's admitted surprise, those testifying at those particular public hearings didn't find the property tax all that burdensome and were instead more concerned about increases in corporate and personal income taxes that might result if the legislation were to pass. "Clearly the concern is not of the same magnitude as it is in older, larger cities," McCutcheon observed.

A means of control

Two of the common themes that have emerged from all the hearings so far, according to McCutcheon, is that "the property tax is a vehicle that the tax payer can use to keep control over local government and that it's large enough to cause you to take a second look." (This in contrast to sales and income taxes which often become almost "invisible.") He said that most who testified were reluctant to see the property tax abolished because they feared loss of control over local government. "Most people are awfully suspicious of government and they don't see any other ways of maintaining that control. But I think there are ways," he observed.

However, a slightly different picture emerged from testimony at the most recent hearing in Duluth — reflecting again the dichotomy between larger older cities and smaller more rural oriented communities. Those testifying in Duluth expressed more concern over property tax levels than was heard previously and were particularly resentful of what they felt were bad assessing practices and resulting inequities, according to McCutcheon.

Also, according to Jim Campbell, McCutcheon's administrative assistant, the differing viewpoints may just have reflected the different background of those testifying. "We heard from some different groups — including senior citizens and average working people — and there wasn't such an emphasis on testimony from elected officials and businessmen. So gradually we're hearing from everyone and getting a wide spectrum of viewpoints," he said.

Kelly will carry

Although McCutcheon has succeeded in getting House Tax Committee Chairman William Kelly (DFL-East Grand Forks) to carry the bill in the House of Representatives, he doesn't expect the bill to make it out of either chamber during the 1978 session. "There are just too many implications," he concluded, saying that major policy decisions such as that presented by this particular bill were usually only made after more extensive study and debate.

However, McCutcheon said he does expect both houses to hold hearings on the proposed legislation but that more pressing immediate priority items would probably preoccupy the Tax Committee during what is expected to be a fairly short 1978 session.

Among the priorities listed by McCutcheon were:

- A bill to limit possible abuses of tax increment financing. Tax increment financing is a redevelopment tool in

(continued on p. 11)

From 1970 to 1976, the total bill paid by Americans for health care more than doubled . . .

"It is very difficult to act as though what we are dealing with is a health system, when in fact, I think it is better understood as an industry . . ." Dr. John McKnight, Northwestern University.

"It is a myth that state governments have to wait for the federal government in policy decisions . . ." Sen. John Milton.

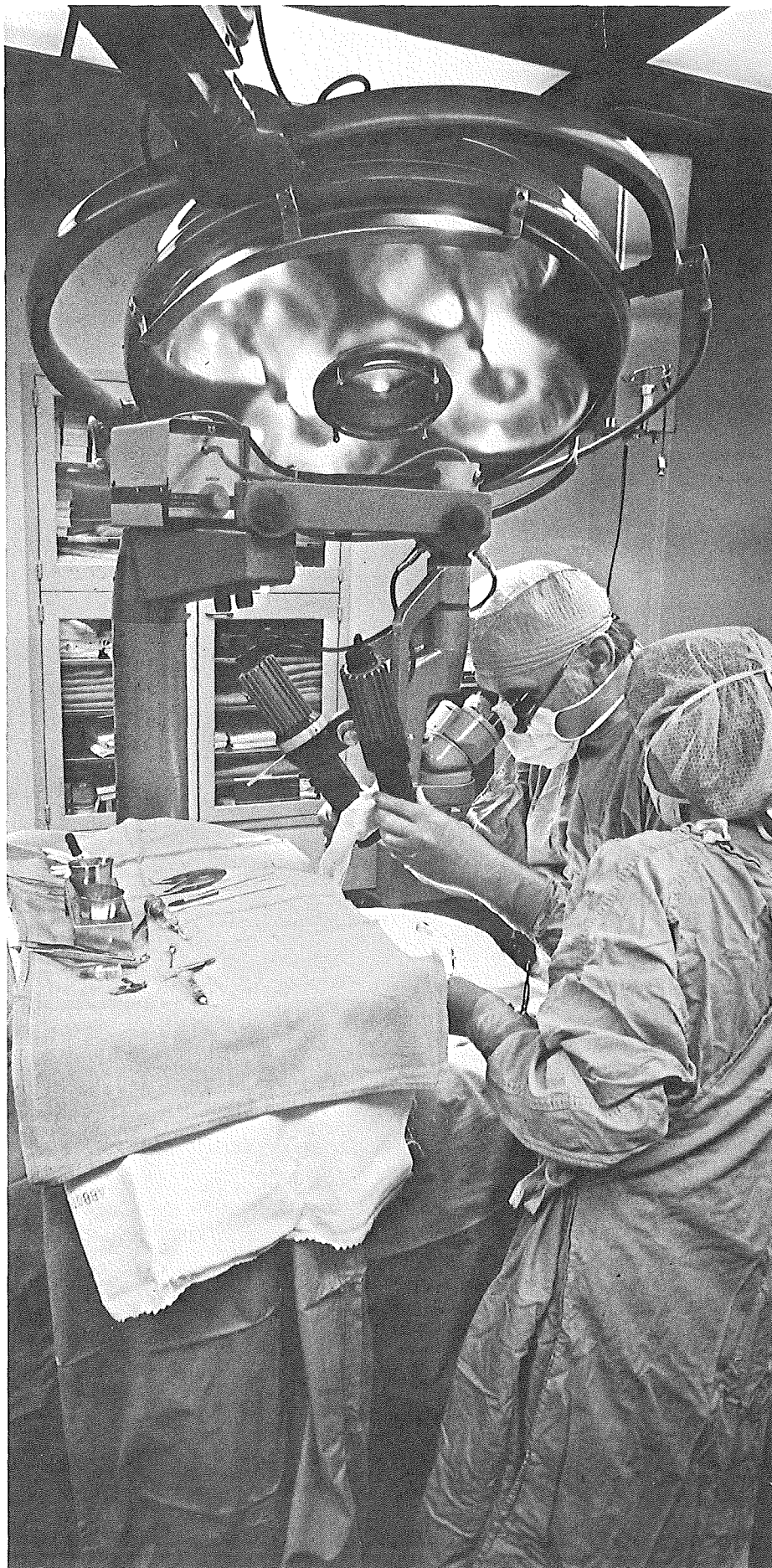


photo: Robert Denniston

How to slow rising health costs?

by Karen L. Clark

From 1970 to 1976, the total bill paid by Americans for health care more than doubled, rising from \$68.1 billion to \$139.3 billion. As a result, skyrocketing health care costs are becoming of increasing concern to legislators and the general public alike.

In 1976 a hefty 8.6 per cent of the Gross National Product was dedicated to health care and that figure is expected to reach 10 per cent by 1980. According to government statistics the U.S. currently spends more per capita for health care than any other nation in the world. However, there is considerable controversy over whether the quality of health care has kept pace with the rapid rise of costs.

Committee formed

A Joint House-Senate Select Committee on Health Care Costs has been formed to study the problem of skyrocketing costs and to set about formulating a health policy for the state. The Select Committee, chaired jointly by Rep. James Swanson (DFL-Richfield) and Sen. John Milton (DFL-White Bear Lake), has held meetings throughout the interim focusing on various aspects of health care costs, methods of cost containment and the general topic of the future of health care in Minnesota. Future meetings will zero in on specific legislative proposals that might aid in cost containment.

Goals for the present

At present the Committee has both short and long range goals. The most immediate need is to slow down the cost increases. Except for a brief time during the Economic Stabilization Program (August 1971 to April 1974), the rate of increase in health care costs has exceeded the overall rate of inflation since 1960. One staff report noted that "the inflation in this sector of the economy is most certainly having an impact on the disposable income of the average American family. In the past twenty five years, each person's average health bill has grown from \$78 annually to \$638."

On the other hand, as one speaker put it "It is very difficult to act as though what we are dealing with is a health system, when in fact, I think it is better understood as an industry . . ." The speaker, Dr. John McKnight of Northwestern University, went on to point out the health industry was the fastest growing part of the economy, an economy that is hooked on growth to begin with. "After all" he said "What you are talking about is a system which seems to fill the economy; provides jobs, especially jobs for those people who are recognized as being most in need of a real entry into the labor force such as women, youth and minorities." Thus there is a dual problem of cost containment on the one hand and maintaining employment and growth within the industry on the other.

Proposals for cost containment

There have been several staff suggestions for legislative proposals in accordance with the short term goal of cost containment. The first to be heard by the committee is a proposal to require a certificate of need for capital expenditures in excess of \$100 thousand. The reasoning behind such a measure is that by reducing large capital expenditures the costs would not be passed along to consumers.

Another proposal being considered by committee members is a pilot program requiring a second opinion on elective surgery, thereby reducing the number of nonessential surgical procedures being performed.

Cost containment might also be brought about by adoption of measures such as tying physician's licensing fees to the generation of hospital costs, setting up pilot programs in health education, hospital rate setting, encouraging the use of physician extenders and the conversion of unused hospital beds to some other use. These and other ideas will be fully explored by committee members before any definite action is taken.

A policy for the future

The long range goals of the committee lie in the area of health policy formation. There is a growing body of evidence that health cannot be purchased at any price and that the key to good health will be education and the changing of individual lifestyles rather than increasingly sophisticated medical equipment and technology. As Dr. McKnight pointed out in his presentation, most hospitalizations are the result of environmentally caused maladies, not by germ caused diseases. Committee

members and staff feel that there must be an effort to formulate a policy encouraging people to remain healthy. Educational programs emphasizing nutrition, the value of exercise, the effects of nicotine and alcohol abuse and other health related subjects might be used to some effect. Toward this end, committee members have been studying programs such as Operation Lifestyle, an ongoing health education program sponsored by the Canadian Government.

"Myths and realities"

Sen. Milton, who resigned his Senate seat as of Nov. 1 of this year, met with the committee for the last time October 17 and directed some final remarks toward what he termed "myths and realities" about the needs of health policy in the future. Among the topics touched upon by Sen. Milton a special emphasis was placed on the role of state government in health policy formation. "It is a myth that state governments have to wait for the federal government in policy decisions," he said, "In reality the states usually take the lead." However, he added a cautionary note stating that although the legislature could pass laws dealing with health topics there would still be many problems with implementation of those laws. He also warned committee members of the myth that government can provide all the answers. "The reality lies in the need for awareness and changes in behavior on the part of the people," he said.

Obstacles to overcome

Committee members realize that they are facing a number of obstacles in their work with the problems of health care costs. One of the most notable is the lack of a comprehensive data base. Another difficulty can be found in the question of free enterprise vs. the public welfare. Still another problem is the seeming unwillingness on the part of the general public to take steps that would lead to improved personal health. And then, too, there is the diffuse nature of the health care delivery system itself.

The work of the Committee will probably result in a legislative program spread over a number of years. Committee members and staff, though, seem to be intent on dealing with the difficulties before them and to come up with some proposals to check staggering price increases and to draft a workable health policy for the future.

Capsule

Senate News Round-up

Editor's note: Senate Committee activities during the Interim have been concentrated in background hearings and in research on issues held over from the 1977 Legislative Session. Subcommittees have played a major role, traveling to various parts of the state and holding hearings on a wide ranging list of topics. The following is a brief capsulization of committee activities.

Agriculture & Natural Resources

The Senate Agriculture and Natural Resources Committee, chaired by Sen. Gerald Willet (DFL-Park Rapids), has held full committee meetings to discuss topics such as Minnesota's peat resources and Commissioner Nye's plans for the Dept. of Natural Resources. Subcommittees met to tour forest lands around International Falls, assess the progress made against shade tree disease and to hear a DNR discussion on fish management.

Education

The Subcommittee on Education Aids and the Joint Subcommittee on Libraries have met during the interim period. The House-Senate Subcommittee on Libraries toured Hennepin County Library facilities in October. The Subcommittee on Education Aids heard a report on the cost of education in the future and held a meeting with the Senate Finance Subcommittee on Semi-State and Transportation to discuss transportation aids.

Employment

Employment Committee members were divided into two Subcommittees, each of which has held several meetings. The Economic Development Subcommittee has begun an in-depth study of the business climate in Minnesota. The Subcommittee on Labor has concentrated on studying workers' compensation issues and on the problems encountered by Migrant Workers in Minnesota.

Elections

Two topics have been the major focuses of the Senate Elections Committee. After several hearings, a bill regarding U.S. Senate vacancies was approved. The bill specifies that a special election must be called by the governor to fill a vacancy in a Senate post, unless the vacancy takes place after May 1 in the final year of the Senate term. A vacancy which occurred after May 1 in the final year of a Senate term would be filled at the regular November election. The Committee has also been working on a bill that would create uniform election days throughout the state for municipal and local government elections.

Energy and Housing

The Subcommittees of the Energy and Housing Committee have traveled to many parts of the state in recent months. Public hearings and tours of housing centers and energy facilities have been the highlight of the Committees' work. The Housing Subcommittee has held hearings in Southeastern, Southern and Western Minnesota communities. The Energy Subcommittee traveled to the Duluth area earlier in the Interim to inspect energy facilities such as the Northern Natural Gas Compression Station and the Murphy Oil Refinery.

Finance

The Senate Finance Committee has also concentrated on Subcommittee activity. The Subcommittee on Health, Welfare and Corrections has toured several facilities around the state in order to assess capital expenditure requests. The Subcommittee also met to consider cost containment for medical assistance programs. The Subcommittee on Education toured parts of the State University system and traveled to Grand Rapids to consider building requests. The Subcommittee on Semi-state and Transportation held hearings on transportation issues affecting local communities in Slayton, Edgerton and Willmar. The Subcommittee has also toured Ft. Snelling and heard a presentation from the Minnesota Historical Society.

General Legislation & Veterans Affairs

The General Legislation and Veterans Affairs Committee undertook a study of the controversy surrounding the Big Island Veterans Camp on Lake Minnetonka. In addition, a subcommittee on Veterans Affairs was recently formed. The Subcommittee held an organizational meeting in October to review past legislation and to consider proposals for the next legislative session.

Governmental Operations

The Senate Governmental Operations Committee was divided into several Task Forces at the outset of the Interim. Each Task Force has considered specific issues relating to the Task Force subject. The Task Force on Metro Affairs has dealt primarily with the issue of whether Metro Council members should be elected or appointed. Public hearings on Airport noise were also held in Minneapolis. The Task Force on Personnel held four hearings in different areas of the state to gather public testimony on the Public Employees Labor Relations Act (PELRA) and state personnel policies. The Task Force on Administration has been studying the use of computer systems in state government. A Task Force on Occupational Licensing heard recommendations from the Department of Administration in October.

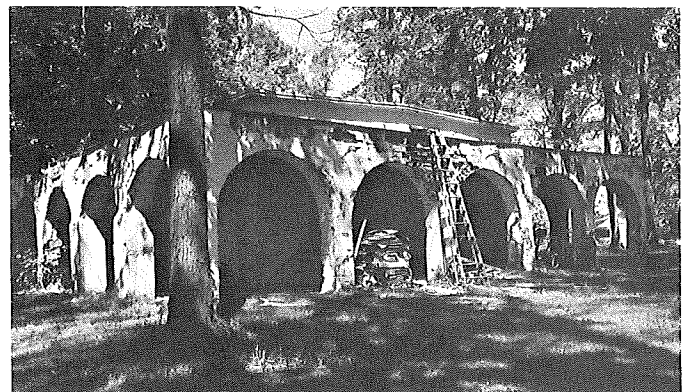
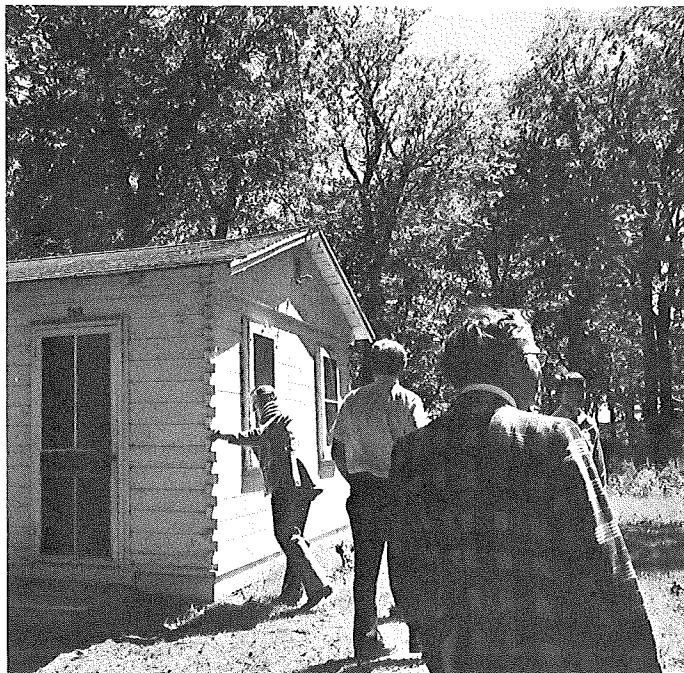
Health, Welfare & Corrections

Health, Welfare and Corrections formed three subcommittees for Interim work. Two of the subcommittees were formed in conjunction with the House of Representatives, the Joint Subcommittee on Nutrition and the Select Committee on Health Care Costs (see related article page 5). The Joint Subcommittee on Nutrition has held hearings throughout the state on the Federal School Breakfast Program. In addition, the Subcommittee co-sponsored a state wide survey of school children to gather nutrition information. The third Subcommittee formed has held hearings in Rochester and Duluth to consider the legalization of Laetrile.

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BIG ISLAND

A problem of
law suits and
bureaucracy

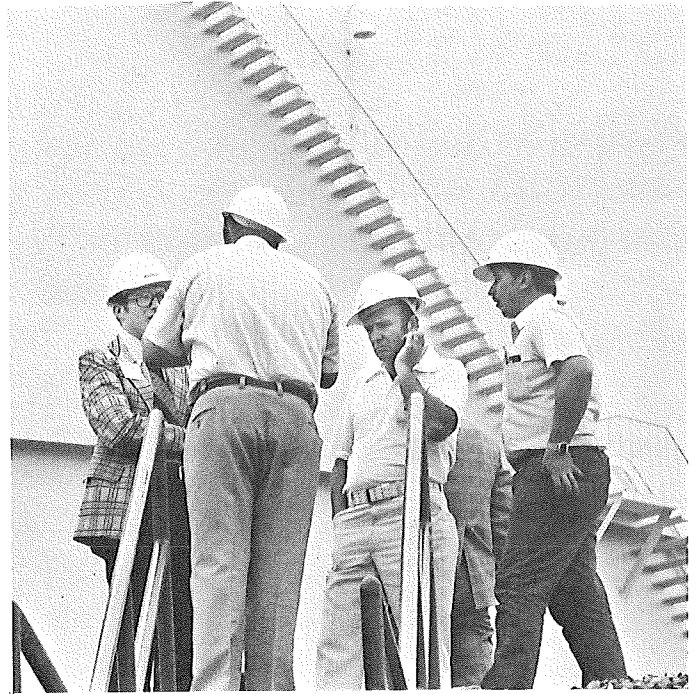


The General Legislation and Veterans Affairs Committee toured the Big Island Veterans Camp on Lake Minnetonka in August. Top: Chairman Howard Olson confers with Sen. Edward Gearty during the tour. Center: Senators hear history of the camp. Left: Sen. Olson inspects camp building. Above: One of the buildings undergoing renovation.

photos: Karen L. Clark

DULUTH

Subcommittees tour
its energy and
transportation facilities

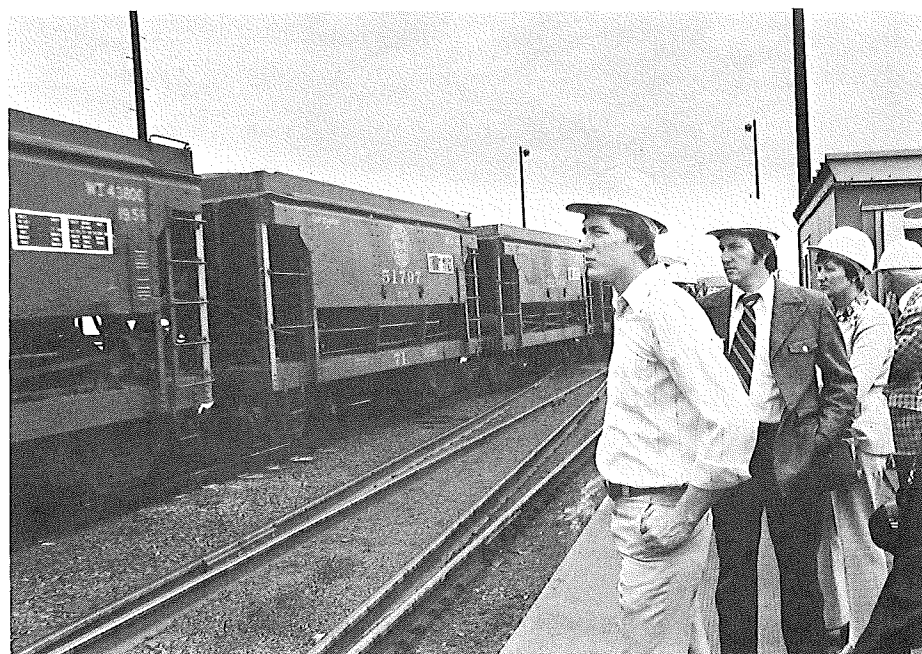
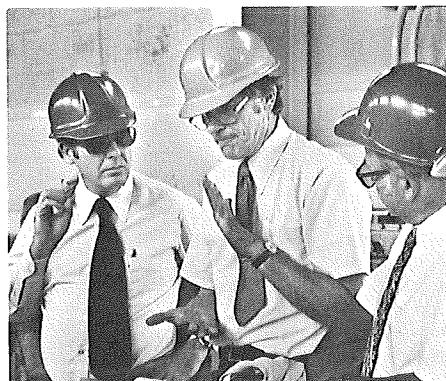
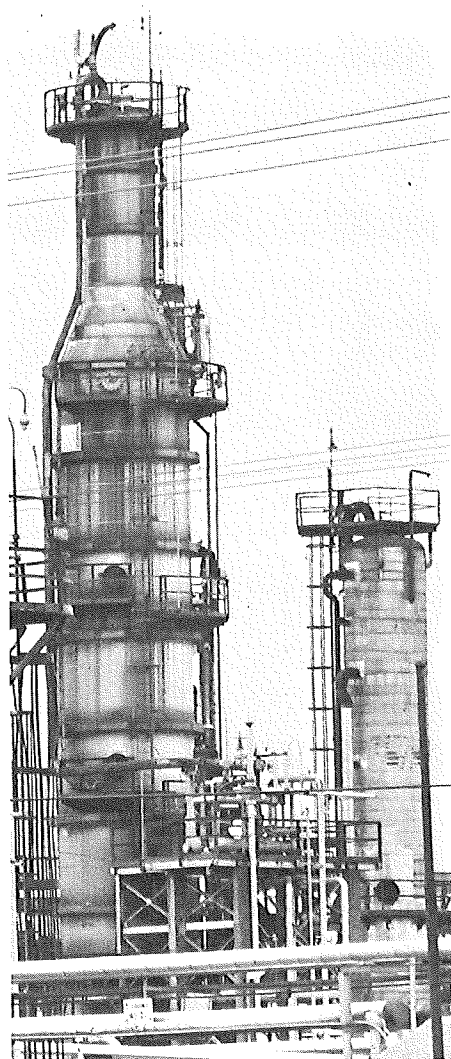


Subcommittees from the Senate Transportation Committee and the Senate Energy and Housing Committee toured transportation and energy facilities in the Duluth area in July. Top: Sen. Wayne Olhoff, Sen. Douglas Sillers and Sen. John Bernhagen discuss fuel storage. Center: Ore carriers in Duluth Harbor. Right: A spokesman for Northern Natural Gas explains control center at a Liquid Natural Gas plant. Above: Sen. Franklin Knoll inspects Duluth Harbor facilities.



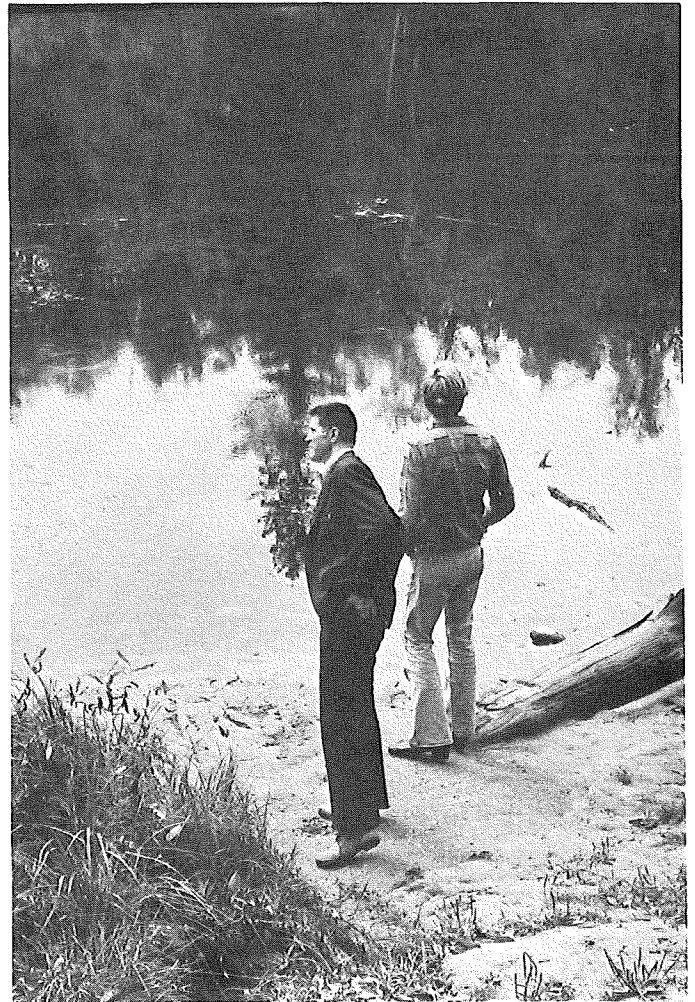
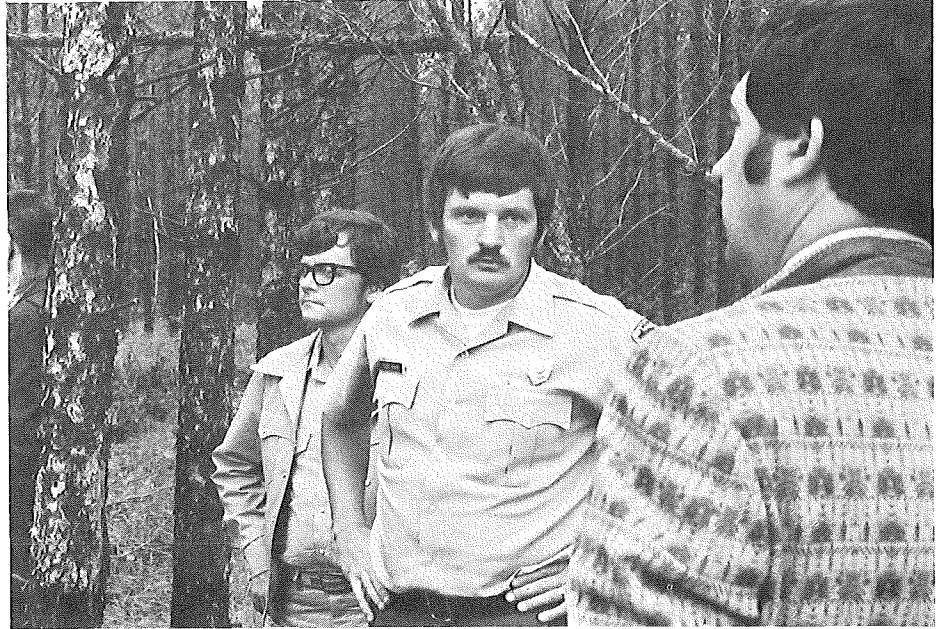


photos: Karen L. Clark



Clockwise from top: Sen. Clarence Purfeerst is interviewed by Duluth newsmen. Sen. James Ulland confers with a representative of Northern Natural Gas. Sen. Tim Penny inspects taconite loading operations. Sen. Franklin Knoll and Sen. Douglas Sillers listen as a representative of Lakehead Pipeline explains oil pipeline procedures. Oil refinery at Murphy Oil Company in Superior, Wisconsin.

PUBLIC LANDS



The Senate Agriculture Committee toured public lands in Koochiching County this summer. Clockwise from top: Sen. Roger Strand, Chuck Spoden of DNR and Sen. Gerald Willet discuss forestry. Sen. Robert Dunn and Sen. Jim Nichols at the Big Fork River during tour. Senators tour Boise Cascade Plant in International Falls. Sen. Howard Olson and Koochiching County land commissioner Ruth McInn on forestry tour.

Capsule

Senate News Round-up

(continued from p. 6)

Local Government

The Local Government Committee traveled to several Regional Development Areas to hear from Commissioners on local issues. The Committee has also heard extensive testimony on S.F. 910, the Municipal Board Bill, a measure designed to amend existing statutes about Municipal Boards.

Taxes and Tax Laws

One of the more controversial items considered by the Committee on Taxes and Tax Laws was chairman William McCutcheon's bill to abolish residential property taxes (see article page 3). The Subcommittee on Tax Increment Financing has held hearings on the need for guidelines regarding its use. (Tax increment financing is used as a tool for financing redevelopment programs.) A Subcommittee on Electric Utilities has been considering several bills and has heard testimony from the Public Service Commission.

Transportation

Transportation Subcommittees have also held meetings in various parts of the state. The Subcommittee on Rural and Commercial Transportation went to Duluth in July to inspect transit facilities and held hearings in Southeastern Minnesota to discuss transportation problems. The Subcommittee on Highways and Bridges held a hearing in Shakopee, Minnesota and joined in the tour of Southeastern Minnesota. A Subcommittee on Transit visited three Minnesota towns, Morris, Montevideo and Moorhead to study the transit systems in those communities.

The Legislation Commission on Minnesota Resources

The Legislative Commission on Minnesota Resources has been very active during the Interim. The Commission is made up of both House and Senate members. Several Subcommittees have been formed to consider issues relating to Minnesota resources. The Subcommittee on Forestry

has toured Forest areas in the state and conferred with industry officials. A Subcommittee on Tax Exempt Land has held hearings to consider related problems and to discuss the Public Lands Impact Study. The full Commission toured water control project sites and considered work program approval.

Tax Study Commission

Another of the most active Legislative Commissions has been the Tax Study Commission. Four Subcommittees were appointed in August to hold hearings on tax related matters. The Subcommittee on Income Tax has reviewed methods of tax simplification and heard the Governor's recommendations on the state income tax. The Subcommittee on Tax Exempt land has been working with the Legislative Commission on Minnesota's Resources and thus far has concentrated on data collection. Hearings held by the Subcommittee on Reliance and Policy have resulted in focusing concern on the problems of retaining local autonomy in the face of state aids. The Subcommittee on Business Climate has heard extensive testimony from the business community with a strong emphasis on the problems of small businesses in Minnesota.

Commission on 911 Financing

A special Commission was formed this Interim to study methods of financing the 911 emergency phone system approved by the Legislature in the '77 session. Hearings have been held to study systems already in use (Rochester) and to hear about alternative methods of financing.

Property taxes

(continued from p. 3)

which the increased tax revenues which result from increased land and property values following redevelopment are committed to pay off redevelopment bonding debts. While there is widespread public and legislative support for tax increment financing, there is perhaps an equally widespread concern over possible misuses and lack of uniform standards for use. New legislation would set guidelines and impose some restrictions but would in no way ban tax increment financing. While Governor Perpich has already publicly supported tax increment financing, McCutcheon doesn't expect that position to block the legislation currently contemplated. "I think we'll pass it and he'll have to decide whether to veto it. After researching the issue thoroughly, I expect he'll support some changes."

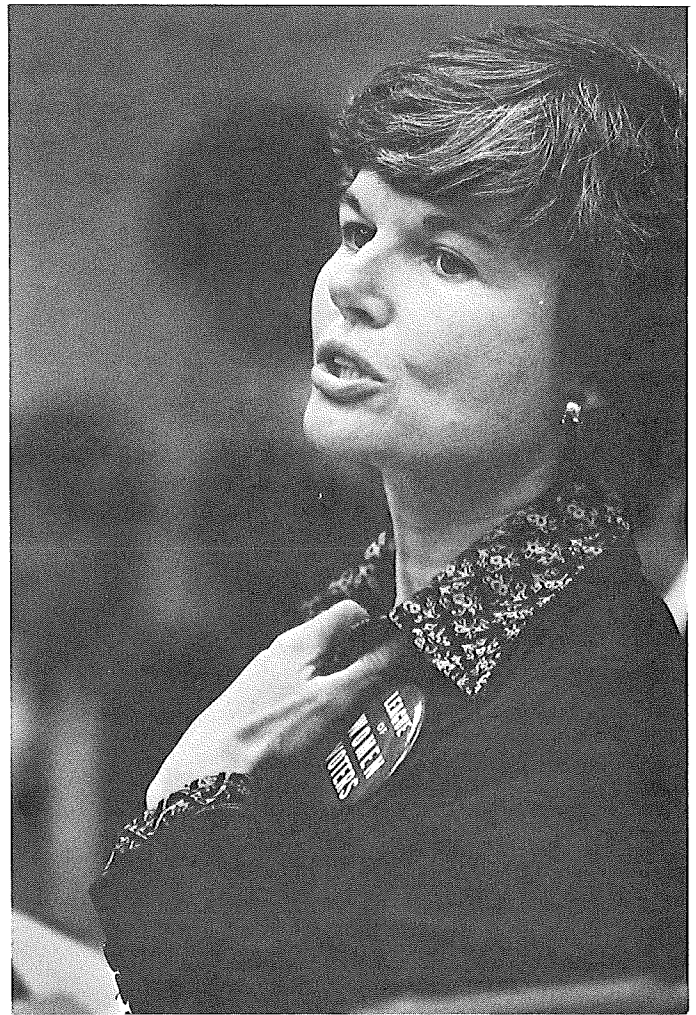
- A bill to distribute the revenues from utilities more evenly over an entire service area, rather than having such revenues concentrated in the particular city where the power plant might be located. To accomplish this, a tax could be placed on gross revenues instead of on the physical plant and the resulting proceeds allocated to communities throughout the area. Or another plan would simply allocate the property taxes collected among all the communities in the service area.
- Various minor inconsistencies and quirks in tax laws uncovered by the Tax Study Commission should be corrected, according to McCutcheon.
- And finally, McCutcheon expects legislation to correct inequities in taxing public pensions, although the whole matter of private pensions will be left untouched.

As for his bill, McCutcheon, a veteran legislator who knows well the slow pace of change, will probably be back with it in 1979. He expects that what may result is some form of amended bill that would exempt a certain base amount of property from real estate taxes so that the effect would be to abolish property taxes on most lower and middle priced homes — basically what the old Minnesota law used to provide.



Greer Lockhart
Citizen's League

"I take it as a basic principle of government that bodies that make decisions such as these are elected . . . The decisions made by the Metropolitan Council in recent years have been more important than those made by the Minneapolis City Council . . ."



Harriet Burkhalter
League of Women Voters

"We don't want yet another layer of government . . . Appointment allows Council members to respond to general needs rather than to specific needs of constituents . . . it would be easy for one issue campaigns to emerge . . ."

The great debate: to elect or not?

by Dave Peterson

Should the Metropolitan Council be elected?

That question has been as perennial as the chicken and the egg since the Metropolitan Council was created ten years ago. But now a Senate Governmental Operations Task Force headed by Sen. Gerry Sikorski (DFL-Stillwater) is attempting to come up with what it hopes will be a definitive answer.

The Task Force has been at work during the summer months holding hearings at various locations throughout the

metropolitan area. And in October the Task Force invited a group of articulate spokespersons from both sides of the issue together for a round table discussion of the merits of the appointed versus the elected Metropolitan Council.

Defining the issue:

No one won and no one lost. For no votes were taken and no judges scored debaters' points. But as Sikorski commented afterward, the discussion helped to define the issues more clearly.

There is no want of strong opinion on either side. Neither is there any clear consensus, for the issue is complex. On one side, opposed to the elected Council, was the representative of the League of Women Voters, Harriet Burkhalter. On the other, supporting the elected Council, was the representative of the Citizen's League, Greer Lockhart. So even the "good government" groups are split.

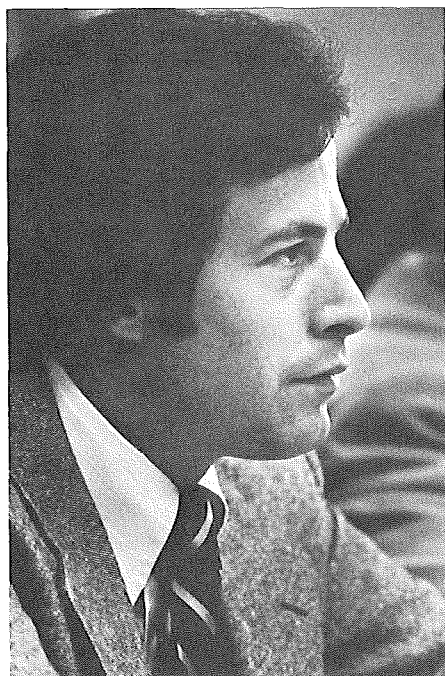
Opening the discussion was Robert Einsweiler, a local planning consultant, who called the issue of election the "primary unfinished business" regarding the Council. Einsweiler said that the

Legislature had three basic options: (1) to abolish the Council and instead pull policy making functions back into the Legislature itself; (2) to continue with the current appointed Council system; and (3) to change to an elected Council.

Pulling back authority?

Einsweiler noted that there was a legislative tendency in recent years to pull back part of the policy authority previously delegated to the Metropolitan Council, and cited the 1976 legislation that gave the Minnesota Department of Transportation planning authority over transportation that superceded plans developed by the Council as an example. Einsweiler said he could envision metro area executive agencies in areas of transportation and other services that could be structured to complement state agencies working in similar areas with policy being determined by the Legislature itself. But regardless of what course was chosen, Einsweiler concluded that there was a clearcut need for some kind of "generalist policy body."

Next it was Greer Lockhart's turn: "I take it as a basic principle of government that bodies that make decisions such as these are elected . . . The decisions that have been made by the Metropolitan Council in recent years have been more important than those made by the Minneapolis City Council. While I live in Minneapolis and can vote for the Minneapolis City Council, I have no vote in determining Metropolitan Council policy."



Sen. Gerry Sikorski
Task Force Chairman

"I've heard nothing yet that would make me change my mind . . ."

Lockhart continued, pointing out that the Metropolitan Council was no longer experimental and that it was time to change away from "undemocratic methods" that could perhaps have been justified earlier to give the experiment time to work. He also argued that decisions are currently made in a manner that is almost invisible to the general public and that "the election process itself would go a long way to solve that problem."

A differing view

But Harriet Burkhalter was yet to be heard. She argued that perhaps the difference of viewpoint stemmed from a different view of what the Council's role actually was. Since in her view its role is primarily in planning, coordination and review, and since it does not legislate or tax, she said she saw no need to elect it. "We don't want yet another layer of government," she said, arguing that this would be the inevitable consequence of electing the Council.

Burkhalter also argued that accountability does exist and suggested that the "excellent track record" of the Metropolitan Council indicates that perhaps it would be best to leave well enough alone. Another strength of the appointed Council, according to her, is that it allows Council members freedom to "respond to general needs rather than to specific needs of constituents." Burkhalter cautioned that it would be "easy for one issue campaigns to emerge," a sentiment later echoed by Task Force member Sen. Earl Renneke (I-R, LeSueur).

Common interests

Arthur Naftalin, former Minneapolis Mayor and University of Minnesota professor of public affairs, was asked to summarize and comment on the other panelists' statements. "One thing that is clear is that we have common interests that need to be addressed in some coherent way," he said in support of the general need of some kind of Metropolitan Council. Regarding the dilemma of general needs of the area conflicting with specific area needs and the role of the Council in deciding such issues, Naftalin said that neither single issue responsiveness nor general leadership for common concerns alone would suffice: "Democracy has to have both," he said.

Reiterating Einsweiler's introductory remarks, Naftalin agreed that the Legislature now faces a fundamental choice. "Criss-crossing of problems and overlapping interests require that there be some kind of generalist body so that we don't think of 120 municipalities but of the Minneapolis-St. Paul metropolitan area and its needs," he argued. While a multitude of problems — such as controlling health care costs and regulating construction of new health care facilities — confront the region, none of these problems is unique to our area, and "there is really no metro area in the country that is



Arthur Naftalin
former Minneapolis Mayor,
University Professor

"There is really no metro area in the country that is as well prepared to address these questions as ours."

as well prepared to address these questions as ours," Naftalin concluded.

Following the presentations by the panel, Senate Task Force Committee members also joined in the debate. While none announced a position on the issue, several were clearly leaning toward endorsing the elected Council concept. Task Force Chairman Gerry Sikorski, who campaigned for election on a platform that included support of an elected Council, said privately later that he'd seen or heard nothing that would make him change his mind. And according to Sikorski, the majority of the Task Force appears to agree, so he expects the Task Force to recommend an elected Council.

Whether or not the full Senate Governmental Operations Committee will concur with that recommendation remains to be seen, but approval by the Task Force could be the first major step in the required chain of approval. Bills to create an elected Metro Council have passed in the Minnesota House of Representatives on several occasions, but none has ever made it to the Senate floor. Sikorski and other elected Council backers in the Senate are hoping that 1978 will be the year.

Editor's update: On November 7th, the Task Force again met and voted to draft legislation that would make the Metropolitan Council elected. Details regarding that bill will be reported later.

Opinion

Minority

by Sen. Mel Frederick

More than 1500 bills were introduced in the Senate alone last session. People, commenting on that, state it hardly seems possible that so many things need doing and correcting in one session. It does not matter whether the legislature meets annually or biennially, it seems lawmakers will always find more than enough to do.

One reason is that legislation generates legislation. A law passed this year will have to be corrected, amended, or even repealed next year. Often laws are passed which produce effects the sponsors did not anticipate, and those effects have to be dealt with at a later time.

A prime example was one portion of the omnibus tax bill. Even before the bill was passed, legislators were introducing bills to remove the tax on military pay and pensions next session. It would have been far easier to have deleted the provision in this year's bill.

Another section of the same bill seemed to exempt the first \$7,200 of public pensions from taxation. In the haste with which this provision was inserted into the bill in a conference committee, the desired intent did not become a reality. The \$7,200 is a

ceiling, not a floor, and for any lower pensioners with outside income, there will be no exemption at all.

An area where this could be corrected would be in the joint rules of the House and Senate, simply stating that no material may be inserted into a conference committee report which has not passed either body. Proposed rule changes such as this are not burning issues with the public, but still the enactment of them would go a long way toward opening up the process of government to not only the people of the state but the legislators themselves.

Although the last session could be categorized as a slow and deliberate session, conference committee reports this session, as they have in past sessions, cast a cloud on the process and the openness which we are striving to attain.

Many things for many people were accomplished the last session — the stadium question was settled and taken out of the legislative process; improvements were made in the catastrophic health insurance law; the usury provision was extended, although in a much more complicated form than is really necessary, and the sunset provision means it will be back before us in another future session.

There seemed at many times to be a greater sense of cooperation between individual senators from opposite caucuses. It seems as though the longer senators of opposite parties serve with each other, the more understanding and cooperative they become.

The Senate Minority Caucus feels there are some pieces of vague legislation which need to be dealt with next session and other areas which were not fully pursued and satisfactory solutions worked out. We feel the following problems should be dealt with next session and will have a program ready to present.

One problem is our schools, which are facing a worsening financial crisis each year.

We desperately need to deal with the growing problem of health care costs in Minnesota through the enactment of legislation to provide for state assistance to

families who face financial ruin because of illness, and we need to hold down medical costs through enactment of limits on malpractice liability.

While we passed an energy bill during the past session, we do not, in fact, have a comprehensive energy policy in a state where distance from fuel supplies in cold winters creates the specter of real problems in years to come.

The legislature must come to grips with the problems created by election laws in this state which invite fraud and abuse, and also the enactment of legislation to allow the voters to elect their own United States senator, should a vacancy occur, rather than having him appointed.

We must deal with transit problems, both in mass transit in the metropolitan area, and individual transit, roads and bridges, in the outstate areas. Just pumping more dollars into mass transit has not solved the problem in past years, and therefore, it appears obvious it will not solve it in the future years.

Product liability is driving many in industry to the brink of disaster, and some businesses have closed rather than cope with this. The state must take the lead in solving this problem.

These and other problems must be dealt with in the coming session. The Minority Caucus will have proposals and will vigorously pursue our role as the loyal opposition.



Majority

by Sen. Steve Keefe

When examining the record of the 1977 session, many public officials and analysts are most impressed by the Legislature's ability to complete necessary budgeting and formulate long-range policies, while also responding to a number of immediate and, in some cases, unexpected problems.

While serving my first session as majority whip, however, I was equally impressed with the willingness of legislators with widely-varying views and constituencies to come to agreement on the major issues of the day. As majority whip, one of my most important duties was to encourage DFL senators to present a unified position on major issues. In working to fulfill that role I quickly learned there are more than two sides to every question. The varied nature of the DFL caucus, in fact, contributed to the quality and comprehensive nature of the legislative programs approved this session.

Consider, for example, this year's \$28.5 million appropriation to combat the spread of shade tree disease. The program to remove diseased trees and replant new, healthy species was hammered out by legislators from both urban and rural

areas. While the problem is especially critical in the metropolitan area, senators also considered the needs of other Minnesotans and the threat of Dutch elm and oak wilt to smaller communities. The new program, therefore, directs long-needed aid to the larger cities, but also guarantees that one-third of the program's funds will be spent in areas outside the metropolitan region.

Several different needs and concerns also entered into our discussion of more extensive topics, as we sought to set fiscal state policies and finance state programs. As we considered new tax legislation for the biennium, we also faced a widespread and threatening challenge: staggering property tax increases, which burdened many residents.

Because legislators spoke for the needs of all residents while working on a comprehensive tax policy, this year's omnibus tax legislation will minimize future tax increases while providing more than \$100 million in new statewide property tax relief. Relief will be directed to areas where it is needed through such measures as changes in assessment policies on both residential and agricultural property, reductions in the employers' payroll tax and a cut in school district levies. Income tax relief will also be provided to low- and middle-income levels.

Legislators were also called to act on new and unforeseen problems in such concerns as water resources, energy, education aids, senior citizens, business, agriculture and transportation. Timely measures, however, were enacted because senators of different regions and backgrounds recognized the interdependence of many of our needs. For example, the recent drought threatened not only vital state agricultural industries, but water supplies needed for domestic and other uses. New water resources legislation, therefore, will guard against future shortages by setting water use priorities.

Another concern, which demanded our immediate attention was the financial crises facing many school districts. Contributing factors ranged from declining enrollments to increasing expenditures, and this year's education aids bill

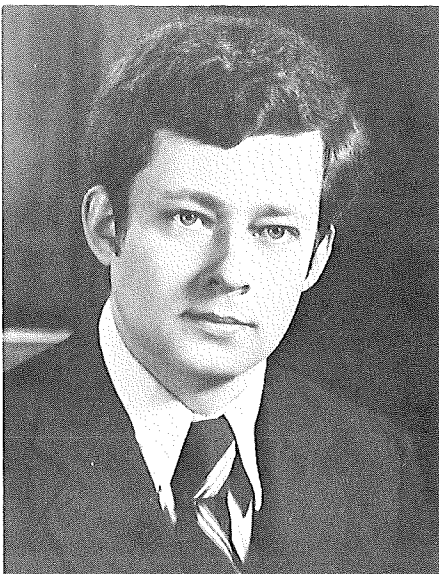
increased state aids to local districts and improved the special aids formula for districts with declining enrollments.

Early in the session our attention also focused on Minnesota's depleted unemployment compensation fund and legislation was approved which tightened unemployment compensation eligibility requirements and increased employer contributions to the fund, while increasing weekly benefit rates over the next two years.

Many other issues confronted us this year, yet future goals and priorities are already being established as a result of discussions and compromises among legislators with differing viewpoints and constituencies. As we continue to voice our many needs and concerns, we will determine what programs are necessary and what new programs will be effective. Moreover, through compromises, legislators will determine the most efficient way to provide such programs, determine what programs taxpayers can realistically support, and strike a proper balance among these factors.

Many new programs and measures are already being discussed as a result of our recent deliberations. In the coming session I anticipate discussion of further reforms in our tax system, including a proposal to shift the tax burden from the property tax to the income tax. Another topic of discussion has been our system of public assistance, and possible new legislation may include a measure to provide "block grants" to counties for social services. A new health and social services department is also under consideration.

The coming session should also see action on proposals involving payments in lieu of taxes; issues of concern to senior citizens, such as mandatory retirement; and a more comprehensive state energy policy to perhaps include tax credits or incentives as well as more extensive conservation measures for buildings and appliances.



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Committee Guide

Please note the information in this section. Provided is a list of office numbers and phone numbers for each committee; scheduled meeting times of Senate committees, and names and telephone numbers of committee staff.

General Information

For reference, please note the following information.

Copies of bills are available at the Secretary of the Senate's office (Room 231). Individuals are limited to 1 copy of any bill requested. For information, call Mr. Patrick Flahaven, Secretary of the Senate, at 296-2343.

Information on the status of legislation may be obtained by calling Senate Index (Room 231) at 296-2887. Ms. Ardis Schulz heads the index service.

Persons wishing to subscribe to official Senate publications may do so by calling or writing the Public Information Office located in Room B-29. Telephone number is 296-0504. David Peterson is the Senate Public Information Officer.

1978 Committee Schedule

	COMMITTEE	ROOM	HOURL
Monday	Employment	118	8-10 AM
	Judiciary	112	8-10 AM
	Local Government	15	8-10 AM
	Education	118	1-3 PM
	Transportation	112	1-3 PM
	Taxes and Tax Laws	112	3-6 PM
	Finance	15	3-6 PM
Tuesday	Education	118	8-10 AM
	Transportation	112	8-10 AM
	Commerce	112	10-12 PM
	Energy and Housing	118	10-12 PM
	Governmental Operations	118	1-3 PM
	General Legislation & Veterans Affairs	112	1-3 PM
	Health, Welfare, and Corrections	118	3-6 PM
	Elections	112	3-6 PM
	Agriculture and Natural Resources	15	3-6 PM
Wednesday	Employment	118	8-10 AM
	Judiciary	112	8-10 AM
	Local Government	15	8-10 AM
	Governmental Operations	118	1-3 PM
	General Legislation & Veterans Affairs	112	1-3 PM
	Taxes and Tax Laws	112	3-6 PM
	Finance	15	3-6 PM
Thursday	Education	118	8-10 AM
	Transportation	112	8-10 AM
	Commerce	112	1-3 PM
	Energy and Housing	118	1-3 PM
	Health, Welfare & Corrections	118	3-6 PM
	Elections	112	3-6 PM
	Agriculture & Natural Resources	15	3-6 PM
Friday	Employment	118	8-10 AM
	Judiciary	112	8-10 AM
	Local Government	15	8-10 AM
	Commerce	112	10-12 PM
	Energy and Housing	118	10-12 PM
	Governmental Operations	118	1-3 PM
	General Legislation & Veterans Affairs	112	1-3 PM
	Taxes and Tax Laws	112	3-6 PM
	Finance	15	3-6 PM

COMMITTEE	CHAIRMAN	ROOM NO.	PHONE	COMMITTEE AA	COMMITTEE SECRETARY
Agriculture and Natural Resources	Sen. Willet	205 CAP	296-4147	Mike Robertson	Bunny Gordon
Commerce	Sen. Tennesen	309 CAP	296-8885	Dale Ulrich	Laura Lindorfer
Education	Sen. Hughes	328 CAP	296-4183	Adelaide O'Brien	Phyllis Meryhew
Elections	Sen. Gearty	235 CAP	296-4174	Janet Lund	Dagny Swanson
Employment	Sen. Laufenburger	235 CAP	296-4181	Linda Schutz	Joyce Bukosky
Energy and Housing	Sen. Anderson	303 CAP	296-4184	Mark Karnowski	Sandra Wendt
Finance	Sen. Moe	121 CAP	296-2577	Mark Andrew	Ardella Tischler
General Legislation & Veterans Affairs	Sen. Olson	325 CAP	296-4187	Ray Joachim	Sherry Tyler
Governmental Operations	Sen. Chenoweth	205 CAP	296-4172	Larry Bye	LaVerne Swanson
Health, Welfare and Corrections	Sen. Perpich	303 CAP	296-4145	Connie Chamberlain	Bonnie Featherstone
Judiciary	Sen. Davies	27 CAP	296-4841	Carl Norberg	Mary Mogush
Local Government	Sen. Wegener	328 CAP	296-4156	Lucy Johnson	Josie Dario
Rules and Administration	Sen. Coleman	208 CAP	296-4196	John Kaul	Dorothy Jung
Taxes and Tax Laws	Sen. McCutcheon	29 CAP	296-4129	Jim Campbell	Peggy Kormendy
Transportation	Sen. Purfeerst	323 CAP	296-4167	Steve Chapman	Sandra Brown