

# Senate Briefly

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*Minnesota's newest State Senator, Sen. Kevin Dahle (DFL-Northfield), recites the Pledge of Allegiance during opening day ceremonies, Tues., Feb. 12, in the Senate Chamber. Dahle replaced former Sen. Thomas Neuville, who accepted an appointment as a district judge.*

*Photo by A.J. Olmscheid*



February 15, 2008

# Senate Highlights

## Nobel Laureate Honored

The second half of the 85th Legislative Session began at a brisk pace Tues., Feb. 12. After ceremonial and housekeeping duties, the body transitioned right into business, appointing conferees for the environment and arts legacy proposal begun last session.

The legacy bill would put a three-eighths of one percent sales tax increase proposal to voters in November, and if approved, dedicate those funds to clean water, environment and the arts. Conferes for the bill last session finished their work in the last hours of session, but the bill never saw a floor vote before time ran out. Chief author Sen. Lawrence Pogemiller (DFL-Mpls.) said the Legislature intended to pass the bill on Thurs., Feb. 14. Pogemiller, Sen. Dennis Frederickson (R-New Ulm), Sen. Richard Cohen (DFL-St. Paul), Sen. Ellen Anderson (DFL-St. Paul) and Sen. Satveer Chaudhary (DFL-Fridley) were appointed to the conference committee, leaving the composition unchanged from last year.

Senators also set some of the groundwork for the upcoming months by approving S.C.R. 8, marking the first committee deadline for Mar. 14, the second committee deadline for Mar. 19, and the deadline for finance bills Mar. 28.

A Senate resolution and a brief recess were called to honor 2007 economics Nobel Laureate Leonid Hurwicz, Regents professor emeritus of the University of

Minnesota. Pogemiller, a former student, described the 90-year-old Hurwicz as a “world class intellect.”

Hurwicz said it was “a moment of great honor” and jokingly expressed his appreciation that there were no votes in opposition to the resolution.

In routine business, resolutions addressing expenses for postage, mileage, and interns and law clerks were approved.

This year’s first day saw one change in representation, because former Sen. Thomas Neuville (R-Northfield) was appointed a Rice County District Judge. A special election held in January elected Sen. Kevin Dahle (DFL-Northfield) to represent Senate District 25.

## Legacy bill passes in Senate; voters to decide in November

The Senate debated the environment and arts legacy conference committee report, Thurs., Feb. 14, and granted final passage to the measure, H.F. 2285, on a 46-17 roll call vote. Passage of the bill allows voters in November to decide whether to increase the sales tax by three-eighths of one percent and dedicate the revenue to clean water, environmental stewardship, and arts and cultural heritage funding. The debate highlighted the bipartisan support and opposition to the proposal.

The conference committee report differs from the Senate’s version by providing a higher percentage of the revenue to clean water, and postponing the establishment of a hunting and fishing council.

Sen. Lawrence Pogemiller (DFL-Mpls.), chief author, said that the Legislature has failed to fund the legacy issues that define Minnesota’s identity. “This is about protecting our way of life and protecting that way of life for our children and grandchildren,” he said.

Sen. Thomas Bakk (DFL-Cook) described the proposed sales tax increase as poor tax policy that disproportionately impacts low-income households. Bakk also cautioned Senators to consider what cumulative impact the increase may have on taxpayers if other proposals, such as a gas tax increase, pass as well.

The proposal deviates from the proper legislative process, said Sen. Rod Skoe (DFL-Clearbrook). Passage of the bill dedicates funding to the environment and arts in the state’s constitution, rather than law, for 25 years, he said.

Opponents also criticized raising taxes as the state fights a recession economy. Sen. David Hann (R-Eden Prairie) charged that the language of the bill prohibits any funding cuts to existing programs.

Proponents countered that the fraction of a cent increase is worth it if it protects Minnesota’s waters and natural spaces. Minnesota has no sales tax on prescriptions, food, and clothing, which lessens the impact on tight budgets, argued Sen. Dennis Frederickson (R-New Ulm). Frederickson also spoke in defense of cultural funding, describing the creativity of Minnesota’s citizens as the one thing that cannot be outsourced.

Sen. Ellen Anderson (DFL-St. Paul) said that legislative stalemates in other areas, such as healthcare, should not block progress for the environment. “We can’t give up and say that we are going to let the environment, clean water and the natural parts of our world slip through our fingers because we have other issues that we are having problems making progress on,” said Anderson.

## Transportation package reviewed

A transportation proposal authorizing over \$308 million in supplemental spending in FY 08-09 and over \$2.262 billion in bond projects through FY 2018 was the focus of the Tues., Feb. 12, meeting of the Transportation Budget and Policy Division. “President Abraham Lincoln said, ‘You cannot escape the responsibility of tomorrow by evading it today,’” said Chair Steve Murphy (DFL-Red Wing), author of the measure. Murphy said the state needs to embrace its duty to provide a safe, efficient transportation system.

Senate Counsel Bonnie Berezovsky walked panel members through the bill. Its major elements include an annual debt service fuel tax surcharge of up to 2.5 cents per gallon to fund the more than \$2 billion in bonding the measure authorizes, an acceleration of the vehicle depreciation schedule, an elimination of the caps on the vehicle registration tax, a five-percent increase in the gas tax. The bill also indexes the gas tax for inflation, increases the fee on vehicle rentals and short-term leases, creates a gas tax credit of \$25 per year for taxpayers in the lowest income tax bracket, directs the Metropolitan Council to impose a half-cent sales tax and a \$20 vehicle excise tax in the Metro Area, and prohibits the privatization of

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*Recipient of the Nobel Prize for Economics and former University of Minnesota Professor Leonid “Leo” Hurwicz addresses members of the Senate during a special ceremony in the Senate Chamber, Tues., Feb. 12.* Photo by David J. Oakes

roads and bridges for the purpose of collecting tolls.

Representatives of several interest groups, associations, and local units of government spoke in general support of the bill, saying the state needs to enact an ambitious transportation package to meet various needs. Many of the speakers said there were items not in the bill they would have liked to have seen included, such as a county wheelage tax. Others said they were uncomfortable with some of the package’s components, such as indexing the gas tax for inflation.

### **Outdoor and cultural legacy bill sent to floor**

The first conference committee of the session met briefly Tues., Feb. 12, to re-approve the conference committee report on H.F. 2285, proposing a constitutional amendment for dedicated funding of natural resources and the arts. The bill, authored by Sen. Lawrence Pogemiller

(DFL-Mpls.), is expected to pass, Thurs., Feb. 14.

The proposal passed out of conference committee on the eve of session close last spring, only to have the clock tick down without the bill receiving a floor vote. The only change from last session is in revenue projections because of a downturn in sales tax receipts, according to Pogemiller.

The conference report places a question on the ballot, for voters to approve or deny, authorizing a sales tax increase of three-eighths of one percent to ensure funding for Minnesota’s outdoor resources and cultural heritage. Because the bill proposes a constitutional amendment, it does not need approval by the governor if passed in the Legislature.

Opposition to the proposal includes Senate Taxes Committee Chair Thomas Bakk (DFL-Cook), who opposes dedicating funds in the constitution, arguing that

it ties the hands of future Legislators. Others oppose the inclusion of arts funding.

Proponents argue that things like clean water, forests and wildlife are critical Minnesota legacies that must be properly funded to ensure their preservation for future generations. Defenders of the arts say its inclusion broadens the base of support for the amendment and addresses another area of Minnesota’s culture that is chronically under-funded.

The bill specifies that 33 percent of the revenue be used to protect, enhance, and restore water quality in lakes, rivers, streams and groundwater, and five percent of that third be used to protect drinking water sources; 14.25 percent of the revenue be used to support parks and trails of regional or statewide significance; and 19.75 of the revenue be used for arts, arts education, and arts access and to preserve Minnesota’s history and cultural heritage.

# Committee update

## Commerce and Consumer Protection

### Accountancy bill okayed

Members of the Commerce and Consumer Protection Committee used their Thurs., Feb. 14, meeting to approve a bill updating Minnesota's accountancy laws.

S.F. 2402, authored by Sen. Ann Rest (DFL-New Hope), makes numerous changes to provisions governing the practice of accountancy and the Board of Accountancy. Rest said the bill brings Minnesota into conformity with the Uniform Accountancy Act. She highlighted several provisions, including an accelerated CPA-testing option for college students and enhanced enforcement tools for the board to rein in errant accountants. The measure was advanced to the State and Local Government Operations and Oversight Committee.

In other action, committee members, chaired by Sen. Linda Scheid (DFL-Brooklyn Park), heard an overview of the Commerce Department's fraud and enforcement actions. Manny Munson-Regala, deputy commissioner of market assurance, Paul Hanson, chief examiner, and George Kyrilis, special investigations director, discussed the department's investigations of insurer practices and alleged fraud. Hanson said the department seeks to immediately stop an insurer's bad market conduct, create remedial steps for the insurer to change its conduct, provide restitution for those harmed by the insurer, and levy fines against insurers. The department has recently focused on title insurance practices, the suitability of insurance products for consumers, and workers compensation insurance, Hanson said. Kyrilis said the fraud unit focuses on pursuing criminal action against fraudulent agents, brokers and claimants in all types of insurance. The fraud unit cooperates with a number of offices and agencies, he said, including federal and state prosecutors, various law enforcement agencies and task forces, and insurance associations.

## Economic Development Budget Division

### Bonding bills address city venues, infrastructure, polar bears

The Economic Development Budget Division, chaired by Sen. David Tomasso-

ni (DFL-Chisholm), listened to 11 bond requests at its first gathering of the session Wed., Feb. 13. Four amendments were adopted for bills that were heard on Monday. All bills were laid over for possible inclusion in a division bonding proposal.

Sen. Mee Moua (DFL-St. Paul) presented S.F. 2273. The bill requests \$9.75 million in bond proceeds to build and equip an Asian Pacific Cultural Center in St. Paul. The project would be the first pan-Asian cultural center in the U.S., according to Moua.

S.F. 2473, sponsored by Sen. Kathy Sheran (DFL-Mankato), requests \$1.2 million for the design of a performing arts theater and a Southern Minnesota Women's Hockey Exposition Center attached to the Mankato Civic Center. The hockey facility would be used by Minnesota State University-Mankato, said Pat Hentges, Mankato city manager. The theater would better accommodate the Mankato Sym-

phony Orchestra and regional performing arts events, according to Mankato Symphony Board President Keith Boleen. The bill requires bond proceeds to be matched by non-state sources.

S.F. 2440, sponsored by Tomassoni, provides \$800,000 for the second phase of Aurora's wastewater treatment facility upgrade, which would prepare the city to meet Minnesota Pollution Control standards set for 2010. The bill requires bond proceeds to be matched by non-state sources.

Sen. Betsy Wergin (R-Princeton) sponsored S.F. 1353, requesting \$5.091 million for expansion of the Clear Lake/Clearwater Sewer Treatment facility. The two towns separated by the Mississippi River share a treatment facility and must meet higher Minnesota Pollution Control standards because of their proximity to the river, according to Wergin. The facility is nearing capacity in the fastest-growing



*The chief authors of an outdoors and arts constitutional amendment bill, House Majority Leader Tony Sertich (DFL-Chisholm), left, and Senate Majority Leader Lawrence Pogemiller (DFL-Mpls.), congratulate each other on the passage of the bill in their respective bodies, Thurs., Feb. 14.*

Photo by A.J. Olmscheid



*In preparation for the start of the 2008 session, Senate Electronics Technician Glen Mills reorganizes Senators' names on the Senate's electronic voting board, Fri., Feb., 8.*

Photo by David J. Oakes

building corridor in the state, explained City Finance Officer Victoria Holthaus.

The Yellow Medicine County Agriculture and Transportation Museum would receive a yet-to-be-determined dollar amount of bond proceeds for electrical upgrades through S.F. 2260, sponsored by Sen. Gary Kubly (DFL-Granite Falls). The bill requires bond proceeds to be matched by non-state sources.

Sen. Tom Saxhaug (DFL-Grand Rapids) presented two proposals. The first requests \$860,000 in bond proceeds for redevelopment of Coleraine's downtown main street, Roosevelt Avenue. The town has a very limited tax base and is already burdened by water treatment upgrades said Mayor John Sloan. The bill requires bond proceeds to be matched by non-state sources.

The second proposal presented by Saxhaug requests \$6.165 million for construction of the Grand Rapids North Central Technologies Lab research facility on the Itasca Community College campus.

Saxhaug said the project could become a collaboration between the wood products industry, the state's college and university systems, and Minnesota Power. The bill requires bond proceeds to be matched by non-state sources.

Sen. Tony Lourey (DFL-Kerrick) sponsored a proposal for restoration of the Hinckley Fire State Monument. The monument was built in 1900 to commemorate the Great Hinckley Fire of 1894, which killed more than 400 people. Two hundred and forty-six victims are buried in a mass grave nearby. As public property, the state is responsible for maintenance of the monument, which has become a safety and aesthetic concern, said Sandy Hinds, manager of the Hinckley Fire Museum. A representative of the Historical Society said that the society could not determine ownership of the monument and bond funds may not be appropriate.

Sen. Mary Olson (DFL-Bemidji) presented three proposals. The first requests \$1.150 million to extend the sewer and

water system from Walker, Minn., to the former Au-Gwah-Ching Regional Treatment Center. The extension is part of a plan to update and restore the facility for use as a health care campus, Olson said.

Olson's second bill provides \$22 million for construction of the Bemidji Event Center, which would be used by Bemidji State University hockey programs and for area events.

The third proposal designates \$1.4 million to expand and upgrade the Deer River Wastewater Treatment Facility. According to Deer River Mayor John O'Brien, the facility has reached its capacity and will restrict growth if not expanded.

The following four bills were discussed on Mon., Feb. 11, before the start of session, and amendments to the bills were adopted at the Wed., Feb. 13, hearing.

Sen. Yvonne Prettner Solon (DFL-Duluth) sponsored S.F. 2331, requesting bond proceeds for a grant to the city of

# Committee update



During the Thurs., Feb. 14, floor session, Senators Dan Skogen (DFL-Hewitt), left, and Jim Carlson (DFL-Eagan) examine a pie chart showing how a proposed constitutionally dedicated sales tax would be distributed among various outdoor and arts interests.

Photo by David J. Oakes

Duluth to build sanitary sewer overflow storage facilities. The bill requires bond proceeds to be matched by non-state sources. An amendment was adopted to reduce the bond request from \$12.750 million to \$6.250 million

Prettner Solon also sponsored S.F. 2331, requesting a grant to the city of Duluth to expand the polar bear exhibit at the Lake Superior Zoo. The bill requires bond proceeds to be matched by non-state sources. The bill was amended to reduce the bond request from \$2.18 million to \$1.09 million.

A bonding request for the city of Minneapolis to pay the principal on outstanding bonds issued by the city to finance the Target Center was also heard. S.F. 993, sponsored by Sen. Linda Higgins (DFL-Mpls.), was amended to reduce the bonding request from \$71 million to \$62 million.

A bonding request for the renovation and expansion of Mayo Civic Center Complex was also amended, changing the grant request from \$5.5 million to \$37.5 million. That bill, S.F. 467, is sponsored by Sen. Ann Lynch (DFL-Rochester).

## Education

### Science education plan discussed

Members of the Education Committee traveled to the Science Museum of

Minnesota, Wed., Feb. 13. The panel, chaired by Sen. Charles Wiger (DFL-St. Paul), heard about the need for a strategic plan to reform science and technology education in order to sustain the United States' position as a global competitor.

## Energy, Utilities, Technology and Communications

### Climate change plan discussed

A required report proposing what Minnesota can do to meet greenhouse gas emissions reduction goals established last year was the focus of the Thurs., Feb. 14, meeting of the Energy, Utilities, Technology and Communications Committee. The panel, chaired by Sen. Yvonne Prettner Solon (DFL-Duluth), heard from Edward Garvey, director of the Office of Energy Security, and several members of an advisory group assisting in the preparation of the action plan.

Garvey said the Next Generation Energy Act of 2007 set a goal of reducing statewide greenhouse gas emissions to 15 percent below 2005 levels by 2015, to 30 percent below 2005 levels by 2025, and to 80 percent below 2005 levels by 2050. The action plan is meant to guide the state toward meeting the goals in thoughtful, deliberative and incremental ways that are specific for Minnesota and com-

patible with regional, national and global actions, he said. The action plan includes several dozen items grouped thematically. For example, under the residential, commercial and industrial implementation category, the plan calls for encouraging all new buildings to use ever-increasing cost-effective efficiency measures and renewable energy technologies, and for supporting appliance standards that provide for the disclosure of energy usage and efficiency information. Garvey said next steps will involve enhancing forestry management, expanding the use of bio-fuels and improving waste management; the three activities were ranked as having the three highest potential greenhouse gas reduction impacts. The full plan is available online at <http://www.pca.state.mn.us/publications/climatechange-legislative-report-0208.pdf>.

Several members of the advisory group also addressed the committee. Bill Grant of the Izaak Walton League said the action plan varies significantly from the advisory group's report. He said the plan treats as goals many items the group labeled as requirements, waters down other policies and omits some recommendations. The group recommended a wide range of policies for near-immediate implementation, Grant said, but the plan selects only a few items for immediate action. The scope of the climate change

problem requires transformative change at all levels of government and industry, he said. The action plan does not put the state on the trajectory needed to accomplish transformative change or to meet the emission reduction goals, Grant said. The advisory group proposed a complete package of reduction measures, said Barbara Freese of the Union of Concerned Scientists. She said the advisory group's recommendations very closely match the emissions targets with very little wiggle room. Because the action plan does not include all of the measures, she said, the action plan fails to meet the emissions targets. Barb Thoman, Transit for Livable Communities, said the excluded or watered-down items mean the transportation elements of the action plan only achieve about half the transportation-related emission reductions proposed by the advisory group. The first draft of the

advisory group's report is online at <http://www.mnclimatechange.us/MCCAG.cfm>

## Environment, Energy and Natural Resources Budget Division

### Bonding requests heard

Members of the Environment, Energy and Natural Resources Budget Division met Thurs., Feb. 14, to consider a number of bonding requests relating to the environment. The panel, chaired by Sen. Ellen Anderson (DFL-St. Paul), took no formal action on the proposals.

S.F. 2527, authored by Sen. Tom Saxhaug (DFL-Grand Rapids), appropriates \$6.487 million for the Voyageurs Heritage Center and Voyageurs National Park Headquarters, including the Irvin N. Anderson Amphitheatre. Sen. Tarryl

Clark (DFL-St. Cloud) sponsored a bill, S.F. 2396, authorizing the issuance of \$2.02 million in state bonds for a matching grant to design and construct the Rorori Trail from Richmond through Cold Spring to Rockville, connecting with the Glacial Lakes Trail, the Beaver Island Trail and the Lake Wobegon Trail. Clark also authored a bill, S.F. 2395, providing \$540,000 to acquire, from a willing seller, land adjacent to the Quarry Park and Nature Preserve in Stearns County.

S.F. 2367, carried by Sen. Michelle Fischbach (R-Paynesville), provides \$492,000 to acquire land adjacent to Warner Lake Park in Stearns County. S.F. 2519, sponsored by Sen. Lawrence Pogemiller (DFL-Mpls.), provides \$5.3 million to repair and renovate Works Projects Administration (WPA) projects in the glen area of Minnehaha Creek, to repair, restore, and stabilize the shoreline and cavernous banks of Minnehaha Creek



Senators Amy Koch (R-Buffalo) and Geoff Michel (R-Edina) peer at a computer screen in the Senate Chamber during the Thurs., Feb. 14, floor session.

Photo by David J. Oakes

# Committee update



*Sixteen-year-old Joe Gibson of Blooming Prairie tells members of the Health, Housing and Family Security Committee, Wed., Feb. 13, how he was surprised to learn that he was too young to donate blood in an effort to aid his ailing grandfather two years ago. As a result, Gibson initiated efforts to introduce legislation to lower to 16 the minimum age of a blood donor.*

Photo by David J. Oakes

as it flows past Minnehaha Falls, to restore fish and other natural habitat and to provide storm water retention and creek bank management at or below the Minnesota Veterans Home. The measure specifies that the appropriation is not available until \$1.6 million has been committed to the project from nonstate sources. Pogemiller said the project is regional because it is for the 55 mile long Grand Rounds national scenic byway. Members adopted an amendment specifying that lighting for the project be energy efficient and comply with natural night sky standards. Pogemiller also sponsored a proposal appropriating \$1 million for repair, restoration and rehabilitation of trails, picnic areas, lighting, signage and stairs and for bluff and slope stabilization at Father Hennepin Regional Park.

Sen. Patricia Torres Ray (DFL-Mpls.) sponsored a measure, S.F. 2518, providing \$5.3 million to be used in conjunction

with the Minnehaha Creek Watershed District's plan to repair and renovate WPA projects in the glen area of Minnehaha Creek, to repair, restore, and stabilize the shoreline and cavernous banks of Minnehaha Creek as it flows past Minnehaha Falls, to restore fish and other natural habitat and to provide storm water retention and creek bank management at or below the Minnesota Veterans Home. As with S.F. 2519, the appropriation is not available until \$1.6 million is committed to the project from nonstate sources.

Anderson sponsored a measure, S.F. 2685, appropriating \$24 million to prepare a site for and to construct, furnish, and equip a new state museum of natural history on the St. Paul campus of the University of Minnesota. The measure specifies that the appropriation be matched by at least \$12 million from other sources. In addition, the measure appropriates \$4 million to design and construct an

environmental landscape for the new state museum of natural history.

In other action, members also considered a bill, S.F. 2706, authored by Sen. Yvonne Pretzner Solon (DFL-Duluth), providing for the development and application of building energy usage performance standards.

## Health, Housing and Family Security

### Blood donation bill gains

The Health, Housing and Family Security Committee, chaired by Sen. John Marty (DFL-Roseville), heard three bills on Wed., Feb. 13. Two moved directly to General Orders and the third was recommended to pass and sent on to the Finance Committee.

S.F. 2471, authored by Sen. Kathy Sheran (DFL-Mankato), allows 16-year-olds to volunteer for blood donation with written permission from a parent or guardian. Currently, anyone 17 years old and older may volunteer to donate blood without parental consent. Joe Gibson, a 16-year-old high school student from Blooming Prairie, was inspired by his grandfather's battle with leukemia to contact his legislators after discovering he was too young to donate blood. The Mayo Clinic, Memorial Blood Centers and the American Red Cross submitted testimony in favor of the change. The bill was recommended to pass.

Sen. Linda Scheid (DFL-Brooklyn Park) presented S.F. 1326, which would transition a Brooklyn Park Homeward Bound intermediate care facility for persons with severe developmental disabilities into four, smaller facilities throughout Hennepin County. Payment rate adjustments through a general fund request are also proposed to address the costs of transition and the higher costs of operating smaller facilities. Scheid explained that the intention is to move residents away from an institutional setting to smaller environments. The bill was recommended to pass and sent to the Finance Committee.

Sen. Linda Berglin (DFL-Mpls.) presented S.F. 1965. The bill allows rehabilitated convicts to retain their state issued licenses in the field of corrections. According to statute, individuals with state licenses in the fields of chemical dependency and corrections permanently lose their licenses for committing certain

crimes. Before 2005, some individuals could receive set-asides from the commissioner of human services based on rehabilitation, said Dan Cain, former chair of the Sentencing Guidelines Commission. Since then, workers in chemical dependency have been able to renew those set-asides when changing jobs, explained Berglin. The bill allows workers in corrections that received a set-aside before 2005 to also renew that qualification when changing jobs within the field.

## Health and Human Services Budget Division

### Bonding proposals heard

The Wed., Feb. 13, meeting of the Health and Human Services Budget Division was devoted to hearing bonding proposals for a variety of projects. The panel, chaired by Sen. Linda Berglin (DFL-Mpls.), took no formal action on any of the proposals.

The first proposal was for a juvenile treatment facility for the White Earth Nation. Sen. Rod Skoe (DFL-Clearbrook) said the bill containing the proposal, S.F. 2507, was introduced late last year. Erma Vizenor, chair, White Earth Reservation, said the facility is needed to bring culturally specific programs to juveniles on the reservation. Members also heard a proposal from the Dept. of Health relating to the Metro Area regional water system. John Stine, director, Environmental Health Division, said the project for interconnection between the Minneapolis and St. Paul water systems would cost a total of \$40 million, but the proposal request is for \$10 million. Steve Schneider, St. Paul Waterworks, said the bonding request is for capital cost, not maintenance.

Several Department of Human Services proposals were also heard. Alan Van Buskirk, manager, State Operated Services, described proposals to expand program capacity for the Minnesota sex offender program at Moose Lake, system wide asset preservation, system wide campus redevelopment, and remodeling of the west wing of the Miller Building at the Anoka Regional Treatment Center. The Moose Lake proposal, which requests \$90 million, is to provide an additional 400-bed secure residential facility, appropriate program areas and ancillary space. Sen. Tony Lourey (DFL-Kerrick) said he had drafted a bill incorporating the proposal. He said

the rapidly growing population made the expansion particularly critical.

Two proposals from Hennepin County were also presented. The first proposal, for the Hennepin County Medical Center, is to provide space for didactic and clinical education for physicians, registered nurses and other health care professionals. The project includes an educational center and teaching clinic space that is required to provide clinical experience, said Dr. Michael Belzerf, medical director, Hennepin County Medical Center. He said the Hennepin County Medical Center is among the most vital training sites in the state because of the scope of educational efforts, the health professions in training, affiliations with other educational institutions and the access for the uninsured and public program patients. Cathy ten Broeke, coordinator for ending homelessness, presented a proposal for a one-stop center to provide services aimed at ending homelessness. She said the opportunity center would provide job training, housing services, medical and dental care, veterans services, substance abuse treatment, mental health care and legal services. Ten Broeke said the anticipated total cost is \$10 million and that the bonding requests is for \$2.5 million with the balance coming from the Hennepin County capital improvement plan and the philanthropic/partners fund.

Beverly Dusso, president and executive director, Tubman Family Alliance, presented a request for bond funds for a new building for the Tubman Family Alliance Violence Prevention Center. Dusso said investment in the work done by the alliance will ultimately reduce costs to society. Skoe also presented a proposal for the St. Paul Gillette Hospital. He said the request is for planning and design funds for expansion of the facility. Margaret Perryman, Gillette Children's Specialty Healthcare, said the hospital is currently engaged in phase I of an expansion program and the request is for planning phase II of the program. Sen. Mary Olson (DFL-Bemidji) presented a request for \$977,500 for demolition of buildings and infrastructure at the former Ah Gwah Ching facility in Walker, Minnesota. Olson said the county has plans for reusing the facility, but that before redevelopment there must be removal of asbestos and other regulated materials. The final proposal was a request for \$300,000 for pre-design finalization for a west central multi-county secured treat-

ment facility. Joyce Pesch, director, Grant County Social Services, said the facility would be designed to accept the full range of chemical dependent inmates from minimum security to super-maximum security classifications. Pesch said the multi-county endeavor will eliminate the stress on local facilities caused by high-security, high-risk chemically dependent inmates.

### Vets' homes bonding discussed

Bonding requests for the state's veterans' homes were a focus of the Thurs., Feb. 14, meeting of the Health and Human Services Budget Division. The panel, chaired by Sen. Linda Berglin (DFL-Mpls.), also heard a proposal to provide grants to construct or rehabilitate facilities for early childhood programs.

Veterans Affairs Commissioner Clark Dyrud and Deputy Commissioner Gil Acevedo presented the bonding requests for the veterans' homes. Dyrud said the veterans' homes were a recent addition to the Department of Veterans Affairs' responsibilities. In November, the governor abolished the Veterans Homes Board and transferred responsibility for the state's five veterans' homes to the department. After having control of the homes for only about three months, we have a clear sense of what needs to be done, Dyrud said. We do not have a formal strategic plan yet, he said, but we have a vision for the homes.

The bonding requests include \$7 million for system-wide asset preservation, \$1 million to demolish a severely damaged building on the Minneapolis campus, almost \$26 million to construct a new 100-bed nursing care facility on the Minneapolis campus, an additional \$227,000 to allow a renovation project at the Silver Bay campus to proceed, and \$7.835 million to upgrade heating, ventilation and air conditioning on the Minneapolis campus. Additional requests from the department, not included in the governor's proposal, include \$6.655 million to construct 30 units of supportive housing in Hastings, \$9.97 million for a 21-bed special care unit for Alzheimer's and dementia residents in Fergus Falls, \$7.9 million to construct a new 90-bed facility in Kandiyohi County, \$2.3 million for a new security system on the Minneapolis campus, and \$11.351 million to remodel a building on the Minneapolis campus.

In addition to the bonding proposals, Dyrud and Acevedo briefed division

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members on a recent Minnesota Department of Health investigation of a complaint at the Minneapolis Veterans Home. The complaint centered on an allegation of inadequate medication administration procedures resulting in medication errors. Dyrud, Acevedo and other department staff discussed the investigation, remedial efforts, and ongoing staffing issues at the home.

The early childhood bonding proposal, sponsored by Sen. Tarryl Clark (DFL-St. Cloud), provides \$5 million for the existing early childhood learning and child protection facilities grant program. The proposal also modifies the grant program to prioritize centers in areas with higher percentages of children living in poverty, projects involving collaboration, projects increasing childcare workers' wages, and projects that use YouthBuild to construct facilities.

## Judiciary

### Board on Judicial Standards appointment okayed

The Judiciary Committee, chaired by Sen. Mee Moua (DFL-St. Paul), met Thurs., Feb. 14, to consider an appointment to the Board on Judicial Standards and to hear two reports.

Members approved the appointment of Jon M. Hopeman to the Board on Judicial Standards. The Board on Judicial Standards investigates allegations of misconduct by Minnesota judges and referees and recommends discipline to the Minnesota Supreme Court. Hopeman serves as an attorney member on the board.

In other action, members considered the report and recommendations of the 2007 Collateral Sanctions Committee and the Criminal and Juvenile Justice Information Policy Group's report on background checks and the sealing of criminal records.

Former judge Isabel Gomez, who currently services as executive director of the Minnesota Sentencing Guidelines Commission, presented the findings of the Collateral Sanctions Committee. Gomez said the committee chose to define the term "collateral sanctions" as a punishment that results from a crime, but is not imposed by a judge as part of criminal sentence. She said the broad range of negative consequences on employment that result from contact with the criminal

justice system was central to the panel's work.

Gomez said it quickly became clear to the committee that there is a large number of individuals who are no more likely than the next person to commit a crime, but who are barred from employment by outgrown misdemeanor convictions, minor misdemeanor convictions, vacated and dismissed convictions, petty misdemeanor violations, dismissed charges, stays of adjudication, one-time delinquency adjudications and arrests not leading to charges. Those individuals are being treated as though they had serious criminal records, and improving collateral sanctions policy and practice is a matter of basic fairness, Gomez said. She said the committee's recommendations include educating school administrators and counselors about collateral sanctions, making collateral sanctions easy to identify, educating the public, reducing convictions by establishing diversion programs, standardizing formats for criminal history reports, regulating data miners and providing employer incentives. The full report may be found at: [http://www.msgc.state.mn.us/projects/collateral\\_sanctions/Collateral\\_Sanctions\\_Report\\_2008.pdf](http://www.msgc.state.mn.us/projects/collateral_sanctions/Collateral_Sanctions_Report_2008.pdf)

The committee also reviewed the Criminal and Juvenile Justice Information Policy Group's report on background checks and the sealing of criminal records. Debbie Kerschner, chair, Criminal and Juvenile Justice Information Task Force, and Steve Holmgren, first vice chair of the task force, outlined the report's findings. The recommendations include requiring background checks be more consistent and guided by uniform principles, specifying that expunged records be accessible to the courts, law enforcement, prosecutors, probation officers and corrections officers without a court order, specifying that expunged convictions still be considered convictions for purposes of gun laws, sex offender registration, expungement proceedings, subsequent prosecutions and statutorily mandated background checks and specifying that expungements should be more uniform across all government entities and that there should be a statutory remedy. The report also describes factors to consider when deciding whether to issue an expungement order and outlines who should be statutorily eligible to petition for expungement. The full report may be found at: <http://www.crimnet.state.mn.us/>

## Public Safety Budget Division

### Training facility proposals heard

The Public Safety Budget Division devoted the first hearing of the year Wed., Jan. 13, to reviewing a number of bonding proposals for fire and police training centers in various parts of the state. The division, chaired by Sen. Linda Higgins (DFL-Mpls.), took no formal action on the proposals. After completing a series of hearings on various bonding proposals, members will forward their recommendations to the Capital Investment Committee.

Sen. Tom Saxhaug (DFL-Grand Rapids) described a proposal requesting \$1.431 million for a fires and hazardous response team facility in Grand Rapids. Steve Flaherty, fire chief, and Marlyn Halvorson, first assistant fire chief, described the need for the facility and said the purpose of the project is to provide a state-of-the-art venue for various emergency response agency training. The facility would provide training for all emergency response agencies in Northern Minnesota. Sen. Betsy Wergin (R-Princeton) authored a bill, S.F. 2330, appropriating \$3 million for a regional public safety facility in Princeton. City officials from Princeton spoke in support of the project. S.F. 1958, sponsored by Sen. Ann Lynch (DFL-Rochester), provides \$3.25 million for the Southeastern Minnesota Regional Public Safety Training Center. A bill, S.F. 574, authored by Sen. Claire Robling (R-Jordan), provides \$3.2 million for a regional public safety training center in Scott County. Sen. Paul Koering (R-Fort Ripley) sponsored a measure, S.F. 2487, appropriating \$5 million for a tier-3 homeland security and emergency management training and exercise center at Camp Ripley. Koering said the project will include a classroom facility and several facilities for field response training. Sen. Bill Ingebriksen (R-Alexandria), carried a measure, H.F. 2668, providing \$10.5 million for a law enforcement center addition and the renovation of existing space at Alexandria Technical College. The final bill, S.F. 2508, sponsored by Sen. Kevin Dahle (DFL-Northfield), provides \$6.04 million for a public safety and regional emergency operations center in Northfield.

Tim Leslie, assistant commissioner, Dept. of Public Safety, spoke in support of

the tier-3 homeland security and emergency management training and exercise center at Camp Ripley. Leslie said the proposal is also an opportunity to leverage federal funds to provide comprehensive homeland security training. The center at Camp Ripley is centrally located, a way to plan, train and exercise to meet national priorities and at the same time be available to local jurisdictions, private and not-for-profit partners, Leslie said.

Higgins said the division needed to know how the bills fit with the master plan for training facilities developed several years ago. "We need to make sure the state's needs are met," she said, "but we also need to know how the proposals fit together."

## Rules and Administration

### Opening resolutions okayed

The Rules and Administration Committee met Tues., Feb. 12, to consider several routine opening day resolutions. The panel, chaired by Sen. Lawrence Pogemiller (DFL-Mpls.), also reviewed membership changes for various committees and approved a motion to spend additional funds to replace members' laptop computers.

Several resolutions were adopted, including a resolution setting the dates for this year's committee deadlines. S.C.R. 8 sets Fri., Mar. 14, as the first committee deadline. The first deadline is the date by which Senate committees must act favorably on bills originating in the Senate. Wednesday, Mar. 19, the second committee deadline, is the date by which Senate committees must act favorably on bills originating in the other body. The final deadline, Fri., Mar. 28, is the date by which the Senate Finance Committee must act favorably on major appropriation and finance bills.

Other resolutions relating to expenses for interns and law clerks, postage and mileage were also approved.

A number of committee membership changes were also reviewed. Sen. Kevin Dahle (DFL-Northfield) was elected in a January special election to replace Sen. Thomas Neuville (R-Northfield). Neuville was appointed a district court judge and resigned his seat effective Jan. 1, 2008. Dahle was assigned to the Commerce and Consumer Protection Committee, the E-12 Education Budget Division and the Energy, Utilities, Technology and

Communications Committee. In addition, Sen. Gen Olson (R-Minnetrista) replaces Neuville on the Finance Committee, Sen. Pat Pariseau (R-Farmington) replaces Neuville on the Judiciary Committee, and Sen. Warren Limmer (R-Maple Grove) replaces Neuville on the Public Safety Budget Division. The Finance Committee membership was also increased with the addition of Sen. Michelle Fischbach (R-Paynesville), Sen. Leo Foley (DFL-Coon Rapids), Sen. Linda Higgins (DFL-Mpls.), Sen. Claire Robling (R-Jordan), Sen. David Tomassoni (DFL-Chisholm) and Sen. Jim Vickerman (DFL-Tracy).

## State and Local Government Operations and Oversight

### Presidential caucuses discussed

The recent political party caucuses were the focus of an evening meeting of the State and Local Government Operations and Oversight Committee, Wed., Feb. 13. The panel, chaired by Sen. Ann Rest (DFL-New Hope), heard from a panoply of party officials, caucus attendees, a political scientist and the secretary of state on the process used to gauge Minnesotans' preferences among presidential candidates. The Feb. 5 caucuses set attendance records for both the DFL and Republican parties, with over 250,000 attendees between the two parties.

Ron Carey, chair of the Minnesota Republican Party, said there is a widespread misunderstanding about the role of caucuses. They are not about electing candidates to office, he said, but are internal party events designed to start a process for selecting party leaders, endorsing candidates for office, and amending

the party platform. The political parties are functionally similar to other private groups like the Lions and Rotary, he said, and government should not tell parties or other groups how to run their internal affairs. Holding a primary election would not eliminate the need for caucuses to start that process, Carey said. Holding both a primary and a caucus, he said, would push control of the parties into fewer hands, because many citizens would believe they had done their duty simply by voting in the primary. He said that Washington, which has a similar population to Minnesota, operates a dual system and had only 9,000 attendees at the Washington Republican Party caucuses. Broader and deeper participation should be a common goal, he said. Carey also noted that requiring an additional primary would impose costs on taxpayers at either the local or state level.



*South American folk musician Mauricio Ochoa performs in the Capitol Rotunda, Thurs., Feb. 14 as part of a presentation about Minnesota's diverse communities.*

Photo by A.J. Olmscheid

# Committee update

The Independence Party is in unique situation as a state party without a national counterpart, said Craig Swaggert, party chair. A lot of people were upset because they didn't get to vote in the way they thought they should, he said. The party is conducting a virtual online caucus this year, he said, to help people overcome the barriers of a traditional one-night caucus.

Rest said that though they were invited, neither the chair nor associate chair of the Minnesota DFL could attend. In lieu of their presence, the state party asked the leaders of several local party units to attend the meeting, she said. P.J. Voysey, chair of the Senate District 37 DFL, said over 3,000 people attended caucus at a location that was told to expect 1,500 and for which the past attendance record was 600. Of the 3,000 who cast a presidential preference ballot, he said, 1,300 stayed for the remainder of the caucus process. Voy-

sey said the state should have both a primary and a caucus. A huge proportion of attendees thought this was a primary and treated it that way, he said. He suggested the state consider adding state and local races to an early primary. Joel Bergstrom, chair of the Senate District 60 DFL, said the caucus system can and does work with appropriate planning. The district regularly has the highest turnout in the state, he said. There are often 4,000 to 6,000 attendees, he said, and this year's turnout was over 13,000 attendees. I see no reason to switch away from the caucus system, Bergstrom said, and the value of the civic participation cannot be calculated.

Caucus attendee Mary Jean Turinia Anderson, a Roseville resident, said many people encounter significant barriers to participation. In addition to the logistical barriers that resulted from high turnout this year, she said, people who

are homebound and usually vote by mail cannot participate. The saying that "the world is run by those who show up" may be true, but is not morally right, she said. Barrett Johanneson of Minneapolis said the caucus process disenfranchises those who are away from home on caucus night, work during the evening, or have child-care issues. The system collapsed because it was overwhelmed by the number of people who wanted to participate, he said. It should be easy to help select our leaders, he said.

Rick Stafford, a former DFL state chair, suggested having a binding presidential primary in early February with abbreviated voting hours, from 7 a.m. to 7 p.m., followed by precinct caucuses for other party business at 7:30 p.m. In non-presidential years, he said, nothing would be different from the current process. The caucus system has limited participation



*As Senators debate the merits of a proposed constitutional amendment to raise the state sales tax to benefit the outdoors and arts, Sen. Paul Koering (R-Fort Ripley) carefully examines a copy of the House vote tally on the legislation, Thurs., Feb. 14.*

Photo by David J. Oakes

and diversity on several fronts, Stafford said. He urged members to strike while the iron is hot. Minnesotans do not care about what pleases party leaders, Stafford said, but care about enhancing public participation in the political process. Kathryn Pearson, a political science professor at the University of Minnesota, said the virtues of the caucus system are overshadowed by its flaws. Turnout would have been greater if Minnesota had used a primary system instead of a caucus system in 2008, she said. Minnesota had a 17-point lead over California in turnout at the 2006 general election, she said, but in 2008 Minnesota's caucus turnout was 25 percent lower than California's primary turnout.

These are internal party meetings, said Secretary of State Mark Ritchie, but the Secretary of State's Office has two statutory duties regarding caucuses: facilitating public information about the caucuses and reporting the results of the straw polls for president or governor. The office's tools held up under high demand, he said, and the staff did a very good job thanks to cooperation from the political parties and the media. Ritchie noted that neither the DFL nor Republican Party's results are completely in, but both are within roughly a percent of final, statewide reporting. At the national level, he said, the parties are talking about significant changes to the presidential nomination process. Minnesota's elections officials at all levels are professionals who would implement a primary system well, if the Legislature decided to go that route, he said. However, the main concern is likely to be about the cost, he said.

Senators also reviewed, but took no action on, a bill proposing a nonbinding presidential primary. S.F. 1527, authored by Sen. Dan Larson (DFL-Bloomington), provides for state funding of the presidential primary. Debra Skogen, Fridley city clerk, questioned the need for a nonbinding primary. The proposal adds work for local election officials merely to assist the parties in gathering what may be non-reflective data, she said. Changes to the caucus process could improve the situation, Skogen said, and she urged the panel to act slowly in considering changes.

In other action, members advanced two pieces of legislation, both authored by Rest. S.F. 2428 permits public entities to hold meetings and events after 6 p.m. on March 4, 2008. Public entities, such as

counties and school districts, are normally prohibited from meeting or sponsoring events that conflict with political party caucuses. However, because the parties chose to caucus in February instead of on the statutory March date, Rest said, public entities should not be required to forego normally-scheduled meetings and events. The bill was recommended for placement on the Consent Calendar. S.F. 2511 reestablishes advisory groups that were eliminated last year, including the health care peer review committee and advisory committees for the Minnesota breeders' fund. The measure was re-referred to the Judiciary Committee.

## Transportation Budget and Policy Division

### Transportation package gains

The transportation omnibus bill, sponsored by Division Chair Steve Murphy (DFL-Red Wing), was heard in the Transportation Budget and Policy Division Wed., Feb. 14. S.F. 2521 provides \$169.7 million in FY 2009 new revenue and \$615.6 million in the FY 2010-2011 biennium for transportation needs through a combination of gasoline and license tab tax increases and bonding. The funds will be used for expenditures including infrastructure maintenance, 40 additional state troopers, and increased aid for county and municipal roads.

The committee okayed several author's amendments intended to align the provisions with the other body's version and approved the bill on a voice vote.

The bill raises significant funds for the state's transportation system, Murphy said. Revenue generators include a five cent phased-in gas tax increase that, according to current language, would be indexed. A half percent Metro Area sales tax increase, a \$20 new vehicle excise tax in the Metro Area, a debt service surcharge, removal of tab fee increase caps, a vehicle registration tax increase, dedication of the motor vehicle lease tax, a rental car tax increase from three percent to five percent, and trunk highway bond authorization of \$650 million raise revenue in the bill.

A total of \$46.4 million per year would be added to base funding for infrastructure maintenance under the bill. The measure also provides an additional

\$3.7 million a year for 40 additional state troopers.

The bill was amended to provide a low income motor fuels tax credit of \$25 for most income tax filers and a \$12.50 credit for married filers filing separate. That initiative will be funded by the motor vehicle leasing tax increase, Murphy said. Another amendment exempts certain bridges determined to be in good working condition from maintenance otherwise required by the bill.

Policy included in the bill directs the commissioner of transportation to develop an accelerated program to repair and replace trunk highway bridges, develop an inventory of bridges that qualify as priority projects, and classify all bridges into three tiers based on sufficiency rating and traffic volume.

Proposed changes to the county state aid highway formula would result in annual funding increases of about 15 to 20 percent for each county under the bill. "For small communities, this is the difference between being able to do work and not being able to do work," said Murphy.

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### Historical database available

The Legislative Reference Library has developed a database, "Legislators Past and Present," containing information about Legislators who have served since territorial times. The database's information was compiled from official legislative directories, obituaries, news clippings, family files and other sources. It contains information about terms of service, education, occupation, party or caucus affiliations, leadership positions, represented communities and more.

The database also includes information about Minnesota Legislators who served in other government functions, ranging from the local level to the national level. It even indicates which Minnesota Legislators also served in another state's legislature. (There were five: Cyrus Aldrich in Illinois, Francis Cornell in New York, Mark Dunnell in Maine, Willis Gorman in Indiana and Knute Nelson in Wisconsin.)

"Legislators Past and Present" is available online at <http://www.leg.state.mn.us/legdb/index.asp>

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# Senate Briefly

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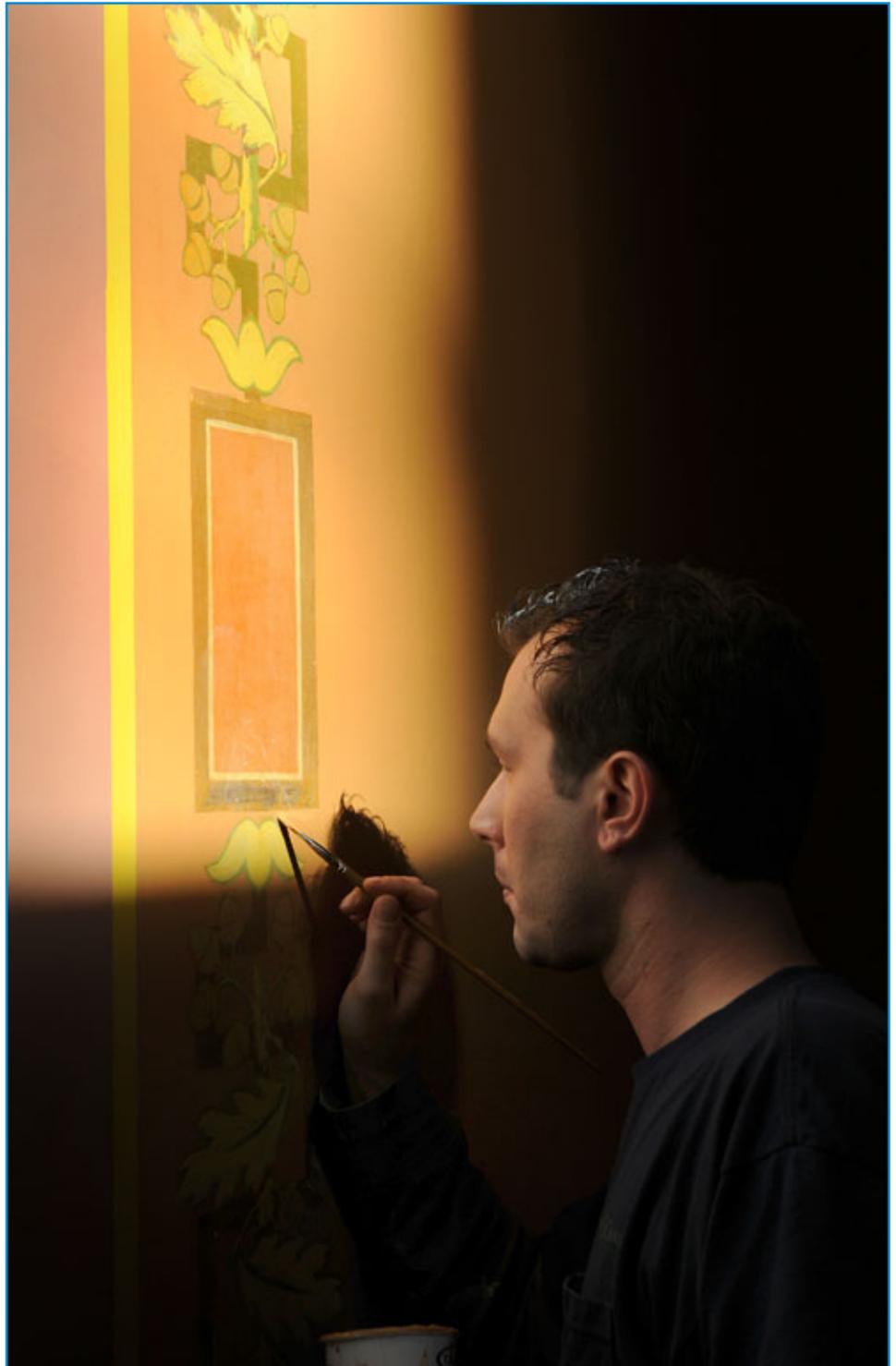
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Steven Gardiner with John Canning Studios puts the finishing touches on one of several ornate stencils on the third floor of the Capitol.

Photo by A.J. Olmscheid



February 22, 2008

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# Senate Highlights

## Transportation package passed

The Thurs., Feb. 21, floor session was devoted primarily to debate on the omnibus transportation funding package. Chief Author Steve Murphy (DFL-Red Wing) described the bill's provisions and made opening remarks about the bill. Members then recessed until mid-afternoon before debating the measure and offering amendments.

Murphy said the bill, S.F. 2521, is this year's version of a comprehensive transportation funding package. "We have all heard of the dire needs in our transportation systems," Murphy said, "If we use the funding streams in the bill, both for roads and transit, we will be able to meet the transportation needs of the expected influx of 1 million people in Minnesota over the next 10 years." Minnesota is not the only state in this situation, but what distinguishes Minnesota is how quickly our transit ways are deteriorating, Murphy said.

The bill is a multi-modal transportation package that includes funding for roads, bridges, transit and waterways, Murphy said. He said the bill also includes authorization for the Dept. of Transportation to spend all federal money received for the I-35W bridge and funding for an additional 40 state troopers. He said the measure includes an increase in the gasoline tax and a surcharge to pay debt service on the bond proceeds appropriation in the bill. Murphy said the funding

in the bill ensures that every fracture-critical bridge in the state with a rating of 50 or less will be rehabilitated by 2018. He said the changes in the county state-aid highway fund distribution formula are supported by all 87 Minnesota counties.

Sen. Scott Dibble (DFL-Mpls.) explained the transit portions of the bill. He said the funding for transit includes an increase in the sales tax in the Metro Area. Dibble said the transit portions of the bill will put the Twin Cities in the same league as other vibrant metropolitan areas.

This bill is the future of Minnesota transportation, Murphy said. The legislative auditor's report made it clear that if we wait any longer, we will be beyond critical mass, he said. If we wait to pass a comprehensive bill, he said, our state will continue its economic slide and our system will deteriorate further. We cannot borrow our way to prosperity, as the governor proposes, Murphy said. Borrowing is one of the major reasons why we are seeing roadways deteriorate, he said.

In a recession, this bill proposes to raise taxes, said Sen. Julianne Ortman (R-Chanhassen). The funds to pay for this bill will come out of the pockets of hard-working Minnesotans who are barely getting by, she said. Thousands of our residents who have lost their jobs and homes will have to come up with dollars they do not have to pay these taxes, Ortman said. Minnesotans' biggest concern is not transportation, she said, it is the economy, including jobs, mortgages and other debt. We should wait for a week or so to get the economic forecast and act deliberately, she said.

We cannot fix overnight what we destroyed over the course of 20 years, said Sen. Michael Jungbauer (R-East Bethel). Only 0.7 percent of our general fund goes to support transportation, he said. More of the general fund should be directed to transportation, he said. We need this kind of money for transportation, he said, but this bill is regressive and poorly timed. "I will not tax the citizens at a time they can least afford it," Jungbauer said.

After an hours-long recess to await the vehicle bill from the other body, members reconvened and set aside the Senate measure in favor of its companion, H.F. 2800. Majority Leader Lawrence Pogemiller (DFL-Mpls.) moved to suspend the rules in order to consider the bill without three readings on separate days. Sen.

David Hann (R-Eden Prairie) opposed the motion, questioning what urgency demands ignoring routine procedures. We should honor the spirit of the three readings requirement, he said, which is that we examine bills and take our time before passing them. The motion to suspend the rules prevailed, 45-21.

Murphy highlighted the major substantive differences between H.F. 2800 and the earlier proposal. This bill provides for only \$6.6 billion in new spending, he said. The reduction is due to a lower Metro Area sales tax, he said. The bill provides for a quarter-percent Metro Area sales tax dedicated to transit. The measure also limits the taxing area to the seven core counties. One addition to the bill is the creation of a task force to address overbilling and cost overruns on transportation projects. The ten-year need in transportation is \$20 billion, but the bill provides less than a third of that, Murphy said.

"This is the mother lode of transportation bills," said Sen. Dick Day (R-Owatonna). It costs an average of \$250 per person every year, he said. Day said the state has been putting hundreds of millions of dollars into Metro Area transit projects. We have been taxing everyone in the state to benefit less than five percent of the people, he said. Day said the state should end its obsession with rail transit and invest in buses and roads.

Sen. Ray Vandever (R-Forest Lake) offered an amendment deleting the local option sales tax provisions from the bill. In a recession, many states and the federal government are lowering taxes or issuing rebates, not raising taxes, he said. The sales tax is the most regressive tax, Vandever said, and there is no good reason to do a bad thing. Murphy opposed the amendment, saying it guts the bill. The amendment failed, 19-47. Sen. Claire Robling (R-Jordan) offered an amendment subjecting the Metro Area sales tax to a referendum. The local option sales taxes for Greater Minnesota are subject to popular vote, she said, and Metro Area residents should be treated equitably. The amendment was rejected, 24-43.

An amendment requiring the gas tax and vehicle registration tax increases in the bill to be taken proportionally out of rest of budget at the end of each fiscal year, and rebating the funds to taxpayers, was offered by Jungbauer. The amendment failed on a voice vote. Sen. Chris Gerlach

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(R-Apple Valley) offered an amendment changing the county state-aid highway (CSAH) formula. Under the amendment, all CSAH funds would be allocated based on a 40 percent vehicle registration and 60 percent need formula. Speaking against the amendment, Murphy said the new CSAH formula in the bill was agreed to by all 87 counties. We should not upset a hard-won agreement, he said. The amendment was defeated, 12-55.

Sen. Warren Limmer (R-Maple Grove) offered an amendment offsetting the transportation tax increases with a reduction in income tax rates. The amendment was ruled not germane; the ruling was upheld, 45-21. Ortman offered an amendment removing language limiting the availability of a lower-income gas tax credit to United States citizens or persons lawfully present in the United States. Limiting the tax credit in this way is a major policy to be adopted in a transportation bill, she said. Having this provision in the bill shows how quickly and absent-mindedly we are acting on this bill, Ortman said. She said no consideration has been given to how the citizenship or residency limitation will be enforced. The amendment failed, 12-54. Vandever offered an amendment limiting the gas tax increases in the bill to five cents a gallon, dedicating the remaining revenue to pay the debt service on bonds, and reducing the income tax rate for the lowest tier of income earners. The amendment was defeated, 18-48.

Sen. David Senjem (R-Rochester) moved to lay the bill on the table until Mar. 5. Senjem said the bill was being rushed to passage before the state of the budget is known. Hann spoke in support of the motion. "It would be wise to lay the bill aside until we hear the budget forecast next week," he said. The motion failed on a 21-45 roll call vote.

Sen. Betsy Wergin (R-Princeton) said she had grave concerns about adding to the sales tax rate. There is only one another state that has a rate as high as 6.5 percent, Wergin said. Minnesota's average per capita sales tax is over than \$100, which is higher than other states, she said. She urged members to defeat the bill. Hann said, "This is very unorthodox; we are passing a tax increase without knowing our true financial situation."

Geoff Michel (R-Edina) said, "I don't think this will become law." There are two fundamental flaws in the bill, he said. The



*As debate on a proposed transportation funding bill lasts well into the evening of Thurs., Feb. 21, President of the Senate James Metzzen (DFL-South St. Paul) looks over a copy of the bill.*

Photo by David J. Oakes

first is that the bill was built on a strategy to override a veto, Michel said. The second is that it is as if we have blinders on, because we are in an economic downturn, he said. "Our number one job here is to get the economy going again," Michel said.

Dibble responded, "We share the goal of trying to get the economy growing again, but we have let the transportation system deteriorate so much we can't get the economy going because we are stuck in traffic." If we fail to pass the bill, we fail to invest in our economy, Dibble said.

Murphy said, "Today, the state Chamber of Commerce took a bold and coura-

geous step forward in helping to broker a compromise to make the bill possible." He said the chamber knows that the way to prosperity is by having a seamless transportation system. "This is serious business, lives are at stake," Murphy said, "Let's vote for the bill and vote for Minnesota."

The bill was granted final passage on a 47-20 roll call vote.

Earlier in the day the Senate granted final passage to one bill on the Consent Calendar. S.F. 2428, authored by Sen. Ann Rest (DFL-New Hope), allows local units of government and school districts to hold meetings and events after 6 p.m. on Mar. 4. Rest said the bill is needed

# Senate Highlights

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because the date was statutorily set before precinct caucuses were moved to the February date by the parties.

## Bus accident victims mourned

Senators met for a brief floor session Wed., Feb. 20, to process bill introductions and facilitate the movement of bills between committees. Sen. Dennis Frederickson (R-New Ulm) asked members to stand in a moment of silence in sympathy and empathy with the students and families involved in a school bus accident in Cottonwood, Minnesota, the day before. Frederickson said four children were killed in the accident and 12 others were hospitalized. Two adults were also taken to the hospital, Frederickson said.

## Brief session held

Senators gathered for a brief floor session Mon., Feb. 18, in order to process bill introductions and facilitate the movement of bills between committees. The Senate recessed pending the arrival of the Finance Committee report advancing the transportation funding package, S.F. 2521, to the Taxes Committee.

## Bridge collapse fund okayed

A proposal to compensate persons harmed by the I-35W bridge collapse was the focus of an evening meeting of the Judiciary Committee, Tues., Feb. 19. Members, chaired by Sen. Mee Moua (DFL-St. Paul), advanced the measure, S.F. 2824, to the Commerce and Consumer Protection Committee.

Senate Counsel Kathleen Pontius reviewed the background of the proposal. She said the starting point of any suit against the state would be whether the state was at fault for any harm and whether the state was immune from suit based on the case's facts. If the state could be held liable, she said, a statutory cap on state liability would limit individual awards to \$300,000 and the total liability for the incident to \$1 million. The \$300,000 cap was raised to \$400,000 for claims arising on or after Jan. 1, 2008, under legislation enacted last year, Pontius said.

S.F. 2824, authored by Sen. Ron Latz (DFL-St. Louis Park), retroactively increases the individual claim cap to \$400,000 to Aug. 1, 2007, in order to include the bridge collapse. Pontius said the retroactive increase would also

include any other claims that arose after August. The bill also creates an alternative compensation process specifically for bridge collapse victims. It creates a special master panel to consider claims, make settlement offers and enter into settlement agreements. The bill requires claims to be filed within six months of its effective date and settlement offers to be made with one year of the effective date. Under the bill, settlement offers must be based on total damages incurred. Additionally, settlement offers must be reduced by collateral source reductions, payments made from the emergency relief fund, and any payments made by third-party wrongdoers. The bill limits settlement offers to \$400,000 per victim but waives the \$1 million per-incident cap. The measure requires victims who accept settlement offers to release the state from all liability arising from the bridge collapse. The bill prohibits entities required to make payments to victims, or that have already made payments to victims, from reducing their required payments or seeking recovery from the victim.

No amount of money the state offers to pay will ever bring anyone back, Latz said. However, monetary compensation is the system we have and we work within its bounds, he said. Latz acknowledged that the proposal, if enacted, sets a significant precedent for the future. The bridge collapse was unique in some ways, especially in its scope, he said. Analytically, however, it is no different than any other claim against the state, Latz said. Compensating the injured and the families of the deceased is the right thing to do, he said. Completely ignoring the current scheme of caps for government would be unfair and inequitable to taxpayers and to those who have been or will be hurt in other situations, he said. We do not need to feel compelled to shoulder 100 percent of the liability, Latz said, because other, private parties could be held liable for their fault in the collapse. The proposal is balanced and well-reasoned, he said.

Sen. Don Betzold (DFL-Fridley) offered, and members adopted, amendments changing the deadlines to Oct. 1, 2008, for claims to be filed and Apr. 1, 2009, for settlement offers to be made. Hard dates are easier for everyone to work with, he said, instead of having to calculate dates based on the legislation's effective date. Members also adopted amendments clarifying the proposal's findings provisions

and stating that the findings are not an admission of liability by the state.

## OLA bridge report heard

The Joint Bridge Collapse Investigative Committee chaired by Sen. Steve Murphy (DFL-Red Wing) and Rep. Bernie Lieder (DFL-Crookston) met Fri., Feb. 22, to review the Office of the Legislative Auditor's report on the state of Minnesota's highways and bridges. The complete report can be found at: <http://www.auditor.leg.state.mn.us/ped/2008/trunkhwy.htm>.

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## Committee update

### Agriculture and Veterans Budget and Policy Division

#### Dairy report, livestock grant and land preservation bills heard

The Agriculture and Veterans Budget and Policy Division, in its role as a free-standing policy committee, began its meeting, Tues., Feb. 19, with a presentation by Minnesota Milk Producers (MMP) about the state of the dairy industry in Minnesota. Two bills were also presented, one providing livestock investment grants and the other addressing community development. The committee is chaired by Sen. Jim Vickerman (DFL-Tracy).

Pat Lunermann, president of MMP, said that Minnesota's dairy farmers are introducing robot milkers, a focus on cow comfort and practices such as rotational grazing into the industry. Lunermann outlined the industry's priorities for 2008, including a consistent permitting process that allows modernization, cost-share funding for environmental clean-up for all producers, a dairy investment credit, permanent milk truck weight exceptions, and a milk in schools program. Lunermann also emphasized the need for community infrastructure investment and wastewater capacity upgrades that would allow expansion of the industry, and improved road and bridge infrastructure that would attract new business.

Lunermann also mentioned the long term goal of creating a dairy research facility affiliated with the University of Minnesota located outside of the metro.

# Committee update

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Challenges to the industry include the high cost of oil and energy, which has increased the cost of feed, fuel, supplies and labor, said Lunermann. He also cited as challenges difficult permitting processes and a potential Minnesota Pollution Control Agency fee structure based on the size of feed lots.

The committee then heard testimony on S.F. 2704, which provides investment grants refunding 10 percent of the first \$500,000 of qualifying livestock industry expenditures. Wayne Voth, a dairy farmer from Lewiston, Minn., said grants would help with expensive expansion projects, as well as with upgrades that would ease the environmental impact of old fashioned farm infrastructure.

The committee debated setting a floor of \$40,000 for qualifying purchases. While Sen. Gary Kubly (DFL-Granite Falls) said that a \$40,000 floor would arbitrarily exclude smaller operations from receiving the credit, Sen. David Hann (R-Eden Prairie) argued that the bill should encourage businesses to grow and be sustainable, not just provide a discount for agriculture. No amendment was made and the bill, sponsored by Sen. Dan Skogen (DFL-Hewitt), was laid over for possible inclusion in a future omnibus bill.

The second bill heard, S.F. 1402, is sponsored by Sen. Steve Dille (R-Dassel). The President Theodore Roosevelt Memorial bill would require counties and municipalities to consider natural heritage data when updating comprehensive plans, and consider restricting development to areas with existing services. The bill also directs county boards and municipalities to include priority provisions in their development plans for the preservation of open land and habitat, and requires counties and municipalities to adopt ordinances ensuring the goals of those priorities. Counties and municipalities must also consider adopting the state's livestock production policy.

Dille said the original intent was to prevent fragmentation of agricultural land. The bill also discourages urban sprawl, decreases greenhouse gas emissions and supports smart growth, said Dille.

An attorney for the Minnesota Association of Townships said that the bill includes mandates, and may encourage annexing of land.

Vickerman said objections to the bill didn't address agriculture provisions and should be dealt with in appropriate com-

mittee hearings. The bill was re-referred to the State and Local Government Operations and Oversight Committee.

## Business, Industry and Jobs

### OLA recommends JOBZ overhaul

The Legislative Auditor's report on Minnesota's Job Opportunity Building Zone (JOBZ) program provided a mixed review for the Business, Industry and Jobs Committee, Mon., Feb. 18. The report findings identified three major program flaws in addition to 15 recommendations to improve the program.

The JOBZ program was passed in 2003 to provide tax incentives for businesses to relocate or expand in designated zones of low economic development, explained John Yunker, project manager with the Office of the Legislative Auditor.

However, the auditor's office has determined that the program provides unnecessary or ineffective subsidies in some cases, suffers from weak administration exemplified by poorly written agreements and ineffective compliance monitoring, and does not target economically distressed areas, said Yunker.

Key recommendations would give more approval and oversight of the program to the Department of Employment and Economic Development through legislation, said Commissioner Dan McElroy of DEED, who supports the proposed changes. Through implementation of these recommendations, DEED would provide clear and specific criteria to cities for JOBZ participation, ensure meaningful goals, develop an improved uniform sample agreement, and provide cost benefit analyses to cities, said Yunker.

A proposed cap on benefits was the only recommendation that concerned testifiers McElroy and Commissioner Ward Einess of the Department of Revenue. McElroy said it may not improve efficiency or direction of the subsidies to those who best qualify. Recommendations for changes to the program would extend benefits for ten years, rather than until the program sunsets in 2015, and would target the program to economically distressed areas.

The audit includes seven recommendations to improve reporting and compliance, including allowing DEED to use unemployment insurance non-public data to validate JOBZ employment. The audit recommends a new subsidy reporting form

for businesses and streamlined compliance review. DEED would also require businesses to attest to the accuracy of their reports, and provide penalties for late reports under the recommendations.

Einess said that the department concurs with all the auditor's findings. Einess pointed out that the law has been fine tuned every year, and has a comparatively low cost to the state versus other tax subsidy programs.

Gary Smith, president of Rochester Area Economic Development, said that the program is important to the area. Sixty percent of jobs in the area are dependent on the Mayo Clinic and IBM, said Smith, and JOBZ has allowed the area to diversify its job base.

Senator David Tomassoni (DFL-Chisholm) said the program was in need of serious change, not just tweaking, but he was willing to give JOBZ another chance.

Chair James Metzen (DFL-South St. Paul), agreed with Tomassoni, but cited testimony showing that the program has had successful projects. "It's not all gloom and doom," said Metzen.

### Misclassification discussed

The Business, Industry and Jobs Committee devoted the Wed., Feb. 20, hearing to a review of the Legislative Auditor's Office report on the Misclassification of Employees as Independent Contractors. The panel, chaired by Sen. James Metzen (DFL-South St. Paul), also heard from Commissioner Ward Einess, Dept. of Revenue, Commissioner Steve Sviggum, Dept. of Labor and Industry, and Lee Nelson, Dept. of Employment and Economic Development, on the various departments' responses to the report.

Deb Junod, Office of the Legislative Auditor, said a relatively small proportion of workers are misclassified, but the negative impacts of misclassification are felt broadly and the state response is limited and fragmented. She said misclassification occurs in many industries and some misclassification is intentional to avoid paying unemployment insurance, workers' compensation insurance, and Social Security and Medicare taxes. She said misclassification leads to lost tax revenue and puts compliant employers at a competitive disadvantage.

Junod said the report recommends that agencies should standardize criteria, establish information-sharing procedures and coordinate enforcement programs.

# Committee update



*Chris Leith, Sr., chief and spiritual advisor from the Prairie Island Dakota Community, delivers the opening prayer during the Senate's Mon., Feb. 18, floor session.*

Photo by David J. Oakes

Junod said the report also recommends that the Legislature authorize a penalty for repeated misclassification violations.

The full report may be found at: <http://www.auditor.leg.state.mn.us/ped/2007/misclass.htm>

## Capital Investment

### Debt management discussed

Members of the Capital Investment Committee, chaired by Sen. Keith Langseth (DFL-Glyndon), heard an overview of the state's debt management policy, Tues., Feb. 19. Capital Budget Coordinator Jayne Rankin, Department of Finance, said the policy's goals are to maintain or regain the highest bond rating, to minimize state borrowing costs, and to provide a reasonable financing capacity within

a prudent debt limit. To achieve these goals, she said, the state seeks to keep debt service payments at no more than three percent of general fund spending, to keep the total amount of authorized debt at no more than 2.5 percent of statewide personal income, and to retire debt quickly. The state retires about 40 percent of new debt within five years, and about 70 percent within 10 years, Rankin said. The procedures and framework the state has had in place for many years have contributed to the state's high bond rating, she said. Other states have had a hard time implementing similar programs, Rankin said, and their bond ratings have not been as high as a result.

Committee members also heard the Department of Administration's bond requests. Assistant Commissioner Nicky Giancola said the department's highest

priority is obtaining \$18.197 million to renovate the exterior of the Department of Transportation headquarters building, which has been cited for being unsafe and potentially hazardous by St. Paul and Department of Labor and Industry building officials. Commissioner Dana Badgerow said the state may be required to vacate the building for lack of a certificate of occupancy because of the unsafe conditions. Other requests include \$15.4 million for asset preservation at the State Capitol, \$2.325 million to purchase a property near the Capitol Complex, \$3 million for capital asset preservation, and \$500,000 to predesign a new State Emergency Operations Center.

## Commerce and Consumer Protection

### Pawn shop bill discussed

A bill regulating access to customer data and personal property data maintained by pawnbrokers and restricting law enforcement access to customer data sparked considerable discussion at the Tues., Feb. 19, meeting of the Commerce and Consumer Protection Committee.

Sen. Don Betzold (DFL-Fridley) said the bill, S.F. 2294, defines the data collected by a pawnbroker or secondhand goods dealer regarding a customer; defines database as a data collection system that stores customer data or personal property data for the purpose of regulating pawnbrokers or secondhand goods dealers; clarifies the definition of reportable transaction; requires a pawnbroker to provide a law enforcement agency with a record of pawn transactions, provided that the data is authorized under Minnesota law; and prohibits a pawnbroker or secondhand goods dealer from disclosing customer data and personal property data to another person, unless the customer consents. The bill also provides that the state or a municipality may require pawnbrokers and secondhand goods dealers to collect customer data, but may only access it upon written request for specific data in connection with a criminal investigation. In addition, the bill authorizes a municipality to charge pawnbrokers and secondhand goods dealers a fee of up to \$1 per reportable transaction and an additional fee of 50 cents for administrative costs.

Paul Cassidy, director, government relations, Leonard Street and Deinard,

and Brad Rixman, Pawn America, spoke in support of the bill. Cassidy said the current law governing the Minneapolis Automated Pawn System (APS), which was created in 1997 and provides a tool to assist law enforcement in tracking pawn store transactions, allows subscribers unfettered access to data maintained by the database, whether or not there is a criminal investigation. He said the current APS system is vulnerable to random examination of personal information because there is no mechanism to monitor or audit access to the APS. In addition, he said some municipalities charge a fee of as much as \$3 per transaction to fund municipal oversight of pawnshops.

Opponents of the bill said the measure interferes with a municipality's ability to regulate pawnshops. Mayor Scott Lund, Fridley, said, "I am adamantly opposed to the bill because of the illegal activities associated with pawnshops." He said the \$3 per transaction fee charged by the city was needed to hire an extra police officer to monitor the two pawnshops in Fridley.

Betzold said the bill does not do away with APS nor does it prevent law enforcement from accessing data. "The bill simply requires that law enforcement have a reason to access the data," Betzold said.

Committee Chair Linda Scheid (DFL-Brooklyn Park) noted that secondhand goods dealers were a relatively recent addition to the bill and that it might be appropriate to give interested parties more time to study the measure. The bill was laid over and will be heard at a later date.

The committee also heard a bill, S.F. 2390, modifying the collection and use of Social Security numbers. The bill, sponsored by Betzold, clarifies that the transfer or disclosure of an individual's Social Security number to a third party is allowed if the transfer or disclosure has no independent economic value to the seller or is incidental to a larger transaction and if the number is initially collected for the purpose of identifying the individual. The measure also allows the use of a Social Security number as the primary account identifier in conjunction with an employee or member retirement or benefit plan. Steve Johnson, Fair Information Practices Coalition, said the bill strikes a balance between businesses and consumers in sharing information. The bill was approved and advanced to the Judiciary Committee.

## Bridge victims' fund gains

A proposal creating a special compensation process for victims of the I-35W bridge collapse was approved by members of the Commerce and Consumer Protection Committee, Thurs., Feb. 21. The panel, chaired by Sen. Linda Scheid (DFL-Brooklyn Park), advanced the measure to the Finance Committee.

S.F. 2824, authored by Sen. Ron Latz (DFL-St. Louis Park), retroactively increases the cap on individual claims against the state to \$400,000 to Aug. 1, 2007, in order to include the bridge collapse. The individual cap was \$300,000 until Jan. 1, 2008, Latz said. A long-standing \$1 million limit on the state's total liability for an incident remains unchanged under the bill. The bill also creates an alternative compensation process specifically for bridge collapse victims. It creates a panel of three attorneys, including one retired judge, to consider claims, make settlement offers and enter into settlement agreements. Under the bill, settlement offers must be based on total damages incurred and must be reduced by collateral source reductions, payments made from the emergency relief fund, and any payments made by third-party wrongdoers. The bill limits settlement offers to \$400,000 per victim, but waives the \$1 million per-incident cap. The measure requires victims who accept settlement offers to release the state from all liability arising from the bridge collapse. The bill prohibits entities required to make payments to victims, or that have already made payments to victims, from reducing their required payments or seeking recovery from the victim.

Latz acknowledged that the proposal, if enacted, sets a significant precedent for the future. The bridge collapse was unique, especially in its scope, he said. Analytically, however, it is no different than any other claim against the state, Latz said. Compensating the injured and the families of the deceased is the right thing to do, he said. Completely ignoring the current scheme of caps for government would be unfair and inequitable to taxpayers and to those who are hurt in other situations, he said. We do not need to feel compelled to shoulder the entire liability, Latz said, because other, private parties could be held liable for their fault in the collapse. The proposal is balanced and well-reasoned, he said, and is supported in principle by the governor.

Members were primarily concerned with the measure's provisions relating to subrogation. Subrogation is the right of a person who compensates someone to step into the second person's shoes for the purposes of seeking reimbursement from someone else, Latz said. He said the most common example is a health insurance company that pays for its insured's medical expenses after a car accident. The health insurer seeks subrogation by pursuing the injured insured's claims against another driver, he said.

Scheid offered an amendment requiring entities seeking subrogation to assert their claims within 60 days of the panel determining an award for a victim. Under the amendment, a subrogation claim is waived if it is not asserted within 60 days. The amendment directs the commissioner of finance to withhold payment if a subrogation claim is asserted and to place the funds in escrow until the subrogation issue is resolved. If a subrogation claim is successfully asserted, the amendment provides that the award reverts to the state. "This is a worthwhile approach," Scheid said, to make clear the state's intent to make sure the victims get this money, not someone else. The amendment was adopted.

Sen. Mary Olson (DFL-Bemidji) offered an amendment providing that the state is entitled to subrogation only after a victim has been fully compensated by third parties. Olson said the amendment mirrors existing language regarding state subrogation and health plans. Latz said he was concerned about whether the amendment was consistent with language in the bill regarding collateral source payments, which are received by the victim before the state makes a settlement offer. Deducting collateral source payments, regardless of whether the victim has been fully compensated, he said, but not claiming funds received after the state makes a settlement payment could be inconsistent. Olson agreed to withdraw her amendment and continue to discuss the matter with Latz.

## Economic Development Budget Division

### All Veterans Memorial heard

The Economic Development Budget Division heard 12 bills Mon., Feb. 18, including proposals that would forgive

# Committee update

debt for the St. Paul River Centre and the Xcel Energy Center, develop bioscience research facilities at the University of Minnesota, and construct an All Veterans Memorial in Richfield. The committee, chaired by Sen. David Tomassoni (DFL-Chisholm), took no action on the proposals.

S.F. 2318, authored by Sen. Paul Koering (R-Fort Ripley), appropriates \$2 million in bond proceeds to the Public Facilities Authority for a grant to the Garrison, Kathio, West Mille Lacs Lake Sanitary District to develop a wastewater collection system in the township of Garrison, city of Garrison, and Kathio Township.

Sen. Lawrence Pogemiller (DFL-Mpls.) presented his bill, S.F. 2434, which allocates \$6.85 million in bond proceeds to Minneapolis to acquire land for and design the University Research Park project area near the University of Minnesota-Twin Cities. The project would be composed of four bioscience buildings and a new road. Mike Christianson, from the Department of Employment and Economic Development, described Minneapolis as “a healthcare town,” and said the development could attract bioscience commerce into the area.

S.F. 2768, sponsored by Sen. LeRoy Stumpf (DFL-Plummer), requests \$12.889 million in bond proceeds for the design and construction of an ice arena complex to replace an existing facility. The existing arena, also used by the University of Minnesota-Crookston, must be relocated to accommodate a planned flood control project, according to the bill. Aaron Parrish, Crookston city administrator, described the project as a flood mitigation project. The bill requires the city of Crookston to commit at least \$1,721 million to the project.

S.F. 2705, sponsored by Sen. Mee Moua (DFL-St. Paul), and S.F. 2709, sponsored by Sen. Richard Cohen (DFL-St. Paul), were presented together. S.F. 2705 asks forgiveness for the \$41.25 million remaining state loan for construction of the Xcel Energy Center, to be funded by bond proceeds.

Cohen’s bill, S.F. 2709, provides \$43 million to pay off the entire amount of bond obligations issued by the city in 1996 for the St. Paul River Centre. Cohen said the St. Paul River Centre was the only state convention center built without state support, and the initial funding

model relying on a sales tax has not worked. Kathy Lantry, president of the St. Paul City Council, said there is an urgent need for debt relief, and funds used to pay the debt would be used instead for future development and maintenance needs.

Moua also presented S.F. 2714, appropriating \$500,000 of bond proceeds to purchase and make renovations to office and program space for St. Paul Youth Services. Nancy LeTourneau, executive director for St. Paul Youth Services, said the program serves kids on the edge and ensures they stay on the right track.

Sen. John Doll (DFL-Burnsville) sponsored S.F. 1947, allocating \$10 million for development of the Burnsville Performing Arts Center. Under the bill, at least \$15 million must be committed to the project from non-state sources. Elizabeth Kautz, mayor of Burnsville, said an arts center would help make arts available to citizens south of the river, describing it as a “regional amenity.” Nearly 150,000 people pass through Burnsville every day because of its location near major highways, said Kautz.

S.F. 2772, sponsored by Sen. Scott Dibble (DFL-Mpls.), establishes a loan program funded by bond revenues for local communities to help pay for supporting infrastructure to transit areas. Under the bill, loans or grants may not exceed \$2 million and may not be used for operation of transit. Dibble said the grants will help communities with the efficient use of land in transit development. Tomassoni suggested that the policy portion of the bill be redirected to the Transportation Committee for review, and that the bond funding mechanism be advanced separate from the policy language.

S.F. 2504, sponsored by Cohen, provides \$3 million in bond proceeds for redevelopment of Orchestra Hall and Peavey Plaza in downtown Minneapolis. Cohen said the orchestra has outgrown the space both in size and significance. A member of the orchestra described problems with the acoustics of the stage, in addition to access limitations for disabled artists backstage.

A total of \$2.118 million is appropriated by S.F. 2366, sponsored by Sen. Michelle Fischbach (R-Paynesville), for a grant to the city of Cold Spring. The grant would fund land acquisition and public facility development, including expanded docking facilities, a community center housing the Cold Spring Public Library, the Cold Spring History Museum, and a senior center; a riverfront

promenade connecting Lions Park to Frogtown Park; a regional trail head park and shelter; and a canoe portage route. The development would be located on a former industrial site.

Two proposals sponsored by Sen. Dan Larson (DFL-Bloomington), rounded out the hearing. S.F. 730 provides \$4.632 million for the city of Richfield to acquire land for and develop a new north-south arterial street. The development would create a residential buffer and parkway with bike paths next to a new north-south runway at Minneapolis-St. Paul International Airport.

S.F. 2711 provides \$200,000 in bond proceeds to the city of Richfield for the design and construction of the All Veterans Memorial, being built in the city-owned Veterans Memorial Park. The All Veterans Memorial will acknowledge the six branches of military service at the first American flag raising of the battle of Iwo Jima, according to testifiers, and will feature a bronze bust of Minnesotan Charles “Chuck” W. Lindberg. Lindberg helped raise the first flag on February 23, 1945, and spent much of his life educating the public about the historic event, said Len Gudmundson, president of Honoring All Veterans Memorial. The bill says the total cost of the project will be \$711,500, with the city and nonprofit organizations contributing \$511,500.

## Local bonding projects heard

Members of the Economic Development Budget Division, chaired by Sen. David Tomassoni (DFL-Chisholm), devoted their Wed., Feb. 20, meeting to reviewing a variety of local bonding proposals.

S.F. 1919, sponsored by Sen. Joe Gimse (R-Willmar), appropriates \$415,000 to the city of Spicer for a historic military airplane enclosure and visitor center adjoining the Glacial Lakes Trail. Gimse said the bill requires an equal amount to be raised from nonstate sources. Sen. Thomas Bakk (DFL-Cook) authored a bill, S.F. 2479, reappropriates a grant from the Knife River-Larsmont Sanitary District to the Duluth/North Shore Sanitary District. Bakk said if no aid becomes available, some residents would be forced to pay \$160 per month for sewer services.

Former Senator Dave Kleis, now the mayor of St. Cloud, spoke in support of S.F. 2413. The bill, carried by Sen. Tarryl

Clark (DFL-St. Cloud), authorizes an appropriation of \$15 million for an expansion to the St. Cloud Civic Center. Clark said the expansion includes approximately 66,000 square feet of new space and a 300-stall parking ramp. Kleis said the project is needed to revitalize the downtown area and to generate jobs and economic activity in St. Cloud. The bill requires that an equal amount be committed to the project from nonstate sources.

Sen. Linda Berglin (DFL-Mpls.) sponsored a bill, S.F. 2121, providing \$900,000 for an expansion of the Minneapolis East Phillips Cultural and Community Center. Berglin said the additional funds will add a second floor to the building for a wellness center. A portion of the bond proceeds are also slated to incorporate energy systems that will help create an ecologically sustainable green building. Clyde Bellecourt said the center functions

as a place for young people to gather and will provide space for exercise in an area with a high rate of crime.

S.F. 2823, sponsored by Sen. Satveer Chaudhary (DFL-Fridley), appropriates \$6 million for the capital costs of environmental remediation and installation of a methane gas collection system in the area commonly known as the northwest quadrant of the city of New Brighton.

Tomassoni carried five bills. S.F. 2439 appropriates \$1.2 million to the city of Floodwood for a business park. The bill specifies that an equal amount must be committed to the project from nonstate sources. S.F. 2441 appropriates \$25 million for a 60,000 square foot expansion of the Hibbing Memorial Building that will include an ice sheet for skating and hockey, a pool, a community and fitness center and additional parking space. S.F. 2447 appropriates \$200,000 to the city of

Iron Junction to expand the sewer system to approximately 17 properties in the recently annexed part of the city.

S.F. 2443 appropriates \$1.825 million to the city of Virginia for the Mining Haul Road economic development project. S.F. 2445 appropriates \$861,000 to the city of Gilbert for the city's wastewater treatment facility. Tomassoni said both bills require matches from nonstate sources.

Members also heard presentations by representatives of the Public Facilities Authority and the Minnesota Historical Society. Terry Kuhlman, executive director, said the PFA provides low-interest loans and other assistance to local governments for wastewater treatment and other public infrastructure projects. Kuhlman explained the PFA has been very successful in leveraging federal funds to help with various projects. Nina Archabal, director, Minnesota Historical Society, outlined



*Senators Chris Gerlach (R-Apple Valley) and John Marty (DFL-Roseville) consult prior to the Mon., Feb. 18, floor session.*

Photo by David J. Oakes

# Committee update

the plans for the Fort Snelling restoration project. David Kelliher, legislative liaison, Minnesota Historical Society, said the total bonding request is for \$36.5 million for the upkeep, maintenance and construction of facilities on the society's 36 historic sites and museums.

## Education

### Permanent school fund bills heard

The Mon., Feb. 18, meeting of the Education Committee was devoted to reviewing bills related to the permanent school trust fund. The panel, chaired by Sen. Charles Wiger (DFL-Maplewood), also heard a bill relating to the establishment of a P-20 Partnership in Education.

Wiger authored two measures eliminating the permanent school trust fund subtraction. S.F. 2422 eliminates the permanent school trust fund subtraction and simplifies education finance. S.F. 2392 eliminates the permanent school trust fund subtraction and dedicates permanent school trust fund revenue for technology. Both measures were advanced to the Committee on Finance.

S.F. 2811, sponsored by Sen. Ann Lynch (DFL-Rochester), also relates to the permanent school trust fund. The measure alters the membership of the permanent School Trust Fund Advisory Committee, redefines the committee's duties and requires the commissioner of natural resources to report on ways to maximize the revenue generated from school trust fund lands. The bill also requires the advisory committee to report to the Legislature each year any recommendations for the management of school trust lands to secure long-term economic returns for the fund. The bill was approved and re-referred to the State and Local Government Operations and Oversight Committee.

Wiger also sponsored a bill establishing a P-20 Partnership in Education. Under the bill, the partnership will have members from a variety of education organizations and agencies. Wiger said the purpose of the partnership is report on ways to improve access to and the quality of early childhood education, improve the transitions from early learning to elementary education and from high school to post-secondary education, improve educator quality, and develop a statewide student data system. The bill was approved and advanced to the State

and Local Government Operations and Oversight Committee.

### Early childhood education certification variances advance

The Education Committee, chaired by Sen. Charles Wiger (DFL-Maplewood), heard two bills Wed., Feb. 20, one addressing early childhood education certification and the second allowing all libraries in the state access to an online database. The committee then laid over the governor's appointments for three education boards for further discussion.

Sen. Tom Saxhaug (DFL-Grand Rapids) sponsored S.F. 2796, allowing for early childhood education certification variances. The bill was referred to the floor. Language in 2007's education bill inadvertently removed the ability to allow an individual who is not certified, but is qualified to teach in early childhood education, to be hired under a variance or exception from the Board of Teaching. Saxhaug's bill would restore the previous intent allowing for variances and exceptions.

Karen Manske, Chisago Lakes Family Center coordinator, said that particularly in rural areas, an early childhood certified professional may not be available for positions that are often only part-time, and an elementary education certified teacher frequently fills the position with a variance. A community expert exception was also previously available to those who could demonstrate competency and skill, such as those with childcare experience.

S.F. 2821, sponsored by Sen. Ann Lynch (DFL-Rochester), states that the Electronic Library for Minnesota (ELM) must be made available through all public and private media centers without restriction. Books, magazines, information and articles are available electronically through the online library, explained Lynch. Lynch said the original legislation directs ELM to be available to all Minnesotans, not just those with access to a library participating in a regional system.

Audrey Betcher, director of the Rochester Public Library said that five libraries in the state do not have access because they are not part of the regional library systems, and the database should not be used as leverage to make these libraries join the regional systems.

Elaine Keefe testified on behalf of the Minnesota Library Association, which is opposed to the bill. Keefe argued that the

bill removes an incentive for libraries to participate in a regional system, describing Minnesota as "a leader in library cooperation."

Committee members Sen. Terri Bonoff (DFL-Minnetonka) and Sen. Patricia Torres Ray (DFL-Mpls.) suggested the bill be laid over to give them time to learn about the potential effects on the regional library systems. However, the bill passed on a voice vote and was re-referred to the Finance Committee.

The committee then laid over the governor's appointments to the Board of School Administrators, the Perpich Center for the Arts and the Board of Teaching until committee members have the opportunity to speak with appointees that were not present for the hearing. Wiger said there was no scheduling pressure to move the confirmations immediately.

## E-12 Education Budget Division

### Bonding requests heard

The E-12 Education Budget Division devoted the first hearing of the session, Tues., Feb. 19, to consideration of several bonding requests. The panel, chaired by Sen. LeRoy Stumpf (DFL-Plummer), will send its recommendations to the Capital Investment Committee for further action.

S.F. 2682, carried by Sen. Dan Skogen (DFL-Hewitt), appropriates \$10 million for library accessibility and improvement grants. S.F. 2360, sponsored by Sen. Linda Scheid (DFL-Brooklyn Park), appropriates \$3 million for a grant to ISD #279, Osseo, for the Northwest Hennepin Family Center in Brooklyn Center. The bill specifies that at least an equal amount must be committed from nonstate sources.

Sen. Ron Latz (DFL-St. Louis Park) carried a bill, S.F. 2603, authorizing funds for the Perpich Center for Arts Education. The measure appropriates a total of \$999,000 with \$206,000 slated for an update to the master plan and predesign for capital project needs for the campus; \$355,000 designated for asset preservation; \$385,000 earmarked for window replacement in the Delta dorm and \$53,000 slated for installation of a prefabricated storage and workshop building.

Four bills relating to the state academies in Faribault were carried by Sen. Dick Day (R-Owatonna). S.F. 2584 appropriates \$2.716 million for asset

preservation on both Minnesota State Academies and S.F. 2624 appropriates \$3.301 million for the renovation of Mott Hall on the Minnesota State Academy for the Deaf campus. Day said both measures were included in the governor's bonding recommendations. In addition, S.F. 2774 appropriates \$200,000 to facilitate a day treatment center for deaf and hard-of-hearing children with mental health issues at the Pollard Hall on the Minnesota State Academy for the Deaf campus. S.F. 2585 appropriates \$100,000 to redesign the renovations of Frechette Hall on the Minnesota State Academy for the Deaf campus. Members altered the placement of some of the dollar amounts to reflect priorities outlined by the director, Roxane Mitchell.

S.F. 1422, authored by Sen. Leo Foley (DFL-Coon Rapids), appropriates \$240,000 from the maximum effort school loan fund for a capital loan to ISD #11, Anoka-Hennepin, to acquire land adjacent to Riverview Elementary School and for improvements of a capital nature to develop and restore wetland and native prairie habitat on the land. Sen. Julie Rosen (R-Fairmont) sponsored a measure, S.F. 2608, appropriating \$200,000 for a cooperative facilities grant to ISD #2134, United South Central.

S.F. 2548, carried by Sen. Dan Sparks (DFL-Austin), appropriates \$950,000 for a grant to ISD #242, Alden-Conger, for a new multifunction facility in Alden to provide various services to all age groups. Several division members, while supportive of the concept, said that the measure goes beyond the scope of the division's jurisdiction. Members approved a motion to change the bond amount to \$180,000 to reflect the education portion of the request.

## Teacher development tops governor's education priorities for '08

Commissioner Alice Seagren presented the governor's education proposals to the E-12 Education Budget Division Thurs. Feb. 21. The division, chaired by Sen. LeRoy Stumpf (DFL-Plummer), joined the commissioner in focusing discussion on teacher development in the math and sciences.

Seagren described plans for math and science academies and institutes for teachers to improve professional development and content knowledge, respectively. The professional focus would complement new math and science standards, said Seagren.

Alternative pathways into teaching were also discussed by the committee. Seagren commented on the potential of inviting industry professionals to enter teaching during or after successful careers in other fields and bringing their expertise into the classroom after training in pedagogy.

Attracting the brightest students to pursue teaching in college is another priority for the governor. Seagren explained ideas to identify exceptional college students and encourage them to consider teaching. She commented on the rigorous standards that potential teachers must meet in other countries, such as Japan.

The final proposal Seagren presented is a statewide Digital Toolbox for teachers and students. The online resource would create a "legacy of experience" for teachers around the state to access curriculums and ideas. Sen. Amy Koch (R-Buffalo) commented that capturing the curriculum of inspiring teachers in her own life would have been an invaluable gift for future students.

Stumpf concluded the conversation by addressing continuing challenges to the state, particularly in rural districts, including declining enrollment, failed referendums, closing schools and consolidation.

## Energy, Utilities, Technology and Communications

### Wireless consumer's bill heard

A bill, S.F. 833, providing wireless phone consumer protections was the focus of the Tues., Feb. 19, meeting of the Energy, Utilities, Technology and Communications Committee. Sen. Mary Olson (DFL-Bemidji), chief author, said the measure provides common sense consumer protections. "We owe a debt of gratitude to the wireless telephone industry because the products and services they offer have been of great benefit to society," Olson said. She said the bill is not designed to be onerous on the industry, but to put in place consumer protections in areas that have engendered numerous consumer complaints.

Olson said the bill requires a wireless carrier to provide a consumer with a copy of the contract, provide a coverage map to the consumer at the time of sale, make price and fee disclosures at the time of sale and clearly disclose at the time of sale whether a price is guaranteed for the term

of the contract and any early termination fees. The bill also regulates a wireless carrier's inclusion on a customer's bill charges for goods or services provided by a third-party. Olson said the measure also requires the carrier to inform a customer, if the customer accepts or requests a service or promotion or changes in the customer's wireless plan, that the acceptance or request will result in the extension of the minimum contract term or create a new contract with a minimum term.

Members adopted an amendment stating that a wireless provider may not by contract prohibit complaints to state or federal agencies or recourse to the courts. Olson said the amendment puts in place a procedure for disputes.

Karen Olson, deputy attorney general, said that wireless telephone services are the number one source of consumer complaints and that most of the complaints arise from the length of the contracts. Karen Olson said the bill is tailored to provide protection to consumers without conflicting with federal law. Members also heard testimony from consumers outlining problems with wireless carriers.

Former Attorney General Skip Humphrey, representing AARP, also spoke in support of the measure. He said the legislation is a good first step in an effort to help consumers deal with the problems arising from the lack of clear disclosures in wireless contacts.

Waneta Browne, AT&T, spoke in opposition to the bill. She said the bill would cause added expense to the wireless phone companies and that many of the provisions would prove onerous. Browne said the bill also will result in unintended consequences. She said that the bill as written would present difficulties in the sale of prepaid phones because the terms of service for the prepaid phones serve as contracts and all of the disclosure requirements would apply. Advances in technology could also be hampered by the bill, Browne said.

The bill was approved and re-referred to the Commerce and Consumer Protection Committee.

The first portion of the hearing was devoted to a discussion of a background of wireless regulation in Minnesota and an overview of federal law. Members also heard an informational overview from Mike McDermott, Verizon Wireless, on the history and development of the wireless telephone industry.

# Committee update

## Environment and Natural Resources

### LCCMR plan heard

Members of the Environment and Natural Resources Committee, chaired by Sen. Satveer Chaudhary (DFL-Fridley), met Mon., Feb. 18, to hear the Legislative-Citizen Commission on Minnesota Resources' statewide conservation and preservation plan. The presenters, Jean Coleman, David Mulla and John Shardlow, said the overall goal of the project is to achieve a better future for Minnesota's natural resources. Phase I of the project was aimed at creating a common understanding of change and drivers of change affecting natural resources, they said.

Phase II of the project includes priority area mapping, recommending conservation strategies, trend analysis supporting the recommendations and evaluating conservation strategies, they said. The Phase II portion also considered energy production and use, agricultural land use options and land and aquatic habitat strategies, they said.

In late April there will be stakeholder outreach meetings in three locations across the state, the presenters said. They said the purpose of the meetings is to have

stakeholders work through and understand the draft recommendations and comment on potential impact, feasibility and likely support.

### Ballast water regulation heard

A measure regulating the discharge and exchange of ballast water in Lake Superior was considered by members of the Environment and Natural Resources Committee, Wed., Feb. 20.

S.F. 2517, sponsored by Sen. Ann Rest (DFL-New Hope), requires a permit for the uptake, discharge and exchange of ballast water in the Minnesota waters of Lake Superior. The bill requires the commissioner of the Pollution Control Agency to adopt rules and guidelines regarding ballast water and sediment, requires vessel owners and operators to maintain onboard ballast water record books, and requires the adoption of a rapid response plan to kill, remove or minimize the spread of invasive species in Lake Superior and an emergency plan to prevent the introduction of viral hemorrhagic septicemia (VHS) into state waters.

This bill builds on work done at the federal level, Rest said. While we all would like the federal government to act responsibly to protect the Great Lakes, it has not made protecting these vital assets

a priority, she said. Rest noted that the Great Lakes account for 85 percent of the nation's freshwater and 20 percent of the world's freshwater. Henry VanOffelen, a natural resources scientist at the Minnesota Center for Environmental Advocacy, provided committee members with background on VHS and the introduction and spread of non-native species. VHS spreads easily from fish to fish, he said, and is an extremely dangerous pathogen of both fresh- and saltwater fish. The Duluth-Superior and Two Harbors ports are the two largest receivers of ballast water discharge, VanOffelen said, and therefore are at highest risk for the introduction and spread of any invasive species.

"Today's problem in the Great Lakes is tomorrow's problem in the inland lakes," said Gary Botzek, representing the Minnesota Conservation Foundation and Audubon Minnesota. We need to fight the threat of invasive species in the Great Lakes, rather than in our thousands of inland lakes, he said. Botzek said the need to send a message at the federal level and the need for the state to act are not mutually exclusive. Once the states step forward, the federal government will be forced to act, he said.

There is a need to take action, said Assistant Commissioner Paul Eger, Pol-



From left, Senators David Hann (R-Eden Prairie), Steve Dille (R-Dassel) and Dennis Frederickson (R-New Ulm) converse in the Senate Chamber during floor debate on a transportation funding bill, Thurs., Feb. 21.

Photo by David J. Oakes

lution Control Agency. However, there is activity at the federal level, he said. It would be preferable to wait a little while, while making plans to act if the federal government does not move on the issue this summer, he said. Eger also discussed detailed concerns with the bill, including several areas where the bill called for PCA action that overlaps or conflicts with responsibilities of the Department of Natural Resources. A representative of the Duluth Seaway Port Authority said ports and vessel owners and operators are concerned about the emergence of a patchwork of regulations and would prefer uniform, federal regulation.

Because the committee ran out of time, the bill was laid over for further consideration.

In other action, the panel, chaired by Sen. Satveer Chaudhary (DFL-Fridley), approved a bill classifying the Comfort Lake-Forest Lake Watershed District as a watershed management organization. S.F. 2480, authored by Sen. Rick Olseen (DFL-Harris), was advanced to the Taxes Committee.

## Environment, Energy and Natural Resources Budget Division

### Parks, trails get bonding boost

The Environment, Energy and Natural Resources Budget Division, chaired by Sen. Ellen Anderson (DFL-St. Paul), listened to 12 bonding proposals Tues., Feb. 19, many focusing on improvements and repairs for parks and trails.

S.F. 2436, sponsored by Sen. Scott Dibble (DFL-Mpls.), provides \$2 million to replace the lighting system throughout the Grand Rounds Parkway. The new lights are energy efficient and would not pollute the night sky with light, said Dibble. Dibble described the current system as “decrepit, old, broken-down.” The buried components are becoming safety hazards and leaking energy into the ground, said Jon Wertjes, director of transportation and parking services.

Dibble also requested \$10 million through S.F. 2358, providing grants to identify and implement green and energy efficient design for new state building projects funded by bonding. An amendment to require all new pre-design plans to consider supplying two percent of the building’s energy from onsite renewable

sources was added to the bill with the author’s agreement.

The Forest Legacy program is requesting \$30 million through S.F. 2708, sponsored by Sen. Tom Saxhaug (DFL-Grand Rapids). The money would fund purchases of privately owned forest land to prevent fragmentation and ensure public access. Art Norton, a representative of the Forest Legacy Partnership, said that the program has already advanced two-thirds of the way toward meeting its goal of securing 75,000 acres.

S.F. 2464, authored by Sen. Jim Vickerman (DFL-Tracy), requests \$300,000 in bond proceeds to fix a dam in Windom. City Administrator Steve Nasby said that the dam is structurally sound, but the Des Moines River has extended around the dam and is eroding the riverbank. Any new design would consider DNR recommendations for protecting fish habitat.

Sen. James Metzen (DFL-South St. Paul) presented three proposals addressing improvements to trail and park systems in his district. S.F. 2466 directs \$1.4 million in bond proceeds to construct a span arch bridge crossing a county road in South St. Paul. The bridge would connect 52 miles of regional trails connecting Hastings to the Twin Cities. Anderson said that while they have heard many trail proposals, connecting systems is a high priority.

S.F. 2453 requests \$4.6 million for renovations to Heritage Village Park. At least \$2.3 million must be committed by nonstate sources. The project, already under construction, would provide major public access to the Mississippi River in addition to construction of a Railroad Historic Center and restoration habitat.

The third bill, S.F. 2350, provides \$1.5 million for restoration of a swing bridge over the Mississippi River that connects Inver Grove Heights and St. Louis Park. Metzen said that stakeholders would like to preserve at least part of the bridge.

S.F. 2701, sponsored by Anderson, requests \$800,000 to renovate the fish habitat display at the Minnesota State Fair. Anderson said the display is over 25 years old and suffering from decay and breakdown of some of the fish tanks.

Sen. Jim Carlson (DFL-Eagan) sponsored S.F. 751, requesting \$2 million to reconnect Dakota and Hennepin County by restoration of the Cedar Avenue Bridge for recreation. Five or six years ago the bridge was condemned and shut down, diverting bike traffic miles away, said com-

muting cyclist Dave Pramann. Bloomington city council member Steve Elkins also said that the bridge would become an environmental liability if not restored.

S.F. 2510 sponsored by Sen. Dan Larson (DFL-Bloomington) appropriates \$225,000 to construct dredge material site projects to maintain the port of Shakopee. Len Kremer, president of the Lower Minnesota River Watershed District, said that local communities have shouldered the full cost for nearly 60 years.

Sen. Amy Koch (R-Buffalo) sponsored S.F. 2456, requesting \$8 million in bond proceeds to acquire the Bertram Chain of Lakes Regional Park from the YMCA. Koch described the land as beautiful and pristine. The city and the county would match state funds. Wright County Park Administrator Marc Mattice said that this is an opportunity to preserve the park in an area pressured by development and urban sprawl.

Sen. Rick Olseen (DFL-Harris) sponsored S.F. 2563, directing \$1.4 million in bond proceeds toward the \$3.8 million purchase price of Ojiketa Regional Park land. The property has recently become available for purchase by the city of Chisago. The land was once a Camp Fire Girl campsite, and includes old growth oak stands and cranberry bogs, said Chisago City Administrator John Pechman.

### Final bonding requests heard

The Environment, Energy and Natural Resources Budget Division wrapped up hearing bonding proposals at the Thurs., Feb. 21, hearing. The panel, chaired by Sen. Ellen Anderson (DFL-St. Paul), also prioritized a list of projects to recommend to the Capital Investment Committee.

S.F. 2460, authored by Sen. Jim Vickerman (DFL-Tracy), appropriates \$2.5 million to Jackson County for a new regional environmental science and nature education center with interpretive trails to serve southwest Minnesota. Vickerman said the education center will be constructed to incorporate “green” technologies. S.F. 1248, sponsored by Sen. Charles Wiger (DFL-Maplewood) appropriates money for a grade separated crossing of the Gateway Trail at Highway 120. Wiger said the trail is very popular, with more than 200,000 persons using that segment. Wiger said the original plan had been for a tunnel at the crossing, but construction work on that portion of the highway has been completed. The bill was amended

# Committee update

to delete a specific dollar amount and to leave the type of crossing unspecified.

Sen. Pat Pariseau (R-Farmington) sponsored two bills. S.F. 689 appropriates \$2 million for a pedestrian bridge over the Cannon River from Lake Byllesby Regional Park to Lake Byllesby County Park in Dakota County and Goodhue County. S.F. 2570 appropriates money for a regional park and wildlife area adjacent to the Vermillion Highlands Wildlife Management Area.

S.F. 374, carried by Sen. Kathy Sheran (DFL-Mankato), appropriates \$475,000 to improve ditch systems and waterways in the Lake Titlow watershed. Anderson authored a bill, S.F. 2952, appropriates \$5 million for grants to political subdivisions for capital projects for the beneficial use of wastewater.

Members then turned their attention to a list of bonding project priorities. Anderson said the division did not have a target amount, but that past bonding cycles seem to have about 21 percent of the total bonding package for environmental projects. She said using the 21 percent figure, a rough target for the division is about \$201 million. Anderson said the projects were divided into an "A" and a "B" list, with some of the higher priority items receiving partial funding and the remaining funding carried on the lower priority list. Members made one change in priority by authorizing \$100,000 in pre-design and design funding for S.F. 2460, the regional environmental science and nature education center in Jackson County, and placing the project on the "A" list. Anderson said the priority lists also included some wastewater infrastructure funding, water reuse funding and phosphorous reduction funding under the jurisdiction of the Public Facilities Authority, over which the division has no authority.

## Finance

### Transportation package gains

A comprehensive transportation funding package cleared another hurdle Mon., Feb. 18, when the measure, S.F. 2521, was approved by the Finance Committee. The funding bill, sponsored by Sen. Steve Murphy (DFL-Red Wing), contains total direct supplemental appropriations of \$308.641 million to the Dept. of Transportation, Metropolitan Council transit, and administration and transportation-related activities of the Dept. of Public Safety.

Murphy said the omnibus finance bill is not too different from the package passed by the Legislature last year. He said the differences include \$250,000 for a grant to the Northstar Corridor Development Authority to fund advanced engineering, updated environmental documentation property appraisals and negotiations with the railroad to extend commuter rail service on the Burlington Northern Santa Fe rail line between Big Lake and Rice. The measure includes \$7.211 million for highway debt service and \$3.653 million for 40 additional state patrol troopers, Murphy said.

The bill authorizes \$2.262 billion in bonding for a variety of transportation needs, Murphy said. The bill also contains several revenue raising provisions, he said. The bill accelerates the vehicle depreciation schedule and removes the caps on the vehicle registration tax, increases the gas tax by 5 cents per gallon to 25 cents per gallon, imposes increases in special fuel and excise taxes and indexes the motor fuel tax rates based on the comparison of the Consumer Price Index for all urban consumers in the two previous calendar years. Murphy said the indexing provision is troublesome to many people and that work on the provision is ongoing. However, he said the indexing provision is needed to provide debt service on the bonds. The measure also increases the fee on vehicle rentals and short-term leases from three to five percent of the sales price. Finally, Murphy said the bill establishes a lower-income motor fuels tax credit of \$25 per year per taxpayer whose taxable net income falls within the lowest income tax bracket.

Sen. Scott Dibble (DFL-Mpls.) explained portions of the bill authorizing the metropolitan transportation area sales tax. He said the measure authorizes each metropolitan and adjacent county to impose an additional one half of one percent sales tax and an excise tax of \$20 per vehicle in the metropolitan transportation area. The tax rate will decline to one quarter of one percent after June 30, 2028. Under the bill, the additional revenue will be used for transit projects that are consistent with the transit portion of the Metropolitan Council policy plan. The bill specifies that at least 50 percent of the revenue be used for capital and operating assistance for transit and planning and operation of transit ways, 25 percent be used for trunk highways or local roads and the remain-

ing 25 percent for any purpose related to transit and roads.

The measure also specifies that county state-aid highway fund distributions follow the current statutory formula, except that the excess sum raised by the increased gasoline tax and increased registration tax is to be apportioned with 40 percent based on motor vehicle registrations and 60 percent based on money needs.

Murphy said the bill also prohibits a road authority or private operator from tolling an existing highway and from requiring commercial motor vehicles to use toll facilities. The bill also prohibits road and bridge privatization for toll purposes. In addition, the bill directs the commissioner of transportation to develop a program to repair and replace trunk highway bridges, Murphy said.

The committee, chaired by Sen. Richard Cohen (DFL-St. Paul), adopted several amendments. One amendment removes \$1.5 million that had been designated for Capitol Security. Murphy said the amendment reduces general fund spending. A second amendment, deleting a provision relating to a land transfer concerning Medtronic, also reduces general fund spending by \$1.221 million. Several technical amendments were also adopted. Cohen said the budget shortfall that has been forecast makes general fund spending in the bill, about \$2.7 million, of great concern, particularly in the future budget years. The bill was approved and re-referred to the Tax Committee.

In other action, the committee also approved a bill, S.F. 2564, modifying TANF maintenance of effort programs. The measure, sponsored by Sen. Linda Berglin (DFL-Mpls.), permits the commissioner of human services to count a larger amount of current general fund expenditures in the working family credit as maintenance of effort for TANF purposes. Berglin said the bill reduces the possibility that the state may lose part of its federal TANF funds to penalties.

## Health, Housing and Family Security

### Health plan reviewed

A bill creating a new Minnesota Health Plan to cover all Minnesotans, funded through premiums based on ability to pay and other revenue sources, was the primary focus of the Mon., Feb.



Senators Julianne Ortman (R-Chanhassen), left, and Ann Rest (DFL-New Hope) closely examine a bill on the Senate floor, Thurs., Feb. 21.

Photo by David J. Oakes

18, meeting of the Health, Housing and Family Security Committee. The bill, S.F. 2234, sponsored by Committee Chair John Marty (DFL-Roseville), provides for a single-payer plan to provide high quality health care to all citizens. “We need to make sure that all Minnesotans are covered and that all Minnesotans have access to health care,” Marty said. He said health care costs are rising rapidly, with more than 1.1 million Minnesotans spending more than 10 percent of their income on health care. Over all, more than half of all bankruptcies are because of medical expenses, Marty said. “There has also

been a significant fall-off of employers offering health insurance, from 70 percent eight years ago to 60 percent today,” he said. Marty said, “We are currently spending about \$6,500 for every man, woman and child in Minnesota each year, yet we still have many people without access to health care.”

Marty said the bill lists nine principles that the new health plan must meet. Under the bill the health plan must ensure all Minnesotans receive high quality health care, the plan must not restrict, delay or deny care or reduce the quality of care to hold down costs, the plan must

cover all necessary care, including mental health services, chemical dependency treatment, dental care, prescription drugs and home care and the plan must allow patients to choose their own providers. In addition, the new plan must be funded through premiums based on ability to pay, must focus on preventive care and early intervention, must ensure an adequate number of qualified health care professionals and facilities, must continue Minnesota’s leadership in medical education, training, research and technology and must provide adequate and timely payments to providers.

# Committee update

Marty outlined the provisions of the bill, including eligibility, benefits, funding, payments, governance and implementation. Committee members had numerous questions relating to the funding of the plan, the availability of care and the governing structure.

Dr. Ann Settgest spoke in support of the measure. She said she has supported single-payer health care coverage for many years. She said the current system has many inequities and complexities. "It is unclear to me why we do not consider health care a basic human right," Settgest said. She said a single-payer system will dramatically cut administrative costs and is the only sustainable option.

Mary Cowan, a citizen advocate, also spoke in support of the measure. "Our system is broken," she said, "And if other countries can provide health care to all their citizens, why can't we?"

Other supporters spoke of their experiences with the current health care system and advantages of the plan outlined in the bill. Dr. Morrie Hodges, former chief of cardiology, Hennepin County Medical Center, compared the provision of health care to the provision of police and fire services, as a right rather than a privilege.

Julie Brunner, Minnesota Council of Health Plans, said the council supports the goal of universal coverage for all Minnesotans. However, she said the current system does some things very well. She said technology in the United States is the envy of many other developed nations. She said no country has a perfect system and in every case governments are challenged to keep up with rising costs. Throwing out the entire system is not the way to provide health care for all Minnesotans, Brunner said. The rising cost of health care makes it nearly impossible to provide a universal system, she said. Utilization and technology, not administration, are driving costs upward, Brunner said. "We have very low administrative costs in Minnesota's nonprofit health care systems," Brunner said. "Countries with entirely tax supported systems are turning to the private sector to address rising costs," Brunner said. A single-payer system in Minnesota is not the answer, she said, and although our system in Minnesota is not perfect, it is one of the best in the nation.

The panel recessed and resumed in the early evening. Members continued hearing testimony on the Minnesota Health Care plan before taking action on the bill. Marty concluded by saying the

bill would provide affordable coverage to all Minnesotans. The measure was approved and re-referred to the Commerce and Consumer Protection Committee.

In other action, the committee heard a bill, S.F. 1830, establishing licensure requirements for medical laboratory science professionals. The bill, sponsored by Sen. Gary Kubly (DFL-Granite Falls), also creates a Medical Laboratory Science Professional Licensing Advisory Council. The bill establishes licensing requirements for medical laboratory scientists; categorical medical laboratory technicians; medical laboratory technicians; medical laboratory specialists in molecular biology; medical laboratory specialists in cytogenetics; histocompatibility technologists; other specialists and categoricals; cytotechnologists; histotechnologists; and histotechnicians.

Supporters of the bill said the licensing requirements will ensure greater accuracy and safety in medical testing. Opponents argued that licensing is not needed and that medical laboratory science professionals are extremely competent. No action was taken on the bill.

## First responders bill advanced

The Health, Housing and Family Security Committee, chaired by Sen. John Marty (DFL-Roseville), met Wed., Feb. 20, to take action on three bills.

Members granted approval to all three measures and advanced them to the Senate floor.

S.F. 2377, authored by Sen. Tony Lourey (DFL-Kerrick), requires that an advanced life support ambulance with a primary service area outside the Metro Area be staffed by a first responder driver and a paramedic. The bill then allows each subsequent emergency ambulance response to be staffed by one registered first responder driver and an emergency medical technical or a paramedic. Lourey said the bill will be of particular help in Greater Minnesota where there is a problem in recruitment and retention of ambulance personnel. "The bill will help staff ambulances in a safe and responsible manner," he said. Buck McAlpin, president, Minnesota Ambulance Association, and James Rieber, chair of the Emergency Medical Services Regulatory Board, spoke in support of the measure.

A second bill also concerned emergency medical services. The bill, S.F. 2418, sponsored by Sen. Paul Koering (R-Fort Ripley), lifts the limitation on

terms of service for members of the EMS Regulatory Board. Current law limits members to one four-year term, Koering said. Members also adopted an amendment delaying for one year, until 2010, the requirement for ambulance licensees to have trauma triage and transport guidelines consistent with the criteria issued by the Trauma Advisory Council.

The final bill, S.F. 2667, authored by Sen. Linda Berglin (DFL-Mpls.), makes permanent the moratorium on radiation therapy facilities in a 14 county area. Berglin said a two year moratorium was enacted last year in order to allow time for study to evaluate the need for additional radiation therapy centers in the 14 counties. The study showed that the existing radiation treatment capacity is sufficient until at least until 2015 and that there is enough radiation capacity in the specified counties. In addition, Berglin said that technological advancements will further increase capacity and efficiency in existing facilities. The counties, Berglin said, are Hennepin, Ramsey, Dakota, Washington, Anoka, Carver, Scott, St. Louis, Sherburne, Benton, Stearns, Chisago, Isanti and Wright. Berglin said adding more radiation facilities in those counties, which already have excess capacity, would drive up health care costs.

Sen. Kathy Saltzman (DFL-Woodbury) said by making the moratorium permanent, hospitals will be forced to come together to develop joint facilities in the future. She said the bill is a reasonable, balanced way to contain costs.

However, Sen. David Hann (R-Eden Prairie) said the bill interferes with the workings of the marketplace. He said competition drives prices down and the bill limits competition. Dr. Tom Flynn, Minnesota Oncology Hematology, P.A., said the bill interferes with patient choice, access and convenience.

Berglin responded that the facilities are extremely costly to construct and that expansion can only drive health care costs upward.

## Health and Human Services Budget Division

### Auditor's, health care transformation task force's reports heard

Discussion of two reports comprised the work of the Health and Human Services Budget Division, Tues., Feb. 19.

The panel, chaired by Sen. Linda Berglin (DFL-Mpls.), heard a report from the Office of the Legislative Auditor (OLA) and a report from the Health Care Transformation Task Force.

The legislative auditor's report focuses on the financial management of the state's public health care programs. Joel Alter, OLA, reviewed the report's findings and recommendations. Major findings include national research showing mixed results regarding the impact of managed care on costs, outcomes and access; identified statewide advantages to providing health care to low-income residents via managed care; limited state agency review of health plans' administrative spending; higher per-enrollee program costs in Minnesota's Medical Assistance program compared to the national average for its counterpart programs; a recognition of efforts by county-based public health plans to improve services in Greater Minnesota, balanced against insufficient information about the relative quality of county-based health plans; and inadequate updating of fee-for-service reimbursement rates in public health care programs. The report recommends requiring the Department of Human Services to report on its progress in implementing cost containment strategies, increasing DHS scrutiny of health plans' administrative spending, and modestly increasing fee-for-service rates for primary care physicians. The full report is available online at <http://www.auditor.leg.state.mn.us/ped/2008/healthcare.htm>.

The Health Care Transformation Task Force was charged with developing an action plan for transforming the health care system in ways that improve affordability, access, quality of health care, and the health status of Minnesotans. Sanne Magnan, commissioner of health and a member of the task force, said Minnesota is known as one of the healthiest states and for having one of the lowest uninsured rates in the nation. Nonetheless, Minnesota health care is beset with cost and quality problems, she said. Health care spending increased 52 percent from 2000 to 2005, Magnan said, and the cost of insurance rose 68 percent from 2000 to 2006. She noted declines in employer-provided health insurance, increases in the number of uninsured Minnesotans, and wide variation in quality among provider groups.

Human Services Commissioner Cal Ludeman, co-chair of the task force, summarized the task force's key recommenda-

tions. The task force's plan calls for adopting aggressive goals to reduce the rates of overweight and obesity, tobacco use, and the use of alcohol and other drugs; increasing the transparency of health care prices and quality, combined with more patient-centered decision-making and incentives for providers to innovate on ways to improve quality and reduce cost; restructuring payment systems to encourage evidence-based, high-value health care; reducing the size and cost of the health care system by reducing overuse of care, administrative costs and overuse of new technologies; and establishing affordability standards for health insurance and an expectation that individuals maintain a minimum level of health insurance coverage.

The full task force report is available online at <http://www.health.state.mn.us/divs/hpsc/hep/transform/ttfreportfinal.pdf>.

### **Health division reviews mental health initiatives progress**

Testifiers representing the Health Care Transformation Task Force continued to field questions from the Health and Human Services Budget Division on Wed., Feb. 20. The agenda continued with a discussion of nursing home rebasing, and an update on 2007 mental health legislation implementation. The panel, chaired by Sen. Linda Berglin (DFL-Mpls.), also collected bonding recommendation ballots.

Patti Cullen of Care Providers of Minnesota began a presentation advocating an adjustment to long term care rebasing legislation passed last year. Rebasing adjusts rates for care to meet current costs.

Cullen introduced a few concerns with the legislation. The eight year phase-in of rebasing is back-loaded, Cullen said, which would not help facilities in financial crises now and in the first few years. Negotiation of higher rates for specialized care is scheduled for 2016, which is too far out, said Cullen.

Kari Thurlow, vice president of Advocacy for Minnesota Health and Housing Alliance, recommended three changes to pursue in the law. The first would set a ceiling for rate increases to fund a rate increase floor with existing dollars, ensuring a minimum one percent increase for every facility, explained Thurlow. In addition to cost of living adjustments, the floor could ensure a three to five percent increase for most facilities. Under current law, 125

facilities may receive a rate increase of less than one percent, if any, said Thurlow.

The second proposal would examine the methodology of a proximity adjustment for facilities, and the third would clarify language ensuring increases are based on the most recent cost of living information available.

Iris Freeman of Advocacy Strategy opposed the rebasing strategy, describing it as complicated and uneven. Freeman suggested reworking the legislation in 2009 and ensuring a phase-in period not to exceed four years.

To conclude the meeting, Don Allen, Department of Human Services, presented a detailed update on the implementation of the 2007 mental health initiatives, in addition to an overview of a recently released report to the Legislature regarding the case management roles of counties and health plans.

## **Higher Education Budget and Policy Division**

### **U of M visited**

Members of the Higher Education Budget and Policy Division, chaired by Sen. Sandra Pappas (DFL-St. Paul), used their Tues., Feb. 19, meeting to visit the University of Minnesota-Twin Cities.

### **Systems lay out bonding requests**

The Higher Education Budget and Policy Division, chaired by Sen. Sandra Pappas (DFL-St. Paul), heard the capital investment proposals of the University of Minnesota and Minnesota State Colleges and Universities (MnSCU) systems Thurs., Feb. 21.

University of Minnesota President Robert Bruininks presented the U of M's capital investment proposal with a video. The university system is requesting \$225 million in bonding. The \$225 million includes a request for \$100 million in Higher Education Asset Protection and Replacement (HEAPR) funds over the biennium. Bruininks said that the proposal is part of a 6-12 year capital investment process that relies on strong, continuous and predictable state financial support.

Highlighted projects include a new science teaching and student services center, a University of Minnesota-Duluth engineering building addition, a new Bell Museum, classroom and research facility renovations and upgrades.

# Committee update



University of Minnesota-Duluth mascot “Champ the Bulldog” makes an appearance, Wed., Feb. 20, as part of the University of Minnesota’s Day at the Capitol.

Photo by A.J. Olmscheid

Sen. Claire Robling (R-Jordan) took the opportunity to ask Bruininks why tuition rates would be rising 7.5 percent despite a 13 percent increase in funding in 2007. Bruininks said that headlines are misleading, and while tuition will increase due to past state funding cuts and maintaining of department budgets, increases in private fundraising will result in grants and scholarship awards to about half of all students. Twelve percent of students will have no tuition increase based on need, said Bruininks, and state money will buy down costs for most middle-income students.

MnSCU’s capital investment proposal requests \$273 million in general obligation bond financing, including \$110 million in HEAPR funds over the biennium. James McCormick, chancellor of MnSCU, said that the 53 campuses are experiencing an all time high for four year enrollment.

The 37 project request prioritizes a backlog of HEAPR requests throughout the system at No. 1, said McCormick, followed by specific additions and building renovations for seven campuses in the state, followed by system-wide science lab improvements. Of the first nine priorities, eight are the entirety of the governor’s recommendations, though the governor’s HEAPR recommendation stands at \$40 million, according to MnSCU.

The chancellor also proposed statutory changes to allow for the disposal of surplus property, adjust general authority for construction, increase revenue fund bonding authority from \$150 million to \$250 million, add an Owatonna operation as a named campus location, and convert unspent project authorizations to HEAPR.

Both systems emphasized that green, sustainable and energy efficient design and materials will be considered for renovations and design.

## Judiciary

### Corporations, LLCs bill okayed

Members of the Judiciary Committee met in the afternoon of Tues., Feb. 19, to consider four measures, including a corporate law bill recommended by the Minnesota State Bar Association Business Law Section. The bill, S.F. 2575, was advanced to the full Senate.

Sen. Linda Scheid (DFL-Brooklyn Park), chief author, said the measure makes technical amendments to the Business Corporations Act, the Limited Liability Company (LLC) Act and the Uniform Limited Partnership Act of 2001. The bill also permits LLCs to be formed for nonprofit purposes, she said. Dennis Knoer, an attorney at Briggs and Morgan, walked committee members through the

bill’s provisions in detail. He said members of the Business Law Section, as they work with the various business statutes, note inconsistencies and send them to the state bar for inclusion in bills like S.F. 2575.

The nonprofit LLC provisions permit the formation of LLCs for nonprofit purposes, Knoer said, and ensure that nonprofit LLCs are subject to the same regulations as nonprofit corporations. William Klein, an attorney at Gray Plant Mooty, said that many nonprofit corporations seek to operate a division or form a joint venture as an LLC but cannot do so under Minnesota law. Minnesota nonprofits now set up Delaware LLCs, Knoer said, which are not regulated by the Minnesota attorney general. The bill seeks to ensure proper, Minnesota-based regulation by the attorney general and an easier route for Minnesota nonprofits that want to form LLCs, he said.

Members, led by Chair Mee Moua (DFL-St. Paul), approved three additional bills. S.F. 2511, authored by Sen. Ann Rest (DFL-New Hope), reestablishes advisory groups that were eliminated last year, including the Health Care Peer Review Committee and advisory committees for the Minnesota breeders’ fund. S.F. 2379, sponsored by Sen. Thomas Bakk (DFL-Cook), makes the \$50,000 cap on displaced business allowances apply to both federal and state funded projects. Bakk said that when the state’s eminent domain law was revised in 2006, the \$50,000 cap was inadvertently removed from federally funded projects, meaning that a business displaced by a federally funded project was eligible for only \$10,000. Both bills were recommended for placement on the Consent Calendar.

Sen. Don Betzold (DFL-Fridley) carried a bill, S.F. 624, making technical changes and updating provisions regarding the solemnization of marriages. The bill was approved last year, but was returned to the committee at the end of the session. Members adopted an amendment making further technical corrections and removing provisions that were enacted in other legislation. The bill was advanced to the Senate floor.

### Real property bills heard

The Judiciary Committee, chaired by Sen. Mee Moua (DFL-St. Paul), met Thurs., Feb. 21, to consider several measures dealing with real property.

S.F. 2795, sponsored by Sen. Ron Latz (DFL-St. Louis Park), provides for the

conveyance of interests in real property by transfer on death deeds. Kevin Dunlevy, chair, Real Property Section, Minnesota State Bar Association, said the Real Property Section has been working on the bill for several years. Latz said transfer on death deeds allow property to be transferred from parent to child, for example, without going through probate. The bill exempts transfer on death deeds from the deed tax and excepts transfer on death deeds from the requirement that a deed may not be recorded unless there is certificate that there are no delinquent taxes. The bill also clarifies acknowledgments made in a representative capacity, clarifies the application of certain common law doctrine to registered land and eliminates obsolete language. The bill was approved and advanced to the Finance Committee.

Sen. Ann Rest (DFL-New Hope), sponsored a bill, S.F. 2914, setting forth foreclosure data practices requirements. The measure also requires a study to develop a statewide foreclosure data collection and reporting system. The bill outlines the information that must be included on a foreclosure notice of pendency. Rest said by centralizing the data, it will be easier for agencies to aid homeowners facing foreclosure. Several Senators, though, said making the information easier to obtain may make homeowners more vulnerable to exploitation. Rest said that members must balance the opportunity to aid individuals facing foreclosure with the risk of increasing the homeowners' vulnerability. The bill was approved and re-referred to the State and Local Government Operations and Oversight Committee.

S.F. 2912, sponsored by Sen. Linda Scheid (DFL-Brooklyn Park), makes a number of changes to provisions relating to foreclosure. Scheid said the bill is aimed at helping people going into foreclosure. "The earlier we can reach them, the better," she said.

Dunlevy outlined the specific provisions of the bill. He said the bill reinstates the procedure for the sheriff's execution sale on personal property, requires the certificate of sale of realty in connection with an execution or judgment to include the interest rate in effect on the date of the sheriff's sale and specifies that the interest payable for a redemption of realty is the rate stated in the certificate of sale. The bill requires the default notice to inform the borrower that foreclosure counseling is

available and that the lender will transmit the homeowner's name, address and telephone number to an approved foreclosure prevention agency. The borrower is required to refer specified information to a foreclosure prevention agency, under the bill. Dunlevy said the bill describes the form to be used and the information to be on the form. The bill requires the foreclosure advice notice given to homeowners in default to more information about the foreclosure process and how to access the foreclosure prevention counseling services, he said. A number of provisions relating to the redemption of property during the redemption period are also modified, under the bill. One of the modifications specified that the interest rate payable upon redemption by a mortgagor is the rate stated in the certificate of sale.

Members heard testimony from Jim Franklin, Minnesota Sheriffs' Association. Franklin said he had concerns that the bill would increase the workload for sheriffs and might lead to having to increase staffing. In addition, Franklin said the bill might also increase investigative expenses.

Because of time constraints, no further testimony was heard and no action was taken on the bill.

### **Property law changes proposed**

The Committee on Judiciary, chaired by Sen. Mee Moua (DFL-St. Paul), heard bills relating to foreclosure, predatory lending, renters rights and mortgage fraud Fri., Feb. 22.

Sen. Linda Higgins (DFL-Mpls.) authored S.F. 2918. The bill requires any publication of notice of sale to include any reduction of redemption period notice, and the last publication before sale must include any intent to petition for a reduction. The bill also allows for easier establishment of abandonment.

S.F. 2912, authored by Sen. Linda Scheid (DFL-Brooklyn Park), requires lenders to provide information on foreclosure counseling. A party foreclosing a property would also be required to provide that information at the time of notice. The bill also requires a postponement of a sheriff's sale if the sheriff's office hasn't received a response from an owner or representative within seven days of a sheriff's request. Changes to mortgage redemption laws are also made. The bill was recommended to pass and sent to the Commerce and Consumer Protection Committee.

Sen. Rick Olseen (DFL-Harris) presented S.F. 2900, a bill allowing renters to pay utilities directly to the utility company and subtract those payments from their rent if the utilities are not being paid by the landlord.

S.F. 2917, sponsored by Sen. John Marty (DFL-Roseville), applies the predatory lending law passed last session to manufactured homes. While predatory lending has been a problem for the manufactured home industry, representatives of manufactured homeowners testified that the bill would negatively affect loans for manufactured homes, because the loans are structured differently and carry smaller balances than a traditional home loan. The bill was referred without recommendation to the Commerce and Consumer Protection Committee for continued work.

Higgins sponsored S.F. 2908 and S.F. 2910, which were both recommended to pass and sent to the floor. The first bill ensures tenants of properties in foreclosure are notified, and gives them the ability to withhold their last month's rent in lieu of a refund of their security deposit. The second bill mandates expungement of a renter's eviction notice if the eviction is due solely to a foreclosure.

The chair sponsored S.F. 2915, which modifies the awarding of civil penalties and punitive damages in hearing proceedings by an administrative law judge under the Human Rights Acts. The bill also modifies a provision relation to residential mortgage fraud sentencing. The measure was advanced to the full Senate.

## **Property Tax Division**

### **Tax trends, Green Acres heard**

The Property Tax Division met Thurs., Feb. 21, to hear reports outlining property tax trends and agricultural land preservation programs. The panel, chaired by Sen. Rod Skoe (DFL-Clearbrook), also discussed the effects of mortgage foreclosures and changes in taxable market value on property taxes. Representatives from the Dept. of Revenue said for 2008, property taxes statewide will increase by \$494.1 million or 7.3 percent. Eric Willette, Dept. of Revenue, also reviewed the increase in foreclosures and the resulting decline in market value for some of the properties.

Jody Hauer, Office of the Legislative Auditor, presented a report on "green

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acres” treatment of agricultural land. Hauer said the green acres program effectively equalizes taxes, but does not help all eligible farmland owners. In addition, she said certain eligibility criteria pose difficulties and implementation has been inconsistent. She said the program’s effectiveness is limited because the program is not statewide, some landowners fail to apply and other landowners are not aware of the program. She said the problems with the eligibility criteria include the subjective nature of classifying of land as agricultural and the lack of precision in agricultural land classification. Hauer said the report recommends that the Legislature clarify who and what types of land should benefit and eliminate the income criterion.

Hauer said that there are two separate farmland preservation programs; one for the Metro Area and the other for Greater Minnesota. Lower taxable value in the Twin Cities area, protections against interference with normal farming operations and protections against annexation are some of the advantages of the programs, Hauer said. However, she said the programs do not effectively preserve land for the long term and there is insufficient enforcement for farmland preservation programs.

The report recommends the Legislature consider other strategies to preserve land for long-term agricultural use, specify who has the authority to enforce existing programs and determine whether the spending of mortgage and deed fee revenues is unacceptable.

## Public Safety Budget Division

### Crime lab requests heard

Members of the Public Safety Budget Division met Mon., Feb. 18, to hear a variety of bonding requests, including several requests for forensic crime labs.

S.F. 2438, authored by Division Chair Linda Higgins (DFL-Mpls.), provides \$2.7 million to acquire land, predesign, and design a crime lab in Minneapolis. Three bills seek to establish a crime lab in Anoka County. S.F. 873, sponsored by Sen. Betsy Wergin (R-Princeton), appropriates \$6 million to construct, furnish and equip a crime lab at the Anoka County public safety facility. S.F. 911, carried by Sen. Leo Foley (DFL-Coon Rapids), provides \$6 million to construct, furnish and equip a

crime lab in Anoka County. The proposal specifies that the facility is for the use of Anoka, Sherburne, and Wright Counties, and that the appropriation is contingent on a three-to-one local match. S.F. 2245, authored by Sen. Debbie Johnson (R-Ham Lake), authorizes \$6 million to construct, furnish and equip a crime lab at the Anoka County public safety facility.

The panel also heard a report on the appropriateness of additional regional forensic crime labs from the Forensic Laboratory Advisory Board. The report recommends an overall increase in forensic laboratory services to meet demand, a systematic expansion of regional forensic crime laboratories, and consideration of specific factors before using state funds to support regional forensic services. The factors include capacity and need, demographic structure and existing services, local or regional commitment of resources, operational governance and scientific independence, compensation parity, accreditation, and training.

Panel members also heard a number of other requests for public safety-related bonding. S.F. 2227, authored by Sen. Dennis Frederickson (R-New Ulm), appropriates \$975,000 to the city of Marshall to predesign, design, construct, furnish, and equip Phase II of the Minnesota Emergency Response and Industry Training (MERIT) Center, including driving courses, shooting range, a multi-use, three-story gas fire sims, hazmat area, tactical maze, and other training facilities. Sen. Steve Murphy (DFL-Red Wing) carried a bill, S.F. 1849, providing \$6 million to complete design for and to construct, furnish, and equip a new vocational education building with a combined classroom and shop complex at the Minnesota Correctional Facility-Red Wing. S.F. 2437, sponsored by Sen. Dan Larson (DFL-Bloomington), appropriates \$8 million to the city of Minneapolis to design, construct, furnish, and equip improvements, including an emergency operations center, to the city’s existing fire training center. S.F. 2578, authored by Sen. Steve Dille (R-Dassel), provides \$164,000 to the city of Annandale to predesign, design, construct, furnish, and equip improvements in its tactical training center, including improvements to the indoor live fire shoothouse for air quality and noise mitigation, a steel breaching door, moving target systems within the shoothouse and outdoor range, and a 40-foot rappelling tower for high angle fire, rescue, and police tactical training. Members also heard

bonding requests from agency officials for the State Emergency Operations Center and the Department of Corrections.

### Bonding recs finalized

Members of the Public Safety Budget Division met Wed., Feb. 20, to finalize their recommendations for bonding projects. The panel, chaired by Sen. Linda Higgins (DFL-Mpls.), placed the various requests they heard during the first two weeks of the session onto a high-medium-low preference list and forwarded the list to the Capital Investment Committee.

For the Department of Corrections, the highest priority is the third phase of the Faribault correctional facility expansion, at \$16.341 million in FY 08 and \$37.05 million in FY 10. The second priority is the ventilation system at the Oak Park Heights correctional facility, at \$2.44 million in FY 08. The department’s emergency asset preservation needs, at \$8.619 million in FY 08, comprise the third priority. On the medium list are \$6 million in FY 08 for the vocational education building at the Red Wing correctional facility and \$4.05 million in FY 08 for the perimeter security system at Oak Park Heights. The low list contains only one item, \$550,000 in FY 08 and \$7.138 million in FY 10 for the perimeter security fence at the Shakopee women’s correctional facility.

The other projects fall within the Department of Public Safety. The highest priority on the list is \$500,000 in FY 08 to predesign a new State Emergency Operations Center. Second is \$5 million in FY 08 and \$10.191 million in FY 10 for the Camp Ripley Public Safety Training Center. A public safety training center to serve Southeastern Minnesota, at \$3.655 million in FY 08, was placed third. Fourth is \$8 million in FY 08 for the Minneapolis Emergency Operations and Fire Training Center. The final item on the high list is \$6 million in FY 08 for the Anoka County Regional Forensic Crime Lab. The medium list consists of five projects: \$7.8 million for a public safety training facility in Dakota County, \$2.7 million in FY 08 and \$12.3 million in FY 10 for the Minneapolis Forensic Crime Lab, \$1.452 million in FY 08 for a public safety training facility in Grand Rapids, \$975,000 in FY 08 for the Minnesota Emergency Response and Industry Training Center in Marshall and \$164,000 in FY 08 for the Annandale Tactical Training Center. The

low list includes: \$6.04 million in FY 08 for a regional emergency operations center in Northfield, \$3.2 million in FY 08 for the Scott County Public Safety Training Facility and \$3 million in FY 08 for a public safety training facility in Princeton.

Higgins said a request the panel received for a law enforcement center at Alexandria Technical College had been re-referred to the Higher Education Budget and Policy Division because it was a better fit with the other panel's work.

Before making their recommendations, the panel heard a final request. S.F. 2338, carried by Sen. John Doll (DFL-Burnsville), provides \$6 million to Dakota County to design, construct, furnish and equip a public safety technology and support center.

## State and Local Government Operations and Oversight

### Labor pacts ratification gains

The State and Local Government Operations and Oversight Committee met Mon., Feb. 18, to consider a variety of bills ranging from a bill to approved public employee labor agreements to a bill requiring executive branch employees to undergo emergency management training.

The panel, chaired by Sen. Ann Rest (DFL-New Hope), began by considering a bill allowing cities of the first class to contribute money to county historical societies. S.F. 2690, authored by Sen. Ann Lynch (DFL-Rochester), allows cities of the first class to contribute an amount up to .02418 percent of the taxable market value of the city to the county historical society, if the historical society is affiliated with the Minnesota Historical Society. Lynch said the city of Rochester has been contributing to the Olmstead County Historical Society, but would not be able to contribute after the city becomes a city of the first class in 2010 without the change in the law. The measure was approved and advanced to the Senate floor.

S.F. 2689, sponsored by Sen. David Tomassoni (DFL-Chisholm), authorizes the establishment of the White Community Hospital District in St. Louis County and authorizes the district to levy property taxes. Tomassoni said the Iron Range is still reeling from the loss of the LTV mining company and it has been difficult to adequately fund the hospital. By organizing as a hospital district, revenue could

be raised to fund the facility. The measure was approved and re-referred to the Taxes Committee.

Sen. James Metzen (DFL-South St. Paul) sponsored the bill, S.F. 2620, ratifying public employment labor agreements and compensation plans. The measure includes seven bargaining units and two compensation plans for employees in the executive branch. Metzen said the average increase is about 3.25 percent per year. The contracts cover most of the employees in the executive branch, with only two contracts still in negotiations, Metzen said. Under the bill, the salary limit for the administrator of the Minnesota Zoological Garden is eliminated. Metzen said of the eight major zoos in the country, the Minnesota director is paid the least. Under the bill, any salary greater than 95 percent of the governor's salary must come from non-state funds. The bill was approved and advanced to the Committee on Finance.

S.F. 2656, authored by Sen. Linda Higgins (DFL-Mpls.), requires the Division of Emergency Management in the Dept. of Public Safety to maintain and administer an emergency management training curriculum and to make the curriculum available to state employees whose essential job duties involve emergency management. Higgins said an LCC Preparedness for Terrorism and Disasters Working Group was created last year and in the course of their work, the group found that local units of government require emergency management training, but the state does not. The bill specifies that each state agency assigned a role as a disaster or emergency response organization in the state emergency operations plan must have a least one employee who has completed the entire emergency management training curriculum.

Rocco Forte, emergency preparedness director, city of Minneapolis, said one of the real advantages of emergency management training is the opportunity to network and get to know counterparts in other government agencies.

The bill was approved and re-referred to the Judiciary Committee.

Rest authored the final three bills on the agenda. S.F. 2607 establishes procedures for state agencies to assist communities to recovering from a natural disaster. The bill provides a framework for state agencies to use future appropriations to aid communities in recovering from a natural disaster in areas included in a

presidential declaration of major disaster. Rest said the measure provides authorizations for 14 agencies and includes waivers from requirements contained in existing programs. The measure was approved and advanced to the Judiciary Committee.

S.F. 2542 clarifies that the authority of the Hennepin County Housing and Redevelopment Authority includes the entire area within the boundaries of the county. The bill was approved and re-referred to the Taxes Committee. S.F. 2402 modifies provisions governing the Board of Accountancy. Rest said the bill updates current law relating to accountancy. The bill was approved and re-referred to the Judiciary Committee.

### Gaming bills okayed

Two measures were considered by members of the State and Local Government Operations and Oversight Subcommittee on Gaming, Wed., Feb. 20. The panel, chaired by Sen. Tony Lourey (DFL-Kerrick), advanced both bills to the full committee.

S.F. 2500, authored by Sen. Ann Rest (DFL-New Hope), permits the new harness racing track in the city of Columbus, Running Aces Harness Track, to simulcast races of all breeds of horses that are simulcast at Canterbury Park in Shakopee. Under current law, the new track may only simulcast races of horse breeds that race at the track. Representatives of the track and the city spoke in support of the bill. Don Steinke, a resident of Columbus and member of a community group opposed to the track, spoke against the bill.

S.F. 2533, also carried by Rest, makes two technical changes to state gambling regulations. The bill amends the definition of "gambling device" in the criminal code to clarify that an object is a gambling device whether or not it is actually played. The measure also repeals a statute permitting the manufacture of gambling devices in Minnesota that are not legal here, but are legal in the state of shipment. Rest said that the law is unenforceable, because there is no way to verify that the devices are actually legal in their destination states.

### Elections proposals gain

Members of the State and Local Government Operations and Oversight Subcommittee on Elections gathered Wed., Feb. 20, to consider seven bills. All the proposals were forwarded to the full committee.

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Two measures permit counties' line officers to be made appointive, rather than elective, subject to a reverse referendum by petition. S.F. 2534, carried by Sen. Gary Kubly (DFL-Granite Falls), allows Yellow Medicine County to make the offices of recorder and auditor-treasurer appointive. S.F. 2472, sponsored by Sen. Kathy Sheran (DFL-Mankato), authorizes Nicollet County to make the office of auditor-treasurer appointive.

S.F. 208, authored by Sheran, modifies absentee voting procedures. Sen. Ann Rest (DFL-New Hope), who chairs the full committee, explained that last year the bill had been approved by the full committee and sent to the Finance Committee because of cost concerns. All of the provisions with a potential fiscal impact have been removed, said Beth Fraser, Secretary of State's Office. The bill expands the group of people who may use an agent for delivery and return of absentee ballots to include persons who would have

difficulty getting to the polls because of an incapacitating health reason, who are disabled, or who are residents of assisted living facilities. The measure also permits agent delivery of ballots during the seven, rather than four, days preceding an election.

Sen. Chris Gerlach (R-Apple Valley) sponsored a bill, S.F. 2552, permitting the continued use of voter registration applications in existence on July 31, 2007, until they are consumed. Fraser explained that registration applications were required to be redesigned last year, but that many agencies, local units of government and civic groups still have old applications on hand. The bill permits them to continue to use the applications or to dispose of them and request the new application. S.F. 2553, carried by Rest, provides shorter deadlines for the post-election audits of election results provided by electronic voting systems.

Subcommittee Chair Dan Larson (DFL-Bloomington) authored two pro-

posals. S.F. 1297 provides for automatic updating of a voter's registration when the voter files a permanent change of address with the U.S. Postal Service. S.F. 2574 lengthens by one week the special election calendar for seats in the Legislature and Congress. The measure requires candidates to file two weeks, rather than one week, before the special primary. The bill also permits the Secretary of State, rather than county canvassing boards, to conduct recounts of special primaries and special elections.

## State Government Budget Division

### Sports centers' proposals heard

Over \$15 million in bonding proposals for community sports facilities across Minnesota were the focus of the Mon., Feb. 18, meeting of the State Government Budget Division. The panel, chaired by



Senators John Doll (DFL-Burnsville) and Sandy Rummel (DFL-White Bear Lake) look over proposed legislation during the Thurs., Feb. 21, floor session.

Photo by David J. Oakes

Sen. Don Betzold (DFL-Fridley), took no action on the requests, which it heard as it prepares to forward recommendations to the Capital Investment Committee.

S.F. 2312, authored by Sen. Keith Langseth (DFL-Glyndon), provides \$4 million to the city of Moorhead for a Northwestern Minnesota Regional Sports Center. The measure requires an equal amount of matching funds from nonstate sources. S.F. 2348, carried by Sen. Kathy Saltzman (DFL-Woodbury), appropriates \$5 million to the Minnesota Amateur Sports Commission to make grants to local units of government for the purpose of constructing public ice facilities. S.F. 2349, sponsored by Sen. Dennis Frederickson (R-New Ulm), provides \$100,000 to the city of Marshall to predesign the Southwest Regional Amateur Sports Facility. S.F. 2355, authored by Sen. Satveer Chaudhary (DFL-Fridley), provides \$125,000 to predesign the renovation of Building 189 located within the former the Twin Cities Army Ammunition Plant to serve as a regional, multi-use recreational amateur sports facility for the northern Metro Area.

Betzold carried the Amateur Sports Commission's request for asset preservation at the National Sports Center in Blaine. The measure, S.F. 2496, authorizes \$1.5 million. S.F. 959, sponsored by Sen. Geoff Michel (R-Edina), appropriates \$550,000 to the Three Rivers Park District for construction made necessary by unforeseen site conditions at the Hyland K70 ski jump in Bloomington. S.F. 2599, authored by Sen. Ann Lynch (DFL-Rochester), provides \$4 million to design, construct, furnish, and equip the phase II expansion of the National Volleyball Center in Rochester. S.F. 2787, sponsored by Sen. Ellen Anderson (DFL-St. Paul), authorizes \$250,000 to predesign the St. Paul Regional Amateur Sports Facility, which will include facilities for soccer, lacrosse, football, and baseball.

### Capitol building restoration, agency bonding requests heard

The State Government Budget Division, chaired by Sen. Don Betzold (DFL-Fridley), viewed a corroded pipe to accompany a Capitol building restoration proposal authored by Sen. Ann Rest (DFL-New Hope), Wed., Feb. 20. The bill was laid over for possible inclusion in the committee's bonding proposals. A granite

panel accompanied the Dept. of Administration Capital Budget Request presented by Commissioner Dana Badgerow and Assistant Commissioner Nicky Giancola.

Rest's bill, S.F. 666, requests \$63.9 million in bond proceeds for capitol building restoration. The new proposal breaks the project into phases, and each phase-in does not presuppose commitment for the next, said Rest. Projects would address critical maintenance, in addition to accessibility and security improvements. A new roof, dome restoration and ventilation system security would be targeted by the funds.

The Department of Administration presented five proposals, including the governor's \$13.4 million request for the Capitol building. Badgerow described the request as "triage on the Capitol." The repairs would limit further deterioration but would not necessarily begin the work of a full restoration, said Badgerow. An additional \$2 million is also marked for continued restoration planning, according to the request.

Restoration of the Transportation Building façade is the department's first priority request according to Giancola, who said, "We just have to have it this year—it must be done." Spalling, or flaking, granite slabs and rusting structural support systems have resulted in citations from the city of St. Paul and the Department of Labor and Industry, said Giancola.

The third department of administration request is \$2.325 million to purchase property up for sale adjacent to the Capitol Complex. Formerly a church, the building would be razed for visitor parking in the short term, and future capital development in the long term, according to Badgerow.

The fourth request would make \$3 million in bonds available for the statewide capital asset preservation and repair account, which provides money for response to catastrophic events such as flooding, in addition to unanticipated hazardous material abatement needs such as asbestos clean-up.

The fifth request provides \$500,000 for predesign of the State Emergency Operations Center. Currently the center occupies leased space in downtown St. Paul, and in violation of Federal Emergency Management Agency requirements.

## Taxes

### IC, JOBZ evaluations reviewed

A report from the legislative auditor presented to the Taxes Committee Tues., Feb. 19, described the degree of misclassification of independent contractors by Minnesota employers. The committee also heard a presentation on the legislative auditor's report on Minnesota's Job Opportunity Building Zone (JOBZ) program.

The independent contractor audit found one in seven employers inaccurately identified at least one employee as an independent contractor in 2005. In addition, the report states that enforcement and response is limited and uneven between the Dept. of Employment and Economic Development, the Dept. of Revenue, and the Dept. of Labor and Industry.

The auditor recommends that the three agencies standardize classification, information sharing procedures and enforcement. The auditor also recommended putting a penalty into law for repeated instances of misclassification because currently penalties only exist for program violations resulting from misclassification.

Commissioner Ward Einess of the Department of Revenue and Commissioner Dan McElroy of DEED agreed with the recommendations. Einess said that the Revenue Department may be the biggest impediment to standardizing criteria because it must follow federal classifications. Einess suggested the department be given the authority to not recognize a federal "safe harbor" clause that makes enforcement difficult.

McElroy said that a fair amount has already happened in his department in response to the report.

Nancy Leppink of the Dept. of Labor and Industry, said that enforcement from the perspective of her department is complaint-driven, and focuses on violations of labor laws such as OSHA and enforcement provided under those laws. Leppink said that the nature of the system identifies problems after the fact.

The presenter said that while a "relatively small proportion of workers were misclassified," that misclassification results in lost tax revenue from unemployment insurance taxes and income tax withholding, in addition to creating a competitive disadvantage for compliant employers.

The JOBZ report found that while the program has successfully created jobs

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in Minnesota, it has also provided inappropriate subsidies to some businesses and suffers from poor administration.

Committee Chair Thomas Bakk (DFL-Cook) is both an author of the original JOBZ legislation in 2003, and a critic of the program's outcome.

The JOBZ program was passed in 2003 to provide tax incentives for businesses to relocate or expand in 10 designated zones of low economic development, explained John Yunker, project manager with the Office of the Legislative Auditor. The state carries 93 percent of the costs of the program, said Yunker, and there is no cap or limit on the program's growth.

The auditor's office has determined that the program has provided unnecessary or ineffective subsidies in some cases, suffers from weak administration resulting in poorly written agreements and ineffective compliance monitoring, and does not target economically distressed areas, which was the original intent, said Yunker. The report says that job creation was probably 20-30 percent lower than DEED claims.

Yunker emphasized three of fifteen recommendations made by the report. The first would give more approval and oversight of the program to the Department of Employment and Economic Development through legislation. The second recommendation is a cap on the program, which would force local governments to prioritize which businesses can enter the program. The third recommendation is to develop standard criteria for participation and make sure that the program targets economically distressed areas.

McElroy said DEED supports the proposed changes, and reminded Legislators that JOBZ is a relatively new program that has had some major successes. DEED is already making changes, according to McElroy, and is supporting legislation this session to acquire the authority to enforce standards and approve or deny agreements.

Einess said the program deserves the scrutiny, but can be fixed, particularly with more state oversight. "We probably erred on the side of too much local control," said Einess. The revenue commissioner agreed with McElroy that the most important recommendation may be to require businesses to attest to the accuracy of their subsidy reports. Currently the

onus is on cities, which do not have the staff or resources to enforce accuracy, said Einess.

Bakk said the JOBZ zones have not targeted economically disadvantaged areas. "I don't know how we undo all those zones now," said the chair.

However, the program has provided a more competitive atmosphere in towns bordering North Dakota, according to Sen. Keith Langseth (DFL-Glyndon). "I really don't think we should throw it out," said Langseth, who cited two large dealerships that had expanded into Minnesota rather than North Dakota.

Sen. Julianne Ortman (R-Chanhassen) criticized the program for taking a business away from a distressed town within the Metro Area, which is not eligible. "I'm not sure that it's lived up to the expectations," she said.

Sen. David Senjem (R-Rochester) spoke in favor of improving, rather than discarding, the program, claiming the subsidies allow small towns to compete in a multi-state arena. "I simply urge we not be too hasty," said Senjem.

The panel continued with a discussion of where Minnesota's advantages in job growth may lie, and where the state could focus attention to stimulate economic growth. Members also discuss cuts in spending that the committee has been asked to make in light of a budget shortfall.

## Additional revenue for transportation, transit okayed

An ambitious proposal to raise billions of dollars for a generation's worth of road and bridge building and maintenance, and to improve transit systems in both the Metro Area and Greater Minnesota, was approved by members of the Taxes Committee, Wed., Feb. 20. The panel, chaired by Sen. Thomas Bakk (DFL-Cook), advanced the measure to the full Senate.

Sen. Steve Murphy (DFL-Red Wing), chief author of S.F. 2521, said the state is seriously behind in its responsibility to provide a safe, efficient and modern transportation system. According to a report from Growth and Justice, Murphy said, the state would have invested almost \$14 billion more in highways over the last 20 years, if it had kept spending at par with 1986 levels. We are inundated with reports from dozens of other groups, the

federal government, the state's legislative auditor and academics, telling us how far behind we are, he said. The proposal includes various tax increases, Murphy said, but it also demands that the transportation system be significantly improved. "If we're going to raise taxes, we're going to demand results," Murphy said. For example, he said, the bill requires all state bridges considered deficient to be repaired or replaced by 2018. This bill is an economic development bill that creates jobs and rivals the bonding bill for significance and impact, he said.

At Murphy's request, members adopted an amendment bringing the bill into substantial conformity with the other body's proposal. A key difference between the other body's version and the amended Senate version, he said, is that the revised Senate proposal does not index the gas tax for inflation. In shifting to this version of the bill, Murphy said, we have given up a lot of items and reduced several proposals. Murphy walked members through the bill's provisions.

The revenue provisions in the bill include a five-cent increase in the gas tax, phased in through Sept. 15, 2008; a new gas tax debt service surcharge of up to 3.5 cents; elimination of the caps on the motor vehicle registration tax; creation of a \$25 gas tax credit for low-income Minnesotans; an increase in the short-term motor vehicle rental fee from three percent to five percent; authorization for a Metro Area half-cent sales tax and a \$20 motor vehicle sales excise tax; and authorization for voter-approved local transportation taxes in Greater Minnesota.

I am disappointed that this proposal uses the sales tax to fund transportation and transit projects in the Metro Area, said Sen. John Marty (DFL-Roseville). I strongly believe we need more money for transit, but this is not the right way to provide it, he said. The sales tax is unfair and regressive, he said, and there is no connection between the source of the revenue and where it is spent. Sen. Scott Dibble (DFL-Mpls.), lead proponent of the local sales tax provisions in the bill, said he agreed that the sales tax is not the ideal source of revenue. But we have gotten bogged down by philosophical disagreements about who should pay for transit in the Metro Area, he said, and we need to find a solution. More than two dozen metropolitan areas have used a local sales tax to fund transit and trans-

portation, Dibble said. Other revenue sources do not come close to providing the needed funds, he said.

This bill is impressive and it starts to address the problem, said Sen. Julianne Ortman (R-Chanhassen). She suggested the bill would be improved by reducing the Metro Area sales tax from 0.5 percent to 0.25 percent and dedicating all the funds to transit, rather than splitting the funds between transit and roads and bridges. The proposal makes some of the money look like a slush fund where the money can be moved around, she said. A lower tax increase would be less of a burden to low-income taxpayers, she said, and the dedication will help the proposal sell itself. Ortman offered an amendment reducing the sales tax rate and dedicating the funds to transit. Murphy opposed the

amendment. Putting some of the revenue into a flexible account recognizes that transportation needs are always evolving in the Metro Area, he said. Sometimes roads and bridges are a higher priority, and at other times transit is the more urgent need, Murphy said. Dibble noted that transit improvements are often accompanied by adjacent road and bridge projects. Cutting the revenue available is the wrong thing to do, said Sen. Lawrence Pogemiller (DFL-Mpls.). At some point, this bill gets too small to be worth doing, he said. This is not just a sales tax bill, Ortman said. It includes many other taxes, she said, and the people who are paying these taxes cannot afford them all. "Why do we have to bite off more than Minnesotans can chew," she said. The amendment was not adopted.

Sen. Rod Skoe (DFL-Clearbrook) offered an amendment modifying the Greater Minnesota sales tax authorization from a fixed 0.5 percent to up to 0.5 percent. Not all projects will require the full 0.5 percent increase, he said. The amendment was adopted.

Representatives of the business community raised concerns about the measure. Tom Hesse, Minnesota Chamber of Commerce, said the business community has consistently opposed the use of a Metro Area sales tax to pay for transit and transportation. Businesses pay about 45 percent of the sales tax, he said. Other regions that have adopted a dedicated sales tax have lower tax burdens than Minnesota, Hesse said, so they have the capacity to raise revenue without negatively affecting their competitive position. If the Legislature does want to go down the sales tax path, the tax should be imposed at the lowest rate possible, be subject to voter approval, and expire in 2020, he said.



Lieutenant Governor and Commissioner of Transportation Carol Molnau addresses members of the Legislative Audit Commission, Tues., Feb. 19, as Legislative Auditor Jim Nobles listens in the background. Molnau was responding to a report from the Office of the Legislative Auditor on the Department of Transportation and the status of the state's highways and bridges.

Photo by David J. Oakes

## Transportation Budget and Policy Division

### State Patrol strategic plan heard

Members of the Transportation Budget and Policy Division devoted their Tues., Feb. 19, meeting to consideration of the State Patrol's strategic plan. Col. Mark Dunaski, chief of the State Patrol, reviewed the strategic plan and fielded questions from the panel, chaired by Sen. Steve Murphy (DFL-Red Wing). The strategic plan includes several overarching goals, as well as strategies to achieve the goals and desired outcomes that can be used to measure progress. The goals include reducing deaths, injuries, property damage and life-changing events on Minnesota roadways; maximizing service to the public and assisting allied agencies; effectively acquiring and strategically deploying resources while enhancing organizational efficiency; and recruiting, developing and retaining a high-quality, diverse workforce.

The complete strategic plan is available online at [http://www.dps.state.mn.us/patrol/Doc/Strategic2006\\_09/MSP%20Strategic%20Plan%2011-12-06.pdf](http://www.dps.state.mn.us/patrol/Doc/Strategic2006_09/MSP%20Strategic%20Plan%2011-12-06.pdf).

### Schedule available online

Next week's schedule is online: [http://www.senate.mn/schedule/schedule.php?cmte\\_type=&ls=85&date=02/25/2008&type=weekly](http://www.senate.mn/schedule/schedule.php?cmte_type=&ls=85&date=02/25/2008&type=weekly)

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# Senate Briefly

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*Patrick Schifferdecker, who portrays a voyageur guide at the Minnesota Historical Society's Northwest Company Fur Post site, poses in the Capitol Rotunda, Mon., Feb. 25, as part of the Historical Society's day at the Capitol.*

*Photo by A.J. Olmscheid*



February 29, 2008

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# Senate Highlights

## Transportation veto overridden

Senators overrode the governor's veto of an ambitious transportation package, Mon., Feb. 25. The measure, H.F. 2800, was repassed, 47-20.

This is an opportunity to change the course of Minnesota, said Sen. Steve Murphy (DFL-Red Wing), the bill's sponsor. With this bill, we can build a better transportation system and improve our economy, he said. Overriding a veto is not something any of us takes lightly, he said. A veto override is an extraordinary step, Murphy said, called for by the extraordinary time we are in. This bill has been "praised and demonized," he said, in part because "it is difficult to vote to increase taxes." But the bill represents an opportunity to improve lives, he said. Murphy cited State Patrol statistics showing there were over 78,000 crashes, almost 500 fatalities, over 35,000 life-changing injuries, and economic loss of over \$1.5 billion on Minnesota roadways last year. With this bill, we can improve highway safety, stall and reverse highway congestion, and improve our economic outlook, he said. Sen. Scott Dibble (DFL-Mpls.) praised Murphy for his work on the bill, calling it a compromise effort and a balanced bill with benefits for every corner of Minnesota. Good transportation is vital to a good Minnesota, he said.

If you measure the size of this bill against overall spending, said Sen. Steve Dille (R-Dassel), we are talking about



**Sen. Steve Murphy (DFL-Red Wing), right, receives a hug from Sen. Scott Dibble (DFL-Mpls.) in the Senate Chamber following a successful transportation package veto override Mon., Feb. 25.**

Photo by A.J. Olmscheid

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only a 3.9 percent increase in spending. Dille urged members to support the package. We need to reinvest in our infrastructure and think about the number of deaths that result from our poorly maintained roads, he said.

This is serious business, and we need to slow down and think about it, said Sen. David Senjem (R-Rochester). We talk about finding compromise and working toward the middle, he said, but it did not happen with this bill. This is power politics, Senjem said. He urged members to consider the imminent economic forecast, which will likely predict a \$1 billion general fund shortfall. Before we see the hard numbers, we are on the precipice of enacting the largest tax increase in our state's history, he said. This bill piles on to people who cannot afford health care, who are barely scraping, he said. Senjem urged Senators to work on a bill that brings everyone, including the governor, together. This bill creates a disincentive against Minnesotan's buying new, safer, energy-efficient cars, said Sen. Claire

Robling (R-Jordan). We want people to buy new cars, to help our auto manufacturers, auto dealers and all the people they employ.

Murphy said waiting was unnecessary. This is not general fund spending, he said. Our gas tax, our transportation funding, is constitutionally dedicated, he said. Murphy said the state had waited, had delayed, for too long over the years as the transportation system fell apart. A lot of this bill reflects what the governor asked for, including bonding and a tax credit for low-income Minnesotans, he said. We tried to compromise and the governor vetoed the bill anyway, Murphy said, so we need to decide if we want to do something or not.

In other action, members met briefly in the morning to approve a bill modifying the Temporary Assistance for Needy Families program. S.F. 2564, sponsored by Sen. Linda Berglin (DFL-Mpls.), permits the Dept. of Human Services to claim other state spending as maintenance of effort in order to reduce the required work

participation rate. The bill was granted preliminary passage on General Orders. Senators also processed routine business before recessing for the afternoon to await the message indicating the other body had acted to override the veto.

### Molnau rejected as MnDOT head

Lt. Gov. Carol Molnau was removed from her position as transportation commissioner by Senators, Thurs., Feb. 28. The Senate voted not to confirm her, 22-44.

Today, we are asked to discharge our constitutional duty regarding a governor's appointee, said Sen. Steve Murphy (DFL-Red Wing). It is a responsibility none of us takes lightly, he said. Molnau has been serving in a dual capacity, he said, and "these two full-time jobs are too much for anyone to be able to discharge appropriately." She has told us that the department did not need more money, Murphy said, but we have numerous reports and our own experiences proving otherwise. This is about having "the right person in the right place for the right time," he said. We have a duty and ability to move Minnesota forward with a new MnDOT

management team that can "forge a new beginning" in transportation, he said.

Several members of the Minority Caucus rose in Molnau's defense. The other side of the aisle has adopted as a mantra that Molnau has not done a good job, said Sen. Dick Day (R-Owatonna). It is the Legislature's duty to give the department and its leadership enough resources, he said, and if the problem has been a lack of resources, we should blame ourselves, not the commissioner. The lieutenant governor's primary duty is to be ready to assume the governorship if it becomes vacant, said Sen. David Hann (R-Eden Prairie). That does not prevent anyone from serving as a fine agency commissioner, he said. I have not yet heard a good reason to remove her as commissioner, he said. This is not about her performance, it is just raw politics and a raw exercise of power, Hann said. She is the hardest working person I have ever known, said Sen. Claire Robling (R-Jordan), someone who has always held two or three jobs. Molnau has given her life to public service, said Minority Leader David Senjem (R-Rochester), and her performance as commissioner is symbolic of her commitment to

service. This vote is a watershed event, he said, and rejecting her runs counter to our commitment to cooperate. I do not think she has done wrong, Senjem said, but if she has, then we should consider offering forgiveness not rejection.

This is not about individuals, it is about serving the citizens of the state, said Majority Leader Lawrence Pogemiller (DFL-Mpls.). We confirmed Molnau in her first term, but now we have a record of her job performance, he said. We have a legislative auditor's report on transportation, he said, and we can see our crumbling transportation system. This is not about Molnau, it is about leadership and a failure of leadership from the governor, who has refused to accept responsibility for his mistakes, Pogemiller said. We need to step up, he said, and show Minnesotans that "their tax dollars will be represented by leaders, not by political friendships." Members on both side of the aisle agree that we have lacked sufficient resources for transportation, he said, but Molnau told us repeatedly that we did not need more revenue. She and the governor were cheerful at veto ceremonies for prior transportation bills that sought to provide more revenue and resources, Pogemiller said. A change in transportation leadership is in order, he said.

Before the final vote on the appointment, Senators rejected, 22-43, a motion from Sen. Steve Dille (R-Dassel) to table the matter.

Senators took up two additional appointments. The first was of Dan McElroy as a member of the Board of Trustees of the Minnesota State Colleges and Universities. This appointment left committee without recommendation, said Sen. Sandra Pappas (DFL-St. Paul), but I now want to encourage members to support McElroy's confirmation. Having observed him over the interim and talked to other members of the MnSCU Board of Trustees, she said, it is apparent that he works well with the other board members and adds to the board in a positive manner. I think many members had a problem with a trustee also serving as an agency commissioner, Robling said; McElroy is the commissioner of the Dept. of Employment and Economic Development. His dual role is a perfect fit, Robling said. Minnesota needs jobs and needs people trained for those jobs, she said. What we need is someone who understands both economic development and training workers,



Sen. Don Betzold (DFL-Fridley), left, signs an official Minnesota Sesquicentennial banner in the Senate Retiring Room following the Mon., Feb. 25, floor session. Also pictured is Sen. David Hann (R-Eden Prairie).

Photo by David J. Oakes

# Senate Highlights

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Robling said. McElroy's appointment was confirmed, 59-3. The final appointment considered was that of Jon Hopeman as an attorney member of the Board on Judicial Standards. He is a distinguished attorney, who has been repeatedly respected and recognized by his peers, said Sen. Mee Moua (DFL-St. Paul). The appointment was confirmed, 62-0.

In other action, Senators granted final passage to one bill on the Calendar and one bill on the Consent Calendar. S.F. 2564, sponsored by Sen. Linda Berglin (DFL-Mpls.), permits the Dept. of Human Services to claim other state spending as maintenance of effort in order to reduce the required work participation rate. S.F. 2379, sponsored by Sen. Thomas Bakk (DFL-Cook), makes the \$50,000 cap on displaced business allowances apply to both federal and state funded projects. Bakk said that when the state's eminent domain law was revised in 2006, the \$50,000 cap was inadvertently removed from federally funded projects, meaning that a business displaced by a federally funded project was eligible for only \$10,000. Both measures were approved without dissent.

## Near \$1 billion shortfall, mild recession forecasted

A short, mild recession for the first two quarters of 2008 and a \$968 million shortfall for FY 2008-2009 are the conclusions of the February 2008 economic forecast data presented to the Taxes Committee, Fri. Feb. 29. Finance Commissioner Tom Hanson and State Economist Tom Stinson presented an overview and answered questions from the panel, chaired by Sen. Thomas Bakk (DFL-Cook).

A sharper than anticipated drop in tax revenue is mostly to blame for the budget shortfall, explained Hanson. He agreed that declining revenue could be exacerbated by extending federal tax cuts scheduled to expire and the shift of leased vehicle taxes from the general fund to the transportation budget, a directive of the recently passed transportation funding bill. The report describes a small increase in spending estimates, almost entirely in health and human service programs.

The potential shortfall of \$1.1 billion in FY 2010-2011 roughly doubles in 2010-2011 if inflation is considered, according to the report.

The depressed housing market, an insecure credit market and increased energy

prices are to blame for the recession, said Stinson. However, the federal economic stimulus package will be a boon to the economy in mid-2008, according to the report, as consumers increase household spending on non-auto consumer durables. Expected real GDP growth in 2008 has fallen to 1.4 percent.

Committee members discussed ways the Legislature could make revenue less volatile, and how they could provide short-term economic stimulus. Stinson said that it would be very hard for the Legislature to do any short term stimulus, with the exception of investment in maintenance and improvement of existing infrastructure early in the session, which could put trades people to work by late spring. Bonding projects, new construction and transportation investments are not considered short term boons, he explained, but rather long-term growth investments.

## Panel hears from Oberstar

The Transportation Budget and Policy Division, chaired by Sen. Steve Murphy (DFL-Red Wing), met Fri., Feb. 29, to conduct a wide ranging discussion of transportation issues. Congressman James Oberstar (D-Minn.), who chairs the U.S. House Committee on Transportation and Infrastructure, briefed members on federal transportation matters and the impact of federal actions on Minnesota's transportation system.

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## Committee Update

### Agriculture and Veterans Budget and Policy Division

#### Bonding requests considered

Capital investment projects for veterans and military operations were the focus of the Tues., Feb. 26, meeting of the Agriculture and Veterans Budget and Policy Division.

Brig. Gen. Tim Cossalter and Comptroller Terry Palmer, Minnesota National Guard, reviewed the Dept. of Military Affairs' bonding requests. The department's FY 2008 request includes \$7 million for asset preservation at armories and training facilities statewide, \$1 million for required life/safety alterations to armories,

and \$1.5 million to make armories and training facilities accessible for persons with disabilities. The governor's recommendation includes full funding of the life/safety and accessibility requests and \$5.5 million for asset preservation. Palmer noted that Guard armories are among the most visible and used facilities in many Greater Minnesota communities. Many of the projects qualify for federal funding, often at a 50 percent match, Palmer said. Sen. Tarryl Clark (DFL-St. Cloud) carried a bill, S.F. 3152, focusing on one item in the asset preservation category: the need for a new roof at the St. Cloud National Guard Training and Community Center. Division members advanced the departmental requests to the Capital Investment Committee, along with a recommendation that, in light of limited resources, the requests be prioritized as the department proposed. The department's priority order is asset preservation, facility/life safety alterations, and accessibility upgrades.

The requests of the Dept. of Veterans Affairs were presented by Commissioner Clark Dyrud. Dyrud briefly reviewed the department's core functions, including the recently added responsibility for veterans homes. In November, the governor abolished the Veterans Homes Board and transferred responsibility for the homes from the board to the department, Dyrud said. The requests originally totaled \$90.18 million in FY 2008. The governor's recommendations include only \$42.061 million of the requests, including \$25.999 million for a new nursing building at the Minneapolis Veterans Home, \$7.835 million to upgrade the HVAC system for one building on the Minneapolis home, \$7 million for department-wide asset preservation, \$1 million to demolish a severely deteriorated structure at the Minneapolis home, and \$227,000 to satisfy the required state match for federal funding to renovate and expand the nursing care facility in Silver Bay. Dyrud said almost two-thirds of the cost of the new nursing building at the Minneapolis home will be reimbursed by the federal government. The agency is asking for full funding, he said, so that construction can begin immediately. The reimbursement will cancel to the general fund, Dyrud said. The departmental requests were forwarded to the Capital Investment Committee, also prioritized as the department proposed. The department's priority order is asset preservation, the Minneapolis demolition,

# Committee update

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the new Minneapolis facility, the Silver Bay match, and the Minneapolis HVAC upgrade.

Three bills relating to new or expanded veterans affairs were heard. I'm all for building new homes, but we need to move slowly and deliberately, said Chair Jim Vickerman (DFL-Tracy). It is easy to build a home, he said, but the hard part is funding its future operations. Vickerman urged members to allow the department to get its feet under it in managing the veterans homes and then offer guidance to Legislators in expanding the veterans homes system. S.F. 2745, authored by Sen. Joe Gimse (R-Willmar), provides \$7.905 million for a new 90-bed veterans home in Kandiyohi County. The request was forwarded to the Capital Investment Committee, to be prioritized after the departmental requests. S.F. 2407, sponsored by Sen. Gary Kubly (DFL-Granite Falls), requires the Department of Veterans Affairs to establish and operate a new veterans home in Montevideo. The bill prohibits state funding for design and construction and authorizes the department to accept contributions from private individuals, businesses and other non-state sources. S.F. 2803, carried by Sen. Dan Skogen (DFL-Hewitt), provides \$9.97 million for a new special care unit and additional clinical space at the Fergus Falls Veterans Home. Both S.F. 2407 and S.F. 2803 were advanced to the Finance Committee.

## Vets' pension deduction heard

The Agriculture and Veterans Budget and Policy Division, in its role as a free-standing committee, chaired by Sen. Jim Vickerman (DFL-Tracy), met Thurs., Feb. 28, to hear a presentation on the diversification of Minnesota's cropping system in addition to bills on ammonia tanks, military pensions, resident status for spouses and dependants of veterans, and a study on the National Guard Youth Challenge Program.

Representatives of diverse agriculture research, including Rural Advantage and the Minnesota Hazelnut Council, addressed the status of various multifunctional agriculture opportunities. Linda Meschke, president of Rural Advantage, spoke about third crops that reach a higher level of best management practices. Other concepts presented were perennial grass seed production, cover crops, woody perennials, and perennial grains. Sen. Rod Skoe (DFL-Clearbrook) said that invest-

ment in small crops is important, and reiterated an example of the presenters that soybeans were once a small, alternative crop.

S.F. 2756, sponsored by Sen. Gary Kubly (DFL-Granite Falls), would allow for transport of anhydrous ammonia in 5,000 gallon tankers by transport trucks used in agriculture. Current law allows for 1,000 gallon tanks, transported by pickup trucks. Testifier Ken DeBuhr of Western Consolidated Cooperative said 5,000 gallon tanks allow for more efficient and safer transport. The bill was recommended to pass and re-referred to the State and Local Government Operations and Oversight Committee.

A second proposal sponsored by Kubly, S.F. 2405, would exempt military pensions and retirement payments from Minnesota taxable income and from alternative minimum taxable income up to \$15,000 a year. A representative of Renville County Veterans Affairs said that veterans deserve more, and the tax on pension income is a disincentive for veterans considering moving to Minnesota to begin second careers, often in rural communities. Wisconsin and South Dakota have no such tax, said veteran Merlin Ellefson, and this results in a loss of highly trained and motivated individuals. The bill would cost \$17,000 in lost tax revenue to the state in 2009, according to the Dept. of Revenue. The bill was recommended to pass and re-referred to the Committee on Taxes.

S.F. 2327, sponsored by Sen. Paul Koering (R-Fort Ripley), would add a veteran's spouse and child to the definition of resident student. The spouse or child could then receive resident tuition rates and grants, said Koering. Current statute qualifies these family members for resident status only for members of the armed forces on active federal military service. The committee was unclear about how the proposal would affect higher education grant funding, and said that the Higher Education Budget and Policy Division should review the proposal. The bill was recommended to pass and re-referred to the Finance Committee.

S.F. 2840 directs the Dept. of Military Affairs to study possible participation in the National Guard Youth Challenge Program. The program would enroll students 16 to 18 years old, who have dropped out of school and are unemployed, in a boot camp-like program that develops disci-

pline, said a representative of the Office of Military Affairs. Bill sponsor Sen. Rick Olseen (DFL-Harris) said in other states where it already operates the program has successful graduation rates, and more than 90 percent of graduates go on to achieve high school or equivalency diplomas. The bill was recommended to pass and sent to the Finance Committee.

## Business, Industry and Jobs

### NWA merger discussed

Calling the future of Northwest Airlines "a serious issue to all Minnesotans," Sen. James Metzen (DFL-South St. Paul) convened the Business, Industry and Jobs Committee, Mon., Feb. 25, for the first of several hearings on a potential merger between the airline and Atlanta-based Delta Air Lines.

Northwest (NWA) has been good to the state, providing more than 11,000 jobs, Metzen said, and the state has been good to the airline, including a 1992 aid package designed to keep the airline afloat and independent. "We're not out for a witch hunt," Metzen said, but committee members simply want to know what is going on, especially the scope of possible job losses.

Members began by examining two prepared statements. NWA sent a prepared statement saying it looks forward to future "constructive dialogue," but cannot comment on merger speculation. The airline's objective is the long-term survival of the Minneapolis-St. Paul hub and the Minnesota jobs the airline supports, according to the statement. The second statement was from U.S. Rep. James Oberstar (D-Minn.), chair of the U.S. House Transportation and Infrastructure Committee. Oberstar's statement expressed his opposition to the merger, and any airline consolidation, because consolidation is likely to produce higher fares and decreased service.

Peter Sausen, Dept. of Finance, briefly reviewed the status of NWA's agreements with the state. A key provision in the 1992 public financing package was an agreement to operate maintenance bases in northern Minnesota, Sausen said. The state's interest was secured by a grant of stock in the company, which the state immediately sold to capture its value, he said. A Duluth facility has been vacated by NWA, Sausen said, and the Duluth Economic Development Authority has

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entered into an agreement with Cirrus Design to use at least part of the facility to construct the company's new jet aircraft.

Northwest and its subsidiaries and affiliates employ more than 13,600 Minnesotans, said Dan McElroy, commissioner of the Dept. of Employment and Economic Development. That amounts to about 46 percent of the company's global employment, he said. The MSP hub is likely not at risk, McElroy said, because of its central location in North America and its easy access to polar routes to Europe and Asia. The hub has been called a "North Coast gateway," he said, and MSP is one of the most reliable hubs because it rarely fogs out. I am hoping to persuade the board of a new airline that Minneapolis-St. Paul is a great place to operate an airline from, he said. McElroy said the Twin Cities are a great place for a corporate headquarters, having been named the lead metro area for businesses in 2007 by MarketWatch. Minneapolis-St. Paul is a recognized world leader in offering smart employees for businesses and a very high quality of life in order to recruit employees to move for the corporation, he said.

Jack Lanners and Tom Anderson discussed the potential merger from the Metropolitan Airports Commission's standpoint. Delta would be one of better partners for NWA, from MSP's standpoint, said Lanners, the MAC chairman. There is not a lot of overlap in the two carriers' systems, he said, and MSP would become the westernmost hub of a merged carrier. We have protected our financial interests to the best of our abilities, Lanners said. We have provided incentives for NWA and other carriers to grow and expand their MSP operations, he said. The airport is in a good position as a top-rated facility with low operational costs for airlines, Lanners said. Anderson, the MAC general counsel, reviewed the three agreements between the airline and the MAC. The Hub Covenant sets passenger and flight requirements, the Headquarters Covenant requires the airline's headquarters to stay in Minnesota, and the Employment Covenant requires the airline to maintain certain employment levels in the state, he said. The principal consequence of violating any of the covenants is an acceleration of the repayment of MAC loans made to NWA, Anderson said. The acceleration provisions are detailed and complex, Anderson said, and

very dependent on the degree to which NWA violates the covenants.

Additional incentives for maintaining significant Minnesota operations, Anderson said, include the airline's revenue sharing in MSP's concessions revenue and rent reductions for an MSP facility. If NWA no longer operates a Minnesota headquarters and does not maintain a hub at MSP, he said, the airline would lose its share of the airport's concessions revenue and the rent reductions would be eliminated. In the scope of a multi-billion dollar merger, accelerated payments on a few hundred million dollars of loans may not be significant, but it is a pressure point, Lanners said. The loss of the concessions revenue and the higher rent, he said, are significant, annual, ongoing losses for a merged airline, he said. Lanners said the commission views all the issues as tools in any discussion with NWA or a merged airline.

Members also heard briefly from Matt Marsh, chairman of the Champion Air unit of the Air Line Pilots Association. Marsh said Champion Air is privately owned, but has a historic relationship with NWA. We hope to work with NWA and perhaps create an opportunity for Champion pilots to transfer to NWA, Marsh said.

## BioBusiness Alliance, Hormel Institute overviews heard

Collaborative efforts in science and emerging industries were the focus of the Wed., Feb. 27, meeting of the Business, Industry and Jobs Committee, chaired by Sen. James Metzen (DFL-South St. Paul).

Dale Wahlstrom, CEO, reviewed the activities of the BioBusiness Alliance, which is devoted to building the bioscience industry, retaining and creating jobs, and positioning Minnesota as a global leader in biobusiness. One of the organization's newest collaborations, Wahlstrom said, is Destination 2025, an effort undertaken with Deloitte Consulting. The project seeks to develop a 20-year strategic plan and roadmap for the nature and timing of investments needed to ensure Minnesota's sustainable long-term competitive position, he said. Destination 2025 focuses on medical devices, pharmaceuticals, animal health, food, renewable energy and biomaterials. Another initiative, Wahlstrom said, is the BioBusiness Resource Network, a virtual network to support emerging and established biobusiness enterprises.

The second presentation was from the Hormel Institute. The Hormel Institute's mission is to promote science education and research with applications in medicine, said Gail Dennison, director of development and public relations. It is investigating the causes of cancer to develop new basic strategies for its prevention, treatment and cure, she said. The institute's partnership with the University of Minnesota and collaboration with the Mayo Clinic, Dennison said, support scientific achievement recognized globally in leading academic journals.

## Capital Investment

### \$958 million-plus bonds bill gains

A bonding package providing for over \$1 billion in total spending was approved by members of the Capital Investment Committee, Tues., Feb. 26. The proposal's next step is in the Finance Committee.

Chair Keith Langseth (DFL-Glyndon) said the panel received over \$3.5 billion in requests, with a target of less than \$1 billion in general obligation bonds. To help members evaluate needs and determine priorities, he said, the panel held 301 on-site visits and meetings. "You learn far more on site than you ever do at the Capitol," Langseth said. He said the package keeps the state well within its unofficial debt limit; the state seeks to keep debt service payments to no more than three percent of general fund spending. According to the Dept. of Finance, the state is at 2.42 percent right now, Langseth said. This bill will not get us to three percent, he said.

While the total package exceeds \$1 billion, the debt service obligation to support the bonds is distributed among several funds. The bulk of the package, \$958.785 million, is supported by debt service payments from the general fund. The proposal also includes \$25.455 million in traditional general fund spending. The package includes \$133.999 million for the University of Minnesota; \$271.085 million for the Minnesota State Colleges and Universities; \$35.24 million for the Dept. of Education, including \$32 million for Independent School District No. 38, Red Lake; \$6 million for the Minnesota State Academies; and \$999,000 for the Perpich Center for Arts Education. The proposal provides \$99.66 million for the Dept. of Natural Resources, including \$33.9 million for flood hazard mitiga-

tion grants and what Langseth called a \$100,000 “placeholder” for Lake Vermilion State Park; \$27.5 million for the Pollution Control Agency, including \$25 million for a new closed landfill cleanup program; \$7.5 million for the Minnesota Zoo; \$21.225 for the Dept. of Administration, including \$15.4 million to restore the State Capitol; and \$9.725 million for the Amateur Sports Commission.

The package includes \$8 million for the Dept. of Military Affairs; \$23.532 million for the Dept. of Veterans Affairs; \$16.01 million for the Dept. of Public Safety; \$21.5 million for the Dept. of Transportation, including \$2 million for a high-speed rail line between Chicago and St. Paul and \$1.5 million for passenger rail service between the Twin Cities and Duluth; and \$136.62 million for the Metropolitan Council, including \$70 million for the Central Corridor light rail line. The proposal provides \$12.65 million for the Dept. of Human Services; \$32.341 million for the Dept. of Corrections, over half of which is to expand the Faribault correctional facility; \$206.825 million for the Dept. of Employment and Economic Development, including \$40 million for the Duluth Entertainment and Convention Center, \$10 million for a Crookston ice arena, and \$30 million for infrastructure to support a new steel plant in Itasca County; and \$12.694 million for the Minnesota Historical Society.

Additionally, the proposal includes a number of policy items. It requires state agencies preparing predesigns for new buildings to consider meeting at least two percent of the building’s energy needs from wind and solar sources located on the site. The proposal extends the state’s sustainability requirements for new state buildings to major renovations of state buildings. It also creates a biomedical science research funding program for the University of Minnesota. Senate Counsel Peter Wattson said the biomedical science program provisions limit the number of buildings funded to four, require the bonds



**Champion Air Pilot Captain Matthew Marsh expresses concerns to members of the Business, Industry and Jobs Committee, Mon., Feb. 25, about the effect a potential merger between Northwest Airlines and Delta Air Lines may have on the airline industry.**

Photo by David J. Oakes

to be issued by the University, provide that the state is not legally or morally obligated to pay the bonds, and establish a schedule for state payment of up to 80 percent of the debt service.

## Commerce and Consumer Protection

### Home lending bills gain

Three bills relating to home loans were the focus of the Commerce and Consumer Protection Committee, Tues., Feb. 26. The panel advanced the bills, all carried by Chair Linda Scheid (DFL-Brooklyn Park), to the full Senate.

S.F. 2912 is designed to help people work their way out of the foreclosure process before they lose their homes, Scheid said. The bill requires the first notice of

default to include a separate, differently-colored notice of the availability of foreclosure prevention counseling to help homeowners. The bill also clarifies the interest payable for a redemption of foreclosed realty. Scheid said the bill was really within the jurisdiction of the Judiciary Committee, which has already devoted considerable work to the bill, but that she brought the bill before the Commerce and Consumer Protection Committee because the committee oversees the banking industry.

The second bill, S.F. 2881, makes a number of small changes needed after last year’s major mortgage legislation, Scheid said. There are always a few things that get missed or overlooked in acting on comprehensive legislation, she said. Ron Elwood, Legal Services Advocacy Project, highlighted some of the bill’s provisions, including an increase in the cap on contract-for-deed protections. The current \$100,000 cap is ancient in terms of home values, Elwood said, and the bill brings the cap in line with modern home values and ties it to a market index.

S.F. 3154, the final bill, clarifies what documentation a lender may rely on to evaluate a borrower’s ability to repay, said Mary Baymler, Burnet Home Loans. The bill does not undo last year’s restrictions on “no-doc loans,” Scheid said. The proposal is meant to permit reputable businesses making responsible loans to continue to do so, Scheid said, as long as the lenders are relying on verifiable documents that indicate a borrower has a reasonable probability of repaying.

### Cell consumers bill considered

The Committee on Commerce and Consumer Protection, chaired by Sen. Linda Scheid (DFL-Brooklyn Park), met Thurs., Feb. 28, to consider two proposals. The first alters aviation liability insurance; the second establishes a cell phone consumer protection act.

S.F. 2491, sponsored by Sen. Yvonne Prettner Solon (DFL-Duluth), prohibits

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insurance companies from denying claims of insured persons based on actions or failure to act unless there is a direct causal connection to the claimed losses. The bill is in response to a Grand Marais plane crash in 2003. Two third-party passengers were denied coverage because the pilot's policy was retroactively denied due to unrelated circumstances. The bill is the product of an aviation meet and confer group, said Prettner Solon. John Kavanaugh of the Aircraft and Pilots Association said that the bill is a compromise that balances the rights of the third parties with the concerns of the pilots and insurance companies by narrowing the scope of deniability. The bill was recommended to pass and re-referred to the Judiciary Committee.

Sen. Mary Olson (DFL-Bemidji) authored S.F. 833, developing a Wireless Telephone Consumer Protection Act. In general, the bill requires that carriers provide billing information upfront, increase disclosure of information and conditions, and allow for more consumer recourse in the case of a complaint.

Olson explained that the ubiquity and usefulness of cell phones puts people at a bargaining disadvantage when dealing with companies. Olson also said that the industry has rejected all regulation, and has not offered any language as an alternative.

Karen Olson, deputy attorney general, said the Attorney General's Office supports the bill, which addresses problems with the industry and the large volume of consumer complaints.

Keith Weigel of AARP said it was the organization's top consumer protection issue for this year.

However, Gerry Keegan of Cellular Telecommunications International Association said that the industry is evolving rapidly without regulation toward better service, and regulation would increase rates and decrease innovation.

The bill was amended to exclude pre-paid cell phones and clarify language regarding notification of business or bulk account consumers. The chair requested that the bill be laid on the table for further discussion.

## E-12 Education Budget Division

### Trust fund deduction considered

The E-12 Education Budget Division, chaired by Sen. Larry Stumpf (DFL-Plum-

mer), heard a cooperative facility grant bonding proposal and two bills addressing the repeal of a school trust fund deduction, Tues., Feb. 26.

S.F. 2951, authored by Sen. Sharon Erickson Ropes (DFL-Winona), directs \$20 million in bond revenues for a cooperative facility grant to build a new school in the Rushford-Peterson School District. Flooding in August hurt the town's tax base and damaged the high school building, said Erickson Ropes. The high school building was built in 1906, according to Superintendent Chuck Ehler, and had accessibility and air quality issues before the flood. A referendum in 2002 failed, said Ehler. The bill was sent to the full Finance Committee for re-referral to the Capital Investment Committee.

Sen. Charles Wiger (DFL-St. Paul) presented two bills addressing the school trust fund deduction. The first, S.F. 2422, repeals the deduction. The K-12 land trust holds 2.5 million land acres and one million acres in mineral resources, according to Grace Schwab, Minnesota School Boards Association. Revenue from management of that land is deposited into the trust fund for investment and interest accrual. Interest from the fund is then distributed to school districts. Current law requires that for every dollar a district receives from the fund, a dollar is subtracted from the general fund allotment, explained Wiger. Repealing that deduction would cost about \$27 million in 2009, according to fiscal analyst Eric Nauman.

Wiger's second bill, S.F. 2392, would direct that deduction into technology upgrades and investments in the schools.

Sen. David Hann (R-Eden Prairie) recommended allowing school districts to determine where the money should go, rather than directing it specifically to technology.

Discussion also touched on how the state could maximize return from the lands and mineral resources.

S.F. 2422 was laid over for possible inclusion in an omnibus education bill. The division took no action on S.F. 2392.

### Funding increase proposal heard

A proposal to increase the basic education formula allowance and special education aid was the centerpiece of the Wed., Feb. 27, meeting of the E-12 Education Budget Division. The panel, chaired by Sen. LeRoy Stumpf (DFL-Plummer), laid the measure aside for further consideration.

S.F. 3125, authored by Sen. Tom Saxhaug (DFL-Grand Rapids), increases the basic formula allowance to \$5,226 in FY 09, fully funds the special education aid allowance and reduces special education excess cost aid. Fiscal Analyst Eric Nauman said the bill, in FY 08, adds \$106 million to the general education entitlement, adds \$108 million to the special education entitlement, and saves almost \$34 million in the special education excess cost entitlement. The appropriations impact is projected to be \$162 million in new FY 09 spending and \$455 million in new FY 10-11 spending, Nauman said.

Representatives of several education groups spoke in favor of the measure. Last year's education bill was good, but it was not enough, said Scott Croonquist, Association of Metropolitan School Districts. A lot of last year's money was one-time money, he said, which does not address ongoing problems. The additional special education funding was simply a restoration of previous cuts, he said. Once the one-time money and special education dollars are factored out, Croonquist said, the increases in education funding were about three percent in FY 08 and less than one percent in FY 09. Without the kind of funding in S.F. 3125, schools will see significant layoffs next year, he said. Without this bill, we are looking at even higher stakes in the coming referendum season, said Brad Lundell, Schools for Equity in Education. Districts with failed referenda saw massive cuts this year, he said, and those cuts will be dwarfed by the cuts that are likely to come without significant investment. We need a funding system that meets our students' needs, Lundell said.

This bill is the hope for schools, said Mary Cecconi, Parents United. Districts are ending many activities in middle schools this year, she said, and next year the program cuts will extend to the high schools. Other districts are no longer offering foreign languages and AP classes, she said. Districts have done all they can, Cecconi said, including spending their fund balances, making cuts for a decade, working to pass levies and marketing for new students. In addition, parents have formed foundations, held bake sales, and become savvy campaigners, she said. There is no more to be done at the local level, she said, schools need state help. The bargain with schools has been that the state was going to take care of the basics, and the schools would seek levy au-

thority for additional programs, she said. However, a consistent theme throughout levy referendum appeals since 2001 has been maintenance, not growth, she said.

Division members also heard a report from Minnesota's Promise, a partnership of education and civic organizations formed to craft a clear and compelling vision of the future of public education. The report identified ten essential elements of a high-performing educational system: early childhood education, educator quality, academic rigor, family and community involvement, multicultural community, data and research, funding, time, special education, and health and wellness. According to the report, every level of education—the state, school districts and individual schools—must have a clear understanding of the role it plays in helping students succeed, of how its efforts reinforce what happens at the other levels, and of how to build on prior activity.

The full report is available online at [http://www.minnesotaspromise.org/publications/documents/MNpromise\\_final-1-25.pdf](http://www.minnesotaspromise.org/publications/documents/MNpromise_final-1-25.pdf).

## Education

### Student safety bills heard

The Committee on Education, chaired by Sen. Charles Wiger (DFL-Maplewood), heard bills addressing student safety, Mon., Feb. 25.

S.F. 2988, sponsored by Sen. Rick Olseen (DFL-Harris), requires Type III school transportation vehicle drivers to meet the same background checks and physical, drug and alcohol testing requirements of bus drivers. Type III vehicles are cars, station wagons, vans, or buses that seat 10 or fewer passengers. The bill also requires drivers to be trained in safety, behavior and operation, and includes driving a type III bus in the alcohol-related school bus driving crimes.

William Berglund, father of a girl killed in a Type III accident last year, testified that had he and his wife known that their driver did not meet the same standards as a bus driver, they would never have used the transportation service. The bill was recommended to pass and sent to the Judiciary Committee.

Sen. Ann Rest (DFL-New Hope) sponsored two bills. S.F. 2804 directs the commissioner of education to establish guidelines for the purchase of environmentally sensitive cleaning and maintenance

products by Jan. 1, 2009. Schools are then directed to follow the guidelines when economically feasible, said Rest, and review those plans annually.

David Bearman, a Plymouth citizen, said that the bill would reduce absenteeism in children who may not be exposed to the chemicals at home, and improve the health of employees. The bill does not ban schools from purchasing non-green products, like disinfectants, if they choose, said Rest. The bill was recommended to pass and referred to State Government Budget Division.

The second proposal, S.F. 2369, requires schools to request criminal background checks from the Bureau of Criminal Apprehension on athletic coaches and obtain the information before the individual begins coaching. Robbinsdale Assistant Superintendent Nancy Rajanen said she supported the bill, yet reminded the panel that it is not a perfect system. The background checks may not be complete if data is not reported to the bureau. The bill also does not apply to volunteers, who may or may not be tested depending on district policy. However, Rajanen said the bill would help districts show due diligence in their hiring procedures. The bill was recommended to pass and sent to the Judiciary Committee.

S.F. 2597, sponsored by Sen. Kathy Saltzman (DFL-Woodbury), requires schools to check with the Board of Teaching website to determine whether a prospective employee had been subject to disciplinary action related to sexual conduct. The school hiring authority must also require the applicant to provide information on current and past disciplinary actions. A representative of Education Minnesota spoke in favor of the proposal. The bill was recommended to pass and sent to the Judiciary Committee.

S.F. 3078, sponsored by Sen. Scott Dibble (DFL-Mpls.), requires disclosure on contracts between transportation services and school districts. The bill requires contractors to report on their operations, including drivers' records, company retention policies and training. Many districts don't have written policies regarding transportation contract requirements such as driver standards, costs, and transit times, said Dibble, and the bill would require them to do so. The bill also requires drivers to be paid for daily inspections of their vehicle, and gives them the

right to refuse to drive after documenting needed bus repairs.

Gaylen Lenz of the Minnesota School Bus Drivers Association said the bill interferes with competitive negotiations, and emphasized that contractors are just as safe as, if not more safe, than in-house operations. Shelly Jonas of the Minnesota School Bus Drivers Association said the bill forces school districts to interfere with free enterprise. Testifiers argued the right-to-refuse subdivision and pay for inspection requirements are redundant. Thomas Deans of the School Boards Association said that the reporting paperwork would make contracts more expensive.

The bill was recommended to pass and re-referred to the Finance Committee. Wiger emphasized that the author would continue to work with the stakeholders.

### Library, literacy bills okayed

Two measures relating to libraries and literacy were approved by members of the Education Committee, Wed., Feb. 27.

S.F. 3157, sponsored by Sen. Kathy Saltzman (DFL-Woodbury), requires school districts to have at least one licensed library media specialist in each school building. Under the bill, licensed library media specialists are to build age and developmentally appropriate collections of print and electronic resources, collaborate in teaching information and technology literacy standards and develop learning activities that improve student achievement. Saltzman said 21 states have a similar requirement. The librarians of today are not the librarians many of us grew up with, she said. Today's library media specialists help students find resources in a number of media, not just traditional print resources, Saltzman said. Several library media specialists and students discussed the importance of quality library services in schools. A representative of the Minnesota School Boards Association said school boards also value library services, but have to make difficult choices in the face of limited resources. The bill was forwarded to the Finance Committee.

S.F. 3156, carried by Saltzman and Sen. Gen Olson (R-Minnetrissa), defines five strands of comprehensive, scientifically based reading instruction. The strands are phonemic awareness, phonics, fluency, vocabulary development and reading comprehension. The bill also provides for a reading instruction competence assessment for all pre-K and elementary instruc-

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tors. Finally, the bill provides for grants for pre-K through grade 2 teachers to attend approved reading instruction programs. Saltzman and Olson discussed the importance of high-quality literacy education as a foundation for future instruction. Students need to learn about the structure of language, and they need to be taught in multiple ways, Saltzman said. Reading is not a content area, it is an underlying skill that must be learned in order to master all the content areas, Olson said. The measure was advanced to the State and Local Government Operations and Oversight Committee.

Committee members, chaired by Sen. Charles Wiger (DFL-Maplewood), also heard a bill on the use of multiple performance measures to fairly and accurately report student achievement and school performance. S.F. 2882 reflects the work of an advisory group created in last year's education finance bill, said Sen. Sandy Rummel (DFL-White Bear Lake), chief

author. This bill is designed to make sure we measure what we value, not just value what we measure, Rummel said. Commissioner Alice Seagren said the Department of Education is concerned that some of the bill's growth-based expectations for student achievement are not sufficiently rigorous. However, Seagren said, the department will work with the bill's proponents to improve the expectations and adjust other provisions of concern. Because members ran out of time, the bill was laid over for further consideration.

## Energy, Utilities, Technology and Communications

### Renewable energy bills heard

Most of the Tues., Feb. 26, meeting of the Energy, Utilities, Technology and Communications was devoted to discussion of bills relating to renewable energy,

energy improvement and the development of building energy performance standards.

Sen. Gary Kubly (DFL-Granite Falls) sponsored two measures. S.F. 1698 provides for grants to schools and public buildings installing heating units that use biomass fuels. Kubly acknowledged that, with a \$500,000 appropriation, it is unlikely the bill will gain final passage this year. However, he said the ideas in the bill deserved hearing. Bob Ryan, Sunrise Agra Fuels, described a new technology for using biomass fuels. The bill was laid over to allow time for clarifying amendments to be drafted. S.F. 2749 creates a wind energy conversion system aggregation program. Kubly said the purpose of the program is to create a clearinghouse to coordinate and arrange umbrella sales arrangements in order to place large orders for wind energy conversion systems. Members adopted an amendment providing for an appropriation for the purposes in the bill.



Several hundred nurses express their support for legislation to improve patient care and address health care costs during a rally in the Capitol Rotunda, Tues., Feb. 26.

Photo by A.J. Olmscheid

The bill was approved and advanced to the Finance Committee.

Committee Chair Yvonne Prettner Solon (DFL-Duluth) authored a bill, S.F. 2706, providing for the development and application of building energy usage performance standards. Prettner Solon said the concept of the bill has wide support from architects, the Center for Sustainable Building Research and a variety of other groups. She said the bill accepts the challenge of a national sustainable building 2030 program. Under the program, Prettner Solon said, new buildings would have energy-efficiency standards that would result in a 50 percent increase in energy-efficiency and a corresponding reduction in carbon emissions from fossil-fuel energy. She said the bill will encourage design innovation and cost effectiveness. The bill is mandatory only for state buildings and voluntary for private sector buildings, Prettner Solon said.

A number of architects and energy advocates spoke in support of the measure. The bill was approved and re-referred to the State and Local Government Operations and Oversight Committee.

S.F. 3096, authored by Sen. Scott Dibble (DFL-Mpls.), creates a program for government energy conservation investments. He said the bill is designed to allow local units of government to embark on energy improvement projects. The bill was approved and advanced to the Finance Committee.

Sen. John Doll (DFL-Burnsville) sponsored a bill, S.F. 3081, making adjustments to provisions relating to cold weather rule past due payment agreements. The bill was approved and sent to the Senate floor.

## Broadband bills gain

Much of the Thurs., Feb. 28, meeting of the Energy, Utilities, Technology and Communications Committee was devoted to discussion of bills relating to broadband Internet access and telecommunication regulation.

Committee Chair Yvonne Prettner Solon (DFL-Duluth) authored a bill, S.F. 1918, creating the Ultra High-Speed Broadband Task Force. Prettner said the bill is designed to bring Minnesota into the 21st century by requiring task force to make recommendations regarding the creation of a state ultra high-speed broadband goal and a plan to implement that goal. "Access to high speed Internet is

important to education, business and the overall economy," she said. In addition, access to high speed Internet could also benefit the environment by allowing more people to telecommute, Prettner Solon said.

Todd Hauschildt, Minnesota High Tech Association, said the United States and Minnesota are falling behind in broadband Internet access and speed. He said broadband is crucial for economic development. He compared access to broadband Internet to the coming of railroads to small towns in the 19th Century in providing opportunities for economic development. Leadership breeds innovation and more applications will evolve, Hauschildt said. He said there is tremendous support from the business community in a broadband Internet policy.

Shirley Walz, Thomson West, spoke in support of the bill and outlined the actions other states are taking to develop broadband. She described an all Internet home with a two-way, gigabit capable Internet connection to provide DVD-quality videoconferencing, and other technology.

Mayor George Tourville, Inver Grove Heights, also spoke in support of the bill. He said users of all kinds are recognizing the need for higher Internet speeds if we are to remain competitive with other cities, states and countries. Tourville said, "We are falling behind and we need to develop broadband improvements."

Ed Garvey, Dept. of Commerce, said aggressive development of Internet speed and accessibility are important for the state. He said the department is available to provide technical and administrative support.

Sen. Dan Sparks (DFL-Austin) offered an amendment adding a labor representative from the communications industry to the task force. The amendment was adopted. Members also adopted an amendment specifying that one member represent Greater Minnesota counties, one member represent Greater Minnesota cities, one member represent Metropolitan counties and one member represent Metropolitan cities.

The bill was approved and advanced to the State and Local Government Operations and Oversight Committee.

Prettner Solon also sponsored a bill requiring the commissioner of commerce to contract for a statewide inventory and mapping of existing broadband service. The measure also provides for an appro-

priation. The bill spells out what must be included and specifies the data classification of the information. The measure was laid over for further work.

S.F. 2262, authored by Sparks, repeals a number of obsolete rules relating to telecommunications. The measure was approved and recommended for placement on the Consent Calendar. S.F. 2939, carried by Sen. John Doll (DFL-Burnsville), modifies provisions relating to alternative telecommunications regulation plans. The bill was approved and advanced to the Senate floor.

## Environment and Natural Resources

### Low emission standards bill heard

A bill, S.F. 481, requiring the adoption of California standards regarding low-emission vehicles was the sole focus of the Mon., Feb. 25, meeting of the Environment and Natural Resources Committee. Chair Satveer Chaudhary (DFL-Fridley) said he wanted the committee to hear the explanation of the bill and hear as much testimony as possible at the meeting. He said the bill would then lie over until a later hearing.

Sen. John Marty (DFL-Roseville) said the bill deals with the global warming problem in a way that fits nicely with legislation adopted last year. "Greenhouses gases emitted from the transportation segment are a large portion of the overall problem, and if not addressed will place even more pressure on other segments of the economy," Marty said.

He said California has tougher emission standards because the standards were enacted before federal standards. States may adopt either California or federal standards, Marty said. He said twelve other states have adopted the California standards. "We would be taking a big step forward in reducing greenhouse gases," Marty said, "It costs a bit more, averaging \$7 per month, but with gasoline at \$3 per gallon, there is a net savings because cars are more efficient."

Marty said the bill will also encourage the use of E85 vehicles. "Last year, we pushed the utilities forward, it is important we take the necessary steps in transportation," he said.

Jim Erkel, Center for Environmental Advocacy, spoke in support of the measure. He said the standards are set so

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that all models of vehicles will be able to meet the required levels and that major technological changes will not be needed. Molly Schultz, Conservation Minnesota, said in a study done last fall, 80 percent of the state's population support adoption of the California standards. "We found strong support across demographic groups and party affiliations," Schultz said. Minnesotans know automakers are dragging their heels in developing more efficient cars, she said.

David Thornton, assistant commissioner, Minnesota Pollution Control Agency, said currently, Minnesota meets all federal air quality standards.

Scott Lambert, Minnesota Auto Dealers Association, spoke in opposition to the bill. He said the dealers are concerned about the fuel economy standards. "It is a matter of inventory; we want to have the vehicles consumers want," Lambert said. He said the California standards go too far, too fast. "The federal standards push the industry, the California standards push the industry over the cliff," Lambert said. He said enacting the bill would mean people would drive older vehicles longer causing more emissions, and it would mean Minnesota would abdicate air quality standards to an unelected board in California.

Eric Hyland and Laura Dooley, representing the Alliance of Automotive Manufacturers, also spoke in opposition to the bill. Dooley said automotive manufacturers share the goal of reducing greenhouse gases, but do not believe a patchwork of standards is the way to reach that goal. She said the standards are too aggressive and will lead to prohibitions on the sale of light trucks and SUVs in the marketplace and discourage the use of ethanol fuels.

Roger Moore, president, Minnesota Corn Growers Association, said corn growers are committed to alternative energy sources. He said, though, that the corn growers are concerned about unintended consequences that might come about under the bill, particularly regarding renewable fuels.

## Greenhouse gas emission cap and trade program guidelines reviewed

The Committee on Environment and Natural Resources heard testimony on the cap and trade program for greenhouse gas emissions Wed., Feb. 27. Sen. Ellen Anderson (DFL-St. Paul) introduced the

Green Solutions Act, S.F. 2818, which she described as a market-based approach to limiting greenhouse gas emissions. The goals of a program are to advance the transition to a low greenhouse gas emitting economy in a manner that maximizes public benefit and minimizes public costs, said Anderson.

Committee Chair Satveer Chaudhary (DFL-Fridley) emphasized that the bill would receive many more hearings, and the focus of the committee was to determine if a system would have a positive impact on Minnesota's environment.

The bill asserts that the Legislature finds a cap and trade program instrumental to reducing greenhouse gas emissions in a cost effective manner, and sets reduction goals at 15 percent of 2005 levels by 2015, 30 percent by 2025, and 80 percent by 2050. The bill requires the state to implement a cap and trade program for the industries of electricity generation, large industrial facilities, transportation fuels, natural gas for heating, and landfills. The commissioner of commerce has discretion to add to that list under certain criteria.

Allowances for greenhouse gas emissions, also known as permits, must be distributed to individual facilities through an auction system, in other words, there would be no free allotments under current language, explained Anderson. This point was contested by many energy and industry representatives during testimony, in favor of a gradual shift to 100 percent auctioning, or a mix of the two systems. J. Drake Hamilton of Fresh Energy said that the bill creates an economic incentive for carbon reductions.

Proceeds from the auctions would be deposited into a climate trust fund. Expenditures from the fund must support the bill's goals, and could be used for consumer dividends, grants, incentives and financial aid for consumers and businesses to support energy efficiency, and investments for public infrastructure and worker training and retraining. The fund could also provide financial support to study and implement terrestrial carbon sequestration.

The governor is directed to incorporate these principles in development of a regional cap and trade system already in the works, the Midwest Greenhouse Gas Accord. Edward Garvey of the Minnesota Office of Energy Security said that passing a state cap and trade program constrains negotiations with other states in develop-

ment of a regional system. Chaudhary suggested that it may strengthen Minnesota's position.

The bill also prescribes three studies. The first directs the commissioner of commerce and the commissioner of pollution control to report to the Legislature on the status of the Midwest Greenhouse Gas Accord by Dec. 1, 2008. The second report would analyze how decisions on expenditures from the climate trust fund may be made.

The third study addresses the economic impact of cap and trade implementation, including rate changes, measures of the degree to which fund expenditures and reduction actions reduce economic impact and achieve cuts in greenhouse gas emissions, and analysis of ways to avoid putting Minnesota industries at a competitive disadvantage with competitors outside of a cap and trade system.

Committee member LeRoy Stumpf (DFL-Plummer) made a motion in support of advancing the economic impact study without the bill's recommendations. Testifiers including Bob Schulte of Central Minnesota Municipal Power Agency and Mike Robertson of the Minnesota Chamber of Commerce supported taking no action until a study had been completed.

The majority of testifiers opposed to the bill emphasized that while they do not oppose a cap and trade system, they would rather see it implemented on the federal level first, and the regional level failing a federal program.

Anderson emphasized that she is interested in working with all stakeholders to reach a compromise and improve the bill. The committee supported Anderson's motion to re-refer the bill without recommendation to the Energy, Utilities, Technology and Communication Committee.

## Land sales and exchanges okayed

The Environment and Natural Resources Subcommittee on Public Lands and Waters, chaired by Sen. Dan Skogen (DFL-Hewitt), met Thurs., Feb 28, to hear a series of bills authorizing the sale of tax-forfeited lands.

Members advanced one measure to the Environment and Natural Resources Subcommittee on Forestry. S.F. 2651, authored by Sen. Tom Saxhaug (DFL-Grand Rapids), provides for expedited exchanges of public land involving the state and governmental subdivisions of the state.

Saxhaug said consolidation of public land reduces management costs and aids in the reduction of forest fragmentation.

S.F. 2985, carried by Skogen, makes additions and deletions to various state parks, recreation areas and forest lands. In addition, the bill modifies the critical habitat private sector matching account and includes state aquatic management areas in the outdoor recreation system.

S.F. 2650, carried by Saxhaug, provides for the disposition of lease proceeds and authorizes the sale of tax-forfeited land in Itasca County. S.F. 2665 and S.F. 2666, sponsored by Sen. Ray Vanderveer (R-Forest Lake), authorize the sale and conveyance of tax-forfeited land in Washington County. S.F. 2802, authored by Skogen, provides for the sale of tax-forfeited land in Otter Tail County. Sen. LeRoy Stumpf (DFL-Plummer) sponsored a bill, S.F. 3060, authorizing the sale of land in Marshall County. S.F. 3086, carried by Sen. Thomas Bakk (DFL-Cook), provides for the sale of tax-forfeited land in St. Louis County. S.F. 3095, authored by Sen. James Metzen (DFL-South St. Paul), provides for the sale of tax-forfeited land in Dakota County. Saxhaug carried a bill, S.F. 2977, providing for the expedited exchange of public land procedures and modifying the procedures for wetlands for wildlife acquisition.

S.F. 3233, sponsored by Sen. Gen Olson (R-Minnetrista), provides for the sale of land in the city of Wayzata. A proposal, sponsored by Sen. Rod Skoe (DFL-Clearbrook), provides for a land sale in Clearwater. Finally, the panel considered S.F. 2687. The bill, carried by Sen. David Tomassoni (DFL-Chisholm), authorizes St. Louis County to enter a 30-year lease of tax-forfeited land for a wind energy community-based energy development project. The measure also authorizes the commissioner of natural resources to enter a 30-year lease of school trust land for the same project.

All of the above bills were amended onto S.F. 2985, which was approved and advanced to the full Environment and Natural Resources Committee

## Finance

### Deficiency bill okayed

Members of the Finance Committee met Mon., Feb. 25, to approve a measure providing funds for identified deficiencies in state entity budgets. The panel, chaired

by Sen. Richard Cohen (DFL-St. Paul), advanced the bill to the full Senate.

S.F. 2766 appropriates a total of \$479,000 to fund urgent needs in four agencies. It provides \$175,000 from the general fund for the Minnesota Sesquicentennial Commission. Cohen, the bill's author, said he had been informed that the commission was out of money and that, without the additional funds, commission staff would be laid off within a day or two. The bill also provides \$304,000 from the special revenue fund to permit the Board of Chiropractic Examiners, Board of Dentistry, and Board of Veterinary Medicine to deal with significant contested hearings.

Sen. Linda Berglin (DFL-Mpls.) said she was uncomfortable proceeding because the state is facing a significant shortfall. Spending more money without knowing what cutbacks we will need to make is ill advised, she said. Cohen said he was evaluating requests skeptically as they came in, to identify only those that were absolutely necessary.

## Health, Housing and Family Security

### Products' safety considered

The Committee on Health, Housing and Family Security reviewed two bills Mon., Feb. 25. Chaired by Sen. John Marty (DFL-Roseville), the panel focused on regulating chemicals found in consumer products.

S.F. 1858, sponsored by Sen. Sandy Rummel (DFL-White Bear Lake), bans bisphenol-A and phthalates in children's toys and products. Phthalates are used to soften plastics used in products such as teething rings, and bisphenol-A is used to harden plastics such as sippy cups and as a liner for food containers, said Rummel. Both chemicals disrupt hormones and are linked to developmental problems, particularly of the reproductive system, according to Dr. David Wallinga, food and public health program director for the Institute for Agriculture and Trade Policy.

Sen. David Hann (R-Eden Prairie) questioned the science of the claims, and asked why the panel should ban a product that the Environmental Protection Agency has not targeted as dangerous. The committee adopted a Hann amendment to delete subdivisions claiming the effects of the chemicals as legislative findings.

The bill requires a phase-out of the chemicals in toys for ages three and under in line with those passed in California, explained Lindsay Dahl of Healthy Legacy. Many manufacturers already produce phthalate-free products, and they are banned entirely in Europe according to Dahl.

Julie Goodman, senior toxicologist for Gradient Corp. testified on behalf of the American Chemistry Council. She presented studies that have concluded that bisphenol-A has no effect at low doses.

Harry Fisch, director of the Male Reproductive Center and professor of clinical urology at Columbia University presented his own university-funded research on behalf of the chemical industry, finding no rise in a reproductive defect blamed on phthalates. The March of Dimes has accepted his findings, said Fisch.

The bill was recommended to pass 8-4 and sent to the Commerce and Consumer Protection Committee.

S.F. 2999, authored by Sen. Ellen Anderson (DFL-St. Paul), requires manufacturers of cosmetics to disclose on the label if dibutyl phthalate is an ingredient in the fragrance. The remainder of the fragrance ingredients must be listed on the manufacturer's website.

Anderson said that the Food and Drug Administration does not have the authority to regulate the cosmetics industry, with the exception of a few prohibited products, while the European Union has banned 110 chemicals in personal care products.

Students Katie Gasper of Bethel College and Madeline Kovacs of Macalester College presented the products they use and the chemical components that could have harmful effects according to the Skin Deep online database. Both noted products that may have hormonal and reproductive effects, in addition to listings for fragrance, which they said does not actually specify which ingredients are included.

Phil Griffin and Sharon D'Agostino of Johnson & Johnson said that they had worked with Anderson and largely support disclosure of ingredients, however, they do not support the disclosure of fragrance ingredients. D'Agostino said that fragrances are protected trade secrets of fragrance manufacturers that supplies to personal care product manufacturers.

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A roll call vote advanced the bill to the Commerce and Consumer Protection Committee, 7-2.

## Health care reform bill heard

Members of the Health, Housing and Family Security Committee devoted both an afternoon hearing and an evening meeting to consideration of a major health care reform package. The committee, chaired by Sen. John Marty (DFL-Roseville), approved the bill, S.F. 3099, and laid the bill over for further discussion.

Chief Author Linda Berglin (DFL-Mpls.) said the bill is the result of work done by the Health Care Access Commission and the governor's Transformation Task Force over the course of the interim. Berglin said the Health Care Access Commission working groups undertook a grueling schedule in order to develop the recommendations for change that are contained in the bill.

She said the bill has three major components—a major investment in public health, payment reform to allow providers more flexibility, and expansion of coverage to the uninsured.

She said every member of the Health Care Access Commission and the Transformation Task Force felt comfortable that savings will occur with the reforms in the bill and that those savings will allow expansion of eligibility.

Sen. Tony Lourey (DFL-Kerrick) outlined the provisions in the bill providing for the development of health care homes. The concept of health care homes for individuals is to provide coordinated care for individuals with complex or chronic conditions, Lourey said. He said the bill provides delivery reform to reestablish the trust link between patient and provider. Health care homes are a way to get out of the tyranny of the visit; those are the widgets we count right now, Lourey said. He said that by changing how providers deliver care and allowing them to be more flexible we can derive phenomenal costs savings and better care. "We need to tap into peoples' inherent wish to be healthy," Lourey said. We want to be a partner in moving the delivery forward by hooking the patient up with a health care team, he said.

Berglin said another goal of the bill is to increase access and continuity of care. To that end, the bill increases automation and coordination of state health care program eligibility and renewals,

reduces Medical Assistance verification requirements, allows delayed verification for state health care programs, and provides an additional month of eligibility for state health program enrollees who fail to submit renewal documentation in a timely manner, Berglin said. The bill also increases the MinnesotaCare annual inpatient hospital limit, increases the program income limit and eliminates the four-month uninsured requirement. Berglin said the bill also establishes a new MinnesotaCare premium scale based on the affordability standard and exempts new households from the first month of MinnesotaCare premiums. The elimination of the income limits for parents on MinnesotaCare is contingent on meeting the cost containment goals and sufficient funding.

Sen. Paul Koering (R-Fort Ripley) outlined provisions in the bill dealing with providing health insurance to long-term care workers. Koering said the working group he chaired struggled with getting information and recommended that the commissioner of human services be required to do a study. He said the bill requires the commissioner to report recommendations for a rate increase that would be dedicated to purchase employee health care coverage in the private market. In addition, the commissioner is required to develop cost estimates for three levels of coverage, Koering said.

Berglin said the bill also addresses health insurance purchasing and affordability. The bill establishes a health insurance exchange, establishes Section 125 plans, establishes a Health Care Transformation Commission, establishes a standard health benefit and sets design and health technology assessments. She said the bill also restructures the health care payment system, establishes a savings recapture assessment, establishes cost containment goals, specifies an affordability standard for health coverage costs and provides subsidies for certain persons with employer-subsidized coverage.

Sen. Julie Rosen (R-Fairmont) explained the creation of the health insurance exchange and Section 125 plans. "There is true reform here," Rosen said, "the health insurance exchange is established to improve the insurance market and serve as a market clearing house." She said the exchange will facilitate better market functioning and will provide individuals with greater access, choice,

portability, and affordability of health insurance products. Rosen explained that Section 125 plans allow individuals to purchase health plans directly through the insurance exchange or through an employer. She said Section 125 plans refer to the section of the federal tax code that allows the purchase of health insurance with pre-tax dollars. Under the bill, by Jan. 1, 2009, all employers with 11 or more employees are required to establish a Section 125 plan to allow their employees to purchase health insurance.

Berglin said the Health Care Transformation Commission established under the bill is charged with developing a design and implementing a plan for a health care payment restructuring system. Under the bill, the commission must develop a uniform definition for "baskets of care," establish a mechanism for soliciting and accepting bids from health care providers and health care systems, and develop a method for monitoring and evaluating the effectiveness of the payment restructuring systems.

Sen. Ann Lynch (DFL-Rochester) outlined portions of the bill establishing the Health Care Value Reporting Organization. "This is the quality piece of the reform package," Lynch said, "the benefit set will be more transparent and value oriented." The bill requires the development of a cost-effective, evidence-based benefit set.

Payment reform based on incentive payments for high quality and efficient care is a major part of the reform package, Berglin said. She said the Health Care Transformation Commission is required to develop a payment system that links the level of payments to providers to the quality and efficiency of care. Berglin said there will be three levels under the reformed payment system, which will encourage innovation to improve costs and quality.

The bill also establishes a health improvement program. Sen. Patricia Torres Ray (DFL-Mpls.) explained the public health component of the bill. She said under the bill, grants are provided to local community health boards for local programs targeted at reducing the number of Minnesotans who are obese, reducing tobacco smoking and reducing the abusive use of alcohol and drugs. Torres Ray said the public health portions of the program will be funded by a small percentage of hospital and health plan company net patient revenue.

Committee members heard extensive testimony, both for and against the measure.

Dick Pettingill, president and CEO, Allina Hospitals and Clinics, said, “The old tools and methods for providing health care need to be revamped and realigned.” He said Allina and the state share a common mission to deliver exceptional care all along the health care continuum. Pettingill said, “I am expressing Allina’s strong support for the health care reforms in the bill.” He said Allina’s care model involves caring for the acutely ill, promoting wellness and managing the chronically ill. “Our new care model calls for payment reform and evidence based practices to become more efficient and more effective,” Pettingill

Ann Robinow, independent health-care consultant, said her expertise lies in incentive alignment for providers and consumers. She said without payment reform costs will continue to increase at unsustainable levels. Sustainable costs savings cannot be realized until providers use resources most effectively, Robinow said.

Dr. Jerry Potts, chief, Dept. of Family Medicine, Hennepin County Medical Center, said he applauded efforts to look at a payment systems that force us to be less than optimal in our care for our patients. The concepts of medical home and payment reform will help in providing care, Potts said.

Pete Benner, former director of AFSCME Council 6 and a member of the working groups and the task force, said the proposal for reform need to be looked at as a package. Proposals for public health are essential to control costs, Benner said.

Tom Forsythe, vice president, General Mills, said he has worked on health care reform for a long time. “The point I would make is that payment reform and delivery reform is absolutely essential in health care reform,” Forsythe said.

Mary Jo George, Minnesota Nurses Association, said the current method of payment and fragmentation of health care delivery needs to be replaced with a more holistic delivery system and payment reform.

Phil Griffin, representing the Minnesota Council of Health Plans, said the council supports expanding eligibility and supports the efforts to improve public health, but has concerns about the financing mechanism. Griffin said the council



*Using a rubber duck as an example, Healthy Legacy Project Coordinator Lindsay Dahl describes to members of the Health, Housing and Family Security Committee, Mon., Feb. 25, the harmful effect a hormonal disrupting chemical contained in the toy can have on young children.*

Photo by David J. Oakes

also supports moving away from payment based on volume.

Heidi Michaels, insurance agent, said she was opposed to the health insurers exchange. The exchange will have a negative effect on access, because the information, promotion and assistance envisioned for the exchange is already happening in the marketplace; it is my job description, Michaels said. She said the creation of the exchange does not increase choice or provide portability or reduce costs, but has the opposite effect. “There is a problem in health care, but not a problem with insurance,” Michaels said. Berglin countered that one of the objectives of the exchange is to provide assistance in obtaining the Section 125 plans. The second purpose is

to make insurance more understandable, Berglin said.

Don Gerhardt, CEO, Lifescience Alley, said the bill will make it difficult for small and mid size med tech companies to thrive because of a section in the bill requiring a Technology Advisory Committee to review new technologies for the benefit set.

Bruce Ruebin, Minnesota Hospital Association, said there is much to be enthusiastic about, but the association is concerned about the community benefit tax. It is an additional cost that has to be borne and will fall heaviest on those with lowest income, Ruebin said. He said some types of care, such as trauma care, don’t lend themselves to bundled payment. The

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association strongly opposes a new tax on hospitals, he said.

Beth Hartwig, Minnesota Business Partnership, said the partnership supports a majority of the proposals, because they are market based. However, she said the partnership opposes mandating that employers provide Section 125 plans. Erin Sexton, Minnesota Chamber of Commerce, echoed Hartwig. Sexton added, the savings recapture mechanism adds fees and taxes on what we already have. The chamber is supportive of the concept of the health insurance exchange, but we want people to have choice and we urge that you not limit products, Sexton said.

Dr. Robert Meiches, Minnesota Medical Association, said the MMA recognizes the system is broken. He said the MMA strongly supports the public health and medical home provisions. Meiches said the MMA is concerned some of the language is too restrictive and will hamper the medical home concept. Most of the concerns are about the payment reform provisions, he said. No one sees payment reform the same way, so there needs to be much more clarity, Meiches said.

Committee members adopted several amendments providing clarification to provisions relating to weight trends. In addition, the panel adopted an amendment including health plans in the public health improvement assessment. Sen. Yvonne Prettner Solon (DFL-Duluth) offered, and members adopted, an amendment adding the Duluth residency program to the entities receiving funds for primary care education initiatives.

## Health care reform bill gains

A major revamping of Minnesota's health care system was approved at the Fri., Feb. 29, meeting of the Health, Housing and Family Security Committee. The panel, chaired by Sen. John Marty (DFL-Roseville), advanced the bill to the Commerce and Consumer Protection Committee. S.F. 3099, authored by Sen. Linda Berglin (DFL-Mpls.), reforms payment methods, establishes a statewide public health program, establishes health care homes to provide coordinated care, provides for increased access to health care and establishes a health care insurance exchange to assist individuals in obtaining health care.

Members picked up the debate from the previous hearing. Berglin said the bill holds together and each piece supports ev-

ery other piece. The provisions in the bill concerning payment reform create incentives for providers and the other portions of the bill aid consumers, Berglin said.

Berglin offered, and members adopted, an amendment clarifying language including health care plans in the assessment on hospitals and clarifying that the assessment expires in five years. The assessment provides revenue for the public health portions of the bill. She also offered an amendment on the statewide health improvement plans. She said the Dept. of Health worked on the language and the amendment provides for a three-phase plan—assessment, planning and implementation. In addition, the amendment provides for evaluating the program. The amendment was adopted.

Sen. Patricia Torres Ray (DFL-Mpls.) offered an amendment that requires linguistic services to be covered in the care coordination fee determined by the commissioner. The amendment was adopted.

Marty offered an amendment adding dental care, mental health services, chemical dependency, emergency transportation services and prescription drugs to the benefit set. Berglin said she envisioned that those services would be included in the benefit set, but that it is more a matter of timing. The amendment was adopted.

A second amendment, authored by Marty, deletes sections relating to the Health Care Transformation Commission and the level III payment reform. Berglin said, "I strongly oppose the amendment because the payment reforms in the bill will generate much of the savings in the health care system." Marty said, "We have a very complex system now, but in the bill a new bureaucracy is put in place." Berglin said the bill will move us forward, a long way forward, but the amendment does not. Sen. Paul Koering (R-Fort Ripley) said the amendment totally derails the bill and should be voted down. The amendment was not adopted.

## Health and Human Services Budget Division

### Health care reports heard

Members of the Health and Human Services Budget Division, chaired by Sen. Linda Berglin (DFL-Mpls.), gathered Tues., Feb. 26, to hear a series of reports on health care.

Dr. Jane Pederson, director of medical affairs, discussed the work of Stratis Health, an independent organization that leads collaboration and innovation in health care quality and safety. Pederson said Stratis Health can be a resource to policymakers for advancing e-health and health information technology. She said the organization also promotes transparency and the reporting of quality data to the public. In addition, the organization works to reduce health disparities, foster quality in rural health care and support patient-centered care across the health care continuum, Pederson said. Stratis Health also provides information and analysis on complex health care policy issues and serves as a local liaison for Medicare quality-related policies and programs, she said.

Dr. Gary Oftedahl, medical director, outlined the work of the Institute for Clinical Systems Improvement (ICSI). He said the organization was formed 15 years ago to improve the quality and value of health care to patients. He said ICSI is an independent, non-profit collaboration comprised of 60 medical groups and sponsored by six Minnesota health plans. Oftedahl said ICSI advocates for consumers, acts as a resource for providers and is a catalyst for improvement. ICSI helps create guidelines on how to prevent or manage a symptom or disease and provides medical groups and hospitals with training and collaborative programs in quality improvement, he said.

Oftedahl also described a program initiated by ICSI—Diamond. He said the Depression Improvement Across Minnesota, Offering a New Direction (Diamond) program is one of the most promising approaches to managing care of patients with depression. He said depression affects an estimated 400,000 Minnesotans, yet is often undetected or, if detected, not effectively treated. Oftedahl said under the Diamond scenario, patients are correctly diagnosed, care is coordinated, patients are educated and monitored, and fewer patients re-enter the health care systems. In addition, Diamond provides a new payment model for reimbursement for new processes proven to lead to better outcomes and a single billing code for a bundled set of services. He said Diamond could become a model for managing other chronic diseases.

Members also heard an overview of Minnesota's Steps initiative from Cara McNulty, Dept. of Health. She said Steps

to a HealthierUS is an initiative from the U.S. Dept. of Health and Human Services that identifies and promotes programs that encourage small behavior changes to foster healthy behaviors, prevent disease and reduce disparities in health care. She said the initiative aims to help Americans live longer, better, healthier lives by reducing the burden of diabetes, overweight, obesity and asthma by addressing physical inactivity, poor nutrition and tobacco use. She said the Steps program addresses risk factors for premature and preventable deaths, decreased quality of life and financial costs through four settings: community, worksites, schools and health care. Four communities, Minneapolis, Rochester, St. Paul and Willmar, are the focus of the program, McNulty said. She said Minnesota receives about \$2.1 million for the initiative.

At the close of the meeting Berglin announced the division's bonding priorities. She said the first priority was early childhood development grants, the second was the St. Paul Gillette Children's Hospital and the third was the asset preservation request for veterans homes. The fourth priority was the state portion of a new nurse building at the Minneapolis Veterans Home and the fifth was the Ah Gwah Ching hospital redevelopment. Two projects tied for sixth place in the priority list: the Moose Lake sex offender program project and the Tubman Family Violence Center project, Berglin said. Finally, the Hennepin County Medical Center health education project and the White Earth juvenile treatment facility tied for seventh place.

### Payment reform discussed

The lion's share of the Wed., Feb. 27, Health and Human Services Budget Division meeting was devoted to discussion of the payment reform recommendations from the Transformation Task Force.

Scott Leitz, assistant commissioner, Minnesota Dept. of Health, presented the task force's findings. He said the task force identified several issues to be addressed. "Our current system creates poor value and has misaligned incentives," Leitz said. He said the task force addressed the issues of unsustainable cost increases, low quality health care relative to the amount spent, uneven distribution across the population and distortions in the types of health care that get delivered.

The task force found that the current payment system has misaligned incentives because it is based on individual services, Leitz said. The task force found that there are limited or no incentives for prevention, quality care, innovation or value, he said. He said the overarching goals of payment reform are to put the right financial incentives in place to achieve higher quality care, lower health care costs, enable more consumer engagement and encourage more market competition among providers and plans.

The task force recommends empowering individuals with information and providing choices, improving the coordination and management of care and increasing the transparency and competition on price and quality, Leitz said. In addition, the task force recommends establishing provider accountability for total cost and quality of care and sustaining the necessary incentives for investment in designing the way health care is delivered.

Leitz said the Transformation Task Force recommends payment reform be done in three stages. In the final stage, patients would choose provider groups or care systems based on costs and quality. Leitz said if the recommendations were followed, pricing would be simplified, providers would establish a single price for each service set by the marketplace, and plans would structure benefits so that consumers pay more for high cost, low quality providers. In addition, within the total cost of care model, providers would also establish transparent prices for baskets of services, such as maternity or hip replacements.

Under a new payment system, provider incentives would change from rewards for higher volume to rewards for better care management and there would be incentives to re-design care delivery systems, Leitz said. In addition, he said pricing simplification and bundled pricing would help consumers navigate the system, promote greater market competition and reduce the amount of resources spent on negotiating discounts and health plan networks.

Two members of the task force, Tom Forsythe, vice president, General Mills, and Dr. Charlie Fazio, chief medical officer and senior vice president, Medica Health Plans, spoke in support reforming the payment system as recommended by the task force. Forsythe said, "If we can't pay differently, we won't get care

differently; payment reform will increase competition and consumers will get better care at less costs." He said the baskets-of-care model allows consumers to go to the marketplace and, based on quality and costs, to make informed choices.

In other action, the division, chaired by Sen. Linda Berglin (DFL-Mpls.), also heard a presentation on Maine's Dirigo-Choice plan. Dr. Lynn Blewett, University of Minnesota School of Public Health, described the financing of the plan. The recovery of reductions in charity care, reform initiatives reducing the rate of growth in the health care system, employer and individual contributions, the federal match for Medicaid and voluntary savings targets from insurance carriers create savings offset payments used to finance the program, Blewett said. DirigoChoice is a private health insurance product that provides small employers access to subsidized health insurance through one large private insurer and includes sliding scale subsidies for enrollees, Blewett said.

## Higher Education Budget and Policy Division

### Governor's bonding recs heard

The Tues., Feb. 26, meeting of the Higher Education Budget and Policy Division was devoted to discussion of the governor's bonding recommendations for the University of Minnesota and the Minnesota State Colleges and Universities (MnSCU). In addition, the panel, chaired by Sen. Sandra Pappas (DFL-St. Paul), considered two bills and some language changes needed in the bonding bill to accommodate five specific issues.

Susan Heegaard, director, Minnesota Office of Higher Education, reviewed the governor's recommendations. She said the governor proposed \$129 million for MnSCU and \$129 million for the University of Minnesota. The governor recommends that \$40 million of each appropriation be used for system-wide asset preservation, Heegaard said. Heegaard said the governor recommends that of the total amount appropriated to MnSCU, \$25 million be appropriated to complete the Trafton Science Center in Mankato, \$15 million be appropriated for Brown Hall Science renovation in St. Cloud, \$14 million to renovate the transportation and technology labs in St. Paul, \$9 million be appropriated for the Sattgast Science

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building addition in Bemidji, \$20 million for classroom renovations at Normandale and Inver Hills and \$6 million to renovate small science labs system wide.

The governor recommends that of the total appropriation for the University of Minnesota, \$48 million be appropriated for a new science teaching and student services building in the Twin Cities, \$26 million be appropriated for Folwell Hall renovation in the Twin Cities, \$10 million be appropriated for a civil engineering addition in Duluth and \$5 million be appropriated to renovate a community services building in Morris.

The panel also considered S.F. 2963, a bill that appropriates \$200,000 for the West Central Research and Outreach Station in Morris to improve pasture land and construct a milking facility for an organic dairy herd. The bill, sponsored by Sen. Gary Kubly (DFL-Granite Falls), was laid over for possible inclusion in the division's recommendations to the Capital Investment Committee.

Al Johnson, MnSCU associate vice chancellor for facilities, said there were five issues that needed to be addressed through language changes. The first is language to provide for acquisition of a building in Owatonna, he said. Johnson said other issues concern the disposition of surplus state property, reports to legislative committee chairs on expenditures of more than \$3 million, an increase in the maximum aggregate principal amount for revenue bonds and a requirement that any funds left after completion of a project to be used for asset preservation projects. Members approved all the language changes.

The division also heard a bill, S.F. 3094, establishing a biomedical science research facilities funding program for the University of Minnesota. The measure, sponsored by Sen. Richard Cohen (DFL-St. Paul), provides that the program provide appropriations to the Board of Regents of the University of Minnesota for up to 80 percent of the costs of four projects. The bill also speci-

fies that the University is responsible for payment of at least 20 percent of the costs of each facility. Under the bill, before the commissioner of finance may make any payments to the Board of Regents, the commissioner must certify that the board has approved the maximum project cost, the amount of the annual payments of principal and interest required to service each series of bonds issued by the University and the actual amount of the state's annual payment to the University. The bill also provides for appropriations to the University to retire the debt on the bonds. The measure also requires a portion of any revenues derived from research at the facilities be used to reduce the state's debt service payment.

Cohen said the Senate has been supportive of the requests for biomedical research facilities. Cohen said the bill will

make a direct contribution to the state's economy through the creation of new jobs and new products and services. The bill was approved and advanced to the full Finance Committee. Cohen also moved that the bill be included in the division's recommendations to the Capital Investment Committee.

Pappas said the division's bonding recommendations included funding all of the University of Minnesota's requests, MnSCU's requests, the language changes required by MnSCU, and S.F. 3094. In addition, Pappas said the division is requesting that the higher education systems' priorities be followed in the event that full funding of the requests cannot be met.

## Access, prep programs discussed

Programs serving communities underrepresented in the higher education student population, including low-income families and first-generation students, were the focus of the Thurs., Feb. 28, meeting of the Higher Education Budget and Policy Division.

Mary Lou Dresbach, Office of Higher Education, began the hearing with an overview of the programs, which primarily seek to reach out to underrepresented communities to prepare students for higher education and make higher education options more accessible to them. Division members, chaired by Sen. Sandra Pappas (DFL-St. Paul), then heard from a sampling of programs and initiatives.

We live in a very different world, with a job market that is changing dramatically, said Catherine Jordan, CEO of Achieve! Minneapolis. We cannot afford to lose any of our young people, she said, and they all need a plan to graduate high school prepared to go on to higher education and the workforce. Achieve! is a coordinating organization where students can get more information about



**Holding a handmade sign, 11-year-old Rhianne Lustig of Owatonna participates in a rally in the Capitol Rotunda, Wed., Feb. 27, in support of ending violence against women. Rhianne's brother Riley was a victim of domestic violence when he was murdered by their mother's boyfriend in 2006 at the age of two.**

Photo by David J. Oakes

their options and be directed to where they need to go, she said. Jordan said the organization is also proactive and goes to where apprehensive students and parents are.

Mike Lopez, associate vice chancellor for student affairs, reviewed MnSCU's recruitment and retention programs. He said the initiatives include intensive tutoring, extended orientation programs, and partnerships between institutions. We have kept underrepresented students at the center of our mission, said Barbara Read, a vice president at Inver Hills Community College. "Finish what you started" is our new motto, she said, in order to encourage students who start higher education to stick with it. We are also reaching out to the middle band of high school students and encouraging them to prepare themselves for higher education, Read said. She said the school puts underrepresented students in learning groups for additional attention and peer support. Being in a learning community helped me develop confidence in myself and my abilities, especially as a first-generation student, said Maichia Her, an Inver Hills student.

The Power of YOU program was created to remove real and perceived barriers to college attendance, said Phil Davis, president of Minneapolis Community and Technical College. There is a serious gap in higher education that costs the Minnesota economy \$1.4 billion every year, he said. The program is open to spring graduates of Minneapolis and St. Paul public, charter and alternative schools who enter MCTC, St. Paul College or Metropolitan State University full-time in the fall, he said. Davis said the program centers on three initiatives: outreach to encourage students to attend college, financial support to close the gap between federal financial aid and the cost of attendance, and increased academic support services for students. The early results show significant promise, he said, with substantial increases in first-year completion and second-year re-enrollment rates. Our business community will benefit from a more diverse, educated workforce, said Beverly Turner, Travelers Companies. The program benefits the community and makes good business sense, she said. Several student participants praised the program. "If it wasn't for the Power of YOU, I wouldn't be here," said Cheng Lee, a St. Paul College student who plans

to continue toward a pharmacy degree. He said he, as the oldest child, is encouraging his siblings to start planning for their educational futures.

## Judiciary

### Administrative penalties, Social Security number sale debated

The Judiciary Committee, chaired by Sen. Mee Moua (DFL-St. Paul), heard a variety of bills Tues., Feb. 26, including a ban on administrative penalties for traffic offenses and a change to Social Security number protection provisions. State Auditor Rebecca Otto presented a report on administrative penalty systems in local government.

Sen. Linda Higgins (DFL-Mpls.) sponsored S.F. 2861, changing the due date of the Gang and Drug Oversight Council's annual report to the Legislature. The actual data that the report is drawn from is provided too late for the council to prepare a report by the current Feb. 1 deadline, said Higgins. The bill moves the deadline to March 15. The committee approved the measure, and it was referred to the floor.

S.F. 2656, also sponsored by Higgins, requires the Homeland Security Division to maintain and administer the state emergency management curriculum and make that training available to state employees whose essential job duties involve emergency management. Each state agency with an assigned role as a disaster or emergency response organization in the state emergency operations plan must have at least one employee who has completed the entire training curriculum. Rocco Forte, Minneapolis emergency preparedness and disasters director, spoke in favor of the bill. The committee approved the measure, and it was referred to the floor.

Otto gave a brief overview of the special study on administrative penalty programs in the state. The auditor's office found that some local governments have administrative penalty programs for traffic enforcement outside the state system. Proceeds from the penalties are collected by the local governments and are not recorded on driving or insurance records. Local governments claimed the programs respond to inequitable distribution of state tickets, generate revenue to replace lost LGA, decrease court congestion, increase enforcement through a cost-effective al-

ternative, and lessen the burden on cited individuals. Otto said that the subject is complicated, and clarification of the law would be very helpful.

The overview was followed by S.F. 155, sponsored by Sen. Leo Foley (DFL-Coon Rapids). The bill's original form banned administrative fees for traffic violations, but was amended in the Transportation Committee to allow the fees under certain guidelines. A Foley amendment to restore the bill to its original intent was not approved by a 4-5 divided voice vote, and the bill was laid on the table.

Bill Gillespie of the Minnesota Police and Peace Officers Association opposed administrative fines. Gillespie said that local management of the fines is a ripe opportunity for corruption or misuse.

Mark Sather, city manager of White Bear Lake and representing the League of Minnesota Cities, is in favor of the fines. The city issues administrative fees for traffic violations predominantly in residential neighborhoods when citations would not normally be issued, he said. The citations have decreased speeding complaints to the city council, said Sather.

Moua said that under current law local government can't write administrative tickets for traffic violations, which is the exclusive jurisdiction of the state, and the real discussion lies in whether that law should be changed.

The committee then spent time considering S.F. 2390, sponsored by Sen. Don Betzold (DFL-Fridley). The bill adjusts law that has not yet gone into effect that may prevent the issuing of credit reports to Minnesota citizens. The bill clarifies that the law does not prohibit the transfer or disclosure of a Social Security number if it has no economic value to the seller or is relevant to a larger transaction and is initially collected for the purpose of identification.

The bill adds an exception to the prohibition on assigning or using a Social Security number as a primary account identifier when it is in conjunction with an employee or member retirement or benefit plan, a request from life insurance companies, explained Betzold. Current provisions restrict access to employees who require Social Security numbers in the performance of their jobs. The bill clarifies that restriction to allow access by agents or contractors who require Social Security numbers in the performance of their jobs, said Betzold.

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Sen. Warren Limmer (R-Maple Grove) challenged the exclusion of language that prevented the lease, loan, or trade of Social Security numbers that the Senate debated last year. Judy Cook, of the Fair Information Practices Coalition, said that the additional language required extensive clarification, and the current bill only addresses the term of sale so that the law can go into effect. The bill was passed as amended and re-referred to the floor.

S.F. 2607, sponsored by Sen. Ann Rest (DFL-New Hope), establishes a procedure for state agencies to assist communities recovering from a natural disaster in areas of the state that are included in a presidential declaration of major disaster. The bill is the product of a working group over the summer, and creates guidelines under which state appropriations would be made, said Rest. The bill was recommended to pass and re-referred to Finance.

Rest also sponsored S.F. 2402, updating the Board of Accountancy statutes. The sections relevant to the Judiciary Committee provide that hearings conducted by the board related to disciplinary action are closed to the public, and data related to the hearing is private until the board has issued a decision. The bill also modifies the grounds under which the Board can refuse advancement of a license application or practice privileges to include instances when a person has been convicted of a felony or misdemeanor. The third relevant section applies statutes dealing with communications, working papers, and client records to persons granted a practice privilege. The bill was recommended to pass and referred to the Senate floor.

S.F. 2642, sponsored by Moua, clarifies law regarding the Safe At Home program, which protects victims of domestic violence. Some of the changes include clarification of what mail will be forwarded in the program, creation of a process for the staff to provide data to the Bureau of Criminal Apprehension, and consent for a P.O. box to be used on participants' drivers licenses. The bill was recommended to pass and re-referred to the Transportation Committee.

## Offender reentry proposal okayed

Members of the Judiciary Committee met Thurs., Feb. 28, to consider a lengthy agenda of proposed legislation. Among the bills committee members, chaired by

Sen. Mee Moua (DFL-St. Paul), considered was a measure relating to released offenders' reentry into society.

S.F. 2790, sponsored by Sen. Linda Higgins (DFL-Mpls.), includes a number of initiatives to enhance offenders' successful reentry into society. The bill requires courts either to defer prosecution for some first-time, low-level drug possession offenders or to enter a written finding stating substantial and compelling reasons why a deferral is inappropriate. The measure requires the Dept. of Corrections to develop a formal marketing plan to attract businesses and industries to employ inmate services. The bill creates a process for a released offender to petition for a certificate of good conduct, if the person is not under correctional supervision, is not required to register as a predatory sex offender, has been law-abiding for at least three years, demonstrates rehabilitation, and can satisfy a number of other requirements. The certificate creates a presumption of rehabilitation, under the bill, and relieves the person of any collateral sanction relating to housing, employment or professional licensing. The bill requires the commissioner of corrections to review the department's guidelines for revocation of parole and conditional release, creates a working group on controlled substance laws and a task force on a potential re-entry court pilot program, and requires the commissioner of corrections to study the need for and feasibility of establishing re-entry facilities to assist in offenders' reintegration.

Higgins said the bill addresses the serious problem of barriers to reentry for released offenders. We know that otherwise basic things are key to successful reentry, she said. Having a job is one of the biggest indicators of success in reentering society, she said. This is thoughtful legislation that addresses a serious problem, said Ramsey County Attorney Susan Gaertner, representing the County Attorneys Association. Prosecutors care about justice, she said, and this bill is all about justice. "It isn't justice when someone has paid their debt to society and still can't get a job or a place to live," Gaertner said. Representatives of several other law enforcement, public safety and criminal defense groups also spoke in support of the measure. The bill was advanced to the State and Local Government Operations and Oversight Committee.

S.F. 2369, sponsored by Sen. Ann Rest (DFL-New Hope), requires school

hiring authorities to request criminal history background checks on anyone hired to provide athletic coaching or other extracurricular or co-curricular services. S.F. 1965, authored by Sen. Linda Berglin (DFL-Mpls.), expands a license variance set-aside grandfather clause to include persons in the field of adult corrections. Both bills were advanced to the full Senate.

S.F. 2988 governs type III school buses, which are normal passenger vehicles used to transport fewer than ten people. The bill, carried by Sen. Rick Olseen (DFL-Harris), extends many provisions governing school bus operation, such as a prohibition on personal cell phone use and special DWI provisions, to type III vehicles. The bill was approved and re-referred to the State and Local Government Operations and Oversight Committee.

Members also considered, but took no action, on two bills. S.F. 2597, sponsored by Sen. Kathy Saltzman (DFL-Woodbury), requires the Board of Teaching to place a notation on a teacher's licensure record if the teacher has been disciplined for sexual misconduct with a student. When a school hiring authority is checking a prospective teacher's licensure record, the bill requires the school hiring authority to contact the board to determine the substance of the disciplinary actions. S.F. 3035, carried by Moua, prohibits the use of arrest and charging records for private employment purposes when the arrest or charge does not result in a conviction.

In other action, members approved the appointment of Randy Staver as a public member of the Board on Judicial Standards.

## Judiciary Budget Division

### Supplemental requests heard

Members of the Judiciary Budget Division, chaired by Sen. Leo Foley (DFL-Coon Rapids), devoted their Tues., Feb. 26, hearing to the supplemental budget requests of the Judicial Branch and the Board of Public Defense.

Jeff Shorba, deputy state court administrator, said the supplemental request for the Judicial Branch is primarily for compensation. He said last year's appropriation of \$26.11 million was less than the budget request for \$38.914 million. In addition, caseload increases, security and strategic initiatives combine for an

additional \$6.739 million. Shorba said the supplemental request is for \$1.15 million for mandated services, such as interpreters, psychological testing, and jury costs.

Judge Edward Lynch, First Judicial District, reviewed the steps the court system has been taking to stretch the available funds. He said the courts are abolishing or holding open 178 positions, approximately six percent of staff, through attrition or layoff; initiating a voluntary separation program; encouraging voluntary leave without pay; closing public counters; cutting operational budgets; and delaying Conciliation Court calendars. Lynch said that increased caseload and mandated services such as interpreters and psychological services place continuing strains on the budget. Judge Lucy Wieland, chief judge, Fourth Judicial District, described the cost cutting measures undertaken in Hennepin County. She said 40 positions, or 10 percent of staff, are being held open. In addition, counter services are not available after 1 p.m. and several programs have been curtailed.

Kevin Kajer, chief administrator, Board of Public Defense, reviewed the supplemental request for the board. He said the board is requesting \$500,000 in FY 2008 to offset Hennepin County's costs to move and relocate the office because of asbestos contamination. In future fiscal years, the board is requesting \$3.9 million to replace funding by Hennepin County. The board is also requesting \$1.637 million for a loan repayment assistance program for all part-time public defenders and for full time defenders hired prior to Oct. 1, 2007. He said the federal government has a loan repayment program for public defenders hired after Oct. 1, 2007. He said law school loans are a major obstacle in retaining public defenders.

## Rules and Administration

### Personnel matters okayed

The Rules and Administration Committee met briefly Mon., Feb. 25, to consider several internal personnel matters. The panel, chaired by Sen. Lawrence Pogemiller (DFL-Mpls.), adopted changes to the Senate roster to reflect updated title changes and temporary hires for the session. The committee also approved a vacation and sick leave donation program for an employee whose sick leave will run out at the end of the month. Finally, members approved a change in the Sen-

ate's termination policy specifying that an employee who fails to report for work for three consecutive work days without notifying the Senate in advance, except in an emergency when the employee is unable to give notice, is considered to have voluntarily resigned their position.

Senators also acted on the disposition of a bill that had been sent to the committee because of an objection to the bill's committee report. The bill, S.F. 1965, authored by Sen. Linda Berglin (DFL-Mpls.), expanding the situations in which the commissioner of human services must consider granting a variance from a licensure disqualification, was sent to the Judiciary Committee.

### Appointments made

The Rules and Administration Subcommittee on Committees, chaired by Sen. Lawrence Pogemiller (DFL-Mpls.), met briefly Thurs., Feb. 28, to appoint members to a variety of commissions and committees. The members appointed Sen. Linda Berglin (DFL-Mpls.) to the Advisory Committee on Human Services Laws and Administrative Requirements, Sen. David Tomassoni (DFL-Chisholm) to the Iron Range Off-Highway Vehicle Recreation Area Advisory Committee and Sen. David Senjem (R-Rochester) to the Legislative Commission on Planning and Fiscal Policy.

In addition, Sen. Joe Gimse (R-Willmar) was appointed to the Legislative Audit Commission and Sen. Bill Ingebrigtsen (R-Alexandria) was appointed to the Subcommittee on Ethical Conduct and to the Correctional Facility Site Selection Committee.

## State and Local Government Operations and Oversight

### Elections bills gain

The State and Local Government Operations and Oversight Committee met in a truncated hearing Mon., Feb. 25, and granted approval to four bills relating to elections. Committee Chair Ann Rest (DFL-New Hope) said the other bills on the agenda would be heard as soon as possible.

Two bills dealt with appointing, rather than electing, county officers. S.F. 2534, sponsored by Sen. Gary Kubly (DFL-Granite Falls), authorizes the Yellow Medicine County Board to make the

offices of county recorder and auditor-treasurer appointive. S.F. 2472, carried by Sen. Kathy Sheran (DFL-Mankato), authorizes the Nicollet County Board to make the office of county auditor-treasurer appointive. Both bills were approved and sent to the Senate floor.

S.F. 2552, authored by Sen. Chris Gerlach (R-Apple Valley), provides that voter registration applications in existence on July 31, 2007, may be distributed, submitted and processed. Gerlach said there are about 1 million old registration forms on hand and that the bill simply allows the old forms to be used up. The bill was approved and sent to the full Senate. S.F. 208, sponsored by Sheran, provides for the delivery of absentee ballots to an agent who has been designated to bring the ballots to a voter who would have difficulty getting to the polls because of health reasons or who is disabled or who is a resident of a facility providing assisted living services. The bill also increases from four to seven the number of days before an election that a voter may designate an agent to deliver ballots to the voter. The bill was approved and sent to the full Senate.

### Judicial selection discussed

The State and Local Government Operations and Oversight Committee, chaired by Sen. Ann Rest (DFL-New Hope), devoted much of the Wed., Feb. 27, meeting to discussion of a measure providing for a constitutional amendment to change the process for the selection of state court judges.

S.F. 2401, authored by Rest, proposes a constitutional amendment to require that judges appointed by the governor stand for a retention election at the regularly scheduled election held three years after the appointment. If a majority of voters vote no, the office would be declared vacant and the governor would appoint a new judge. If the voters vote yes, the judge would serve an eight year term. In addition, under the changes in the constitution, the governor is required to fill a vacancy by appointing a qualified person from a list of three potential candidates submitted by a selection commission. Under the bill, the governor could reject the list of candidates proposed by the commission. If the list is rejected, the commission must provide another list of three candidates within 60 days. The bill sets forth the provisions for appointing the

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commission. In addition, Rest said the bill also sets up a judicial performance commission to evaluate judges in a nonpartisan manner. The measure also provides for the appointment and duties of the judicial performance commission. Judges would stand for retention elections at the end of their terms and the performance commission would assist voters in evaluating the performance of judges standing for retention election.

Al Quie, former governor, said people have an inherent desire for judicial impartiality. Quie said that there were three ideas incorporated in the measure. Under the bill, the people do have a chance to decide whether a judge continues, the public evaluation process is only available when a judge stands for retention and there is put in place a judicial selection committee. Roger Moe, former Senate Majority Leader, said Quie was the one who put in place merit selection for judges. Moe said injecting partisan politics into judicial elections results in judges being subject to partisan pressures. Justice Barry Anderson, Minnesota Supreme Court, also spoke in support of the measure. Anderson said the reform measures in the bill are helpful in maintaining an impartial judiciary. He said the trend is for more money to be spent on judicial elections, not only by judicial candidates, but by special interests groups. The advertising is geared toward persuading the public that a judge, or a judge's opponent, has already made up his or her mind on issues. Retention elections and performance evaluations are also helpful, Anderson said.

Lucy Wieland, chief judge, 4th Judicial District; Brian Reusche, Joint Religious Legislative Coalition; Keesha Gaskin, Minnesota League of Women Voters; Dan Mikel, AFL-CIO Retirees Council; Mike Ford, Minnesota State Bar Association; and Michael R. Sieben, trial lawyer, all spoke in support of the measure.

Judge John Hoffman, 10th Judicial District, spoke in opposition to the measure. The Minnesota District Judges Association has been studying the elections process for many years and has made recommendations along the way, Hoffman said. He said the association takes the position that the merit selection of judges and the election of judges with the designation of an incumbent is the preferred system. He said concerns arising from the

Republic Party of Minnesota vs. White decision by the U.S. Supreme Court (which held that judicial candidates could express viewpoints during campaigns, raise money and accept political endorsement) have not come to pass. Only 10 percent of judicial elections are contested and involve fundraising, while under a retention election system 40 percent of the elections would involve fundraising, Hoffman said. The retention proposal is not an improvement over the current system, he said.

Judge Susan Miles, 10th Judicial District and vice president of the Minnesota District Judges Association, also spoke in opposition. She said retention elections on sitting judges may result in judges having changes of heart on issues important to special interest groups. Miles said retention elections don't guarantee impartiality. In addition, she said there is a significant price tag associated with the performance evaluations portion of the bill. Judge Kathleen Gearin, 2nd Judicial District, said all 29 judges in the district oppose retention elections. Gearin said open elections have led to more women and minorities becoming judges.

Phil Carruthers, former Minnesota House Speaker, Tom Prichard, Minnesota Family Council, and Steve Reeves, past president, Minnesota Chapter - National Asian Pacific American Bar Association, also spoke in opposition to the bill. Carruthers said the bill throws the system of checks and balances out of whack by concentrating power in the hands of the governor and the chief justice of the Supreme Court. Prichard said the bill removes judicial accountability because the selection process involves an unelected commission and elections are delayed for a specified amount of time.

Sen. Don Betzold (DFL-Fridley) said he would like to be proactive, but that he had concerns about the bill as written. He moved to re-refer the bill to the Judiciary Committee without recommendation. Rest moved to amend the motion to specify that the bill be re-referred to the Judiciary Committee with a recommendation to pass. The Rest motion failed. The Betzold motion to re-refer to the Judiciary Committee without recommendation was approved.

Earlier in the hearing, the panel approved two bills. S.F. 2807, authored by Sen. Tom Saxhaug (DFL-Grand Rapids), provides town boards with the authority, if approved by the voters, to spend funds

to recognize volunteers, service efforts and retiring town officers or to host or support a community celebration. In addition, the measure was amended to provide that voters may let the town board buy grounds for a public park or improve a park. The bill was approved and advanced to the full Senate.

S.F. 2500, sponsored by Rest, allows the new track in Columbus Township to share purse set-aside and breeders fund revenues with the Canterbury Racetrack. Rest said the bill also allows the new track to simulcast all breeds of horses that are simulcast at Canterbury. The measure was approved and sent to the Senate floor.

## State Government Budget Division

### Reports heard

The State Government Budget Division, chaired by Sen. Don Betzold (DFL-Fridley), met Mon., Feb. 25, to hear reports from the Office of the Legislative Auditor, the Dept. of Finance and the Department of Employee Relations.

Cecile Ferkul, deputy legislative auditor, presented three recently released reports. She described reports relating to the state employee management system (SEMA4) personnel and payroll controls, internal control over statewide financial reporting, and information warehouse integrity and confidentiality controls.

Ferkul said that the Dept. of Employee Relations and the Dept. of Finance have controls to ensure that employee pay and accrual rates are correct. However, she said the report identified some internal control deficiencies. She said the two departments have not developed a comprehensive plan and processes to manage personnel and payroll-related risks, the Dept. of Employee Relations' criteria for delegating personnel duties were not well defined and the two departments have not adequately limited the ability of employees to perform incompatible payroll and personnel transactions in SEMA4.

The report on internal control over statewide financial reporting found that the Dept. of Finance's controls, including controls over information provided by other agencies, did not sufficiently mitigate the risk of potential misstatements in the financial statements, she said. Ferkul said some account balances were misclassified in the draft financial statements.



*Finance Commissioner Tom Hanson, left, and State Economist Tom Stinson hold a press conference, Thurs., Feb. 28, to release the latest state budget forecast, which predicts a potential \$935 million shortfall.*

Photo by David J. Oakes

She said several other state agencies need to improve controls over financial reporting.

In the report on information warehouse integrity and confidentiality controls, Ferkul said the Dept. of Finance generally had adequate controls to protect the integrity and confidentiality of its data in the information warehouse, but there were some weaknesses.

Commissioner Tom Hanson and Deputy Commissioner Stephanie Andrews, Dept. of Finance, updated the panel on the technology budget systems review of accounting, human resources and budgeting systems. Commissioner Patricia Anderson, Dept. of Employee Relations, updated the panel on the recently

announced state hiring freeze, the state travel policy and the state employee group insurance program (SEGIP).

### **Tech, revenue reports heard**

Members of the State Government Budget Division, chaired by Sen. Don Betzold (DFL-Fridley), met Wed., Feb. 27, to hear reports on funding the state's future information technology needs, preserving the state's electronic documents for future generations, protecting the state's technology infrastructure, and ensuring that taxpayers comply with the state's tax laws.

John Lally, director of planning and program management in the Office of Enterprise Technology, discussed the

report on IT funding strategies for the 21st century. To transform government programs, the report calls for flexible and creative approaches to funding, Lally said. The report suggests consideration of vendor participation, innovation funding, bonding and user funding. Lally also discussed the document preservation report. The report identifies competing standards for document preservation and determines that no existing standard addresses all of government's goals in preserving documents for future accessibility. The report argues against adopting a standard solely for the sake of adopting a standard. Lally outlined several of the report's recommendations for next steps, including engaging stakeholders in developing collabora-

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tive solutions to common problems in government electronic records management. Chris Buse, OET chief information security officer, outlined the threats government technology faces and the steps the state is already taking to maintain security. Buse noted that some threats emerge from weaknesses in common commercially-available software identified by persons with malicious intent who target government and other large entities. The state stays abreast of these weaknesses as part of its security strategy, Buse said, and provides directives, resources, and applications to assist other state agencies in protecting their information assets.

Deputy Commissioner Dan Salomone reviewed the Revenue Department's tax compliance initiatives. The return on investment has declined in our efforts to identify and collect from noncompliant taxpayers, Salomone said. The declining return is attributable to several factors, including the need to hire more staff for additional compliance efforts and staff turnover, he said. It may be that we have already collected "the low-hanging fruit," Betzold said, after putting resources into compliance for several years. Salomone said economic conditions also contribute. Revenue projections are expected to fall in tough economic times, he said, but we also know that collections fall, because

people are slower to pay outstanding obligations.

## Taxes

### Utilities object to increase

Representatives of several utilities addressed members of the Tax Committee, Tues., Feb. 26, as the panel began its work on the year's first tax bill. Chair Thomas Bakk (DFL-Cook) said the bill, S.F. 2935, contained mostly non-controversial provisions from last year's vetoed tax bill. There are still a few provisions we are negotiating with the governor in order to get his signature, Bakk said. He said the plan for the year was to have a second tax bill that might include more controversial items and would, in part, close an anticipated budget shortfall.

After hearing a review of the bill's provisions from the committee's counsel, panel members heard from a number of utility company representatives. A provision in the bill increases the property tax class rates for utilities' personal property. This is a basic fairness issue, said Kirk Nesbig of CenterPoint Energy. The utility industry is the only industry that pays the property tax on its personal property, he said, and has been paying based on market values that have been inaccurately high. A departmental rule change adjusts values

to where they should be, but the bill essentially undoes the change, he said. By increasing the class rates, Nesbig said, the bill singles out utilities among commercial-industrial property owners.

The class rate increase is meant to protect our host communities from losing revenue after the values are lowered, said Jim Duevel of Xcel Energy. We value our host communities and try to maintain a good relationship with them, he said, but we believe the class rate increase is inappropriate. Duevel noted that utilities have been overpaying property taxes for years, based on the inaccurate valuations, and will not recover the overpayment. The rule change only corrects the valuation going forward, he said. Raising utilities' class rates for personal property reverses 15 years of tax policy to not expand the personal property tax, he said. Duevel also noted the significant ongoing capital investment at utility facilities as a reason to reject the class rate increase.

The business community has to make some commitment to our state, Bakk said. When I came to the Legislature in 1995, the commercial-industry rate was above five percent. Now we are down to two percent and the utilities say that is too much, he said. Sen. Julianne Ortman (R-Chanhassen) said the fundamental reality is that utility ratepayers, average Minnesotans, pay the utilities' taxes through their utility bills. There is no question that consumers always pay, Bakk said, but I highly doubt that anyone will see their utility bills go down if we lower the utilities' taxes further. The real question is who should bear the burden of changing the valuation, the host communities only or a broader segment, he said.

The administration has significant concerns about the class rate increase provisions, said Commissioner Ward Einess, Dept. of Revenue. Some portrayed this bill as a "fast track bill" limited to consensus items from last year's bill and as much federal conformity as the state can afford, he said. The new valuation rule seeks to mitigate the harm to communities, Einess said, by phasing in the lower valuations over three years. Additionally, the governor proposed transition aid to help soften the blow, he said. The Legislature rejected the transition aid proposal in favor of a class rate increase last year, Einess said, and the governor's veto message on the tax bill flagged only four primary areas of concern, including the class rate increase.



*Tane Danger, communications director and fundraising coordinator for the Minnesota Sesquicentennial Commission, addresses members of the Transportation Committee, Thurs., Feb. 28, to show support for a proposed commemorative license plate in celebration of the state's 150th birthday.*

Photo by David J. Oakes

Bakk said the class rate provision in the bill is not the same as the provision in last year's vetoed bill. The proposed class rate is lower than last year's, he said. The Senate Tax Committee "is not going to throw the host communities under the bus," Bakk said, and let them carry the burden of the rule change. Einess said there is time to work on a solution to help host communities. Only 20 percent of the change will be realized this year, under the rule's phase-in, he said. The governor may also choose to help soften the blow through his supplemental budget proposal, Einess said.

Representatives of local governments spoke in favor of the proposal. Cities would not be excited about siting future utility facilities in their communities under the new rule and without some relief, said Jennifer O'Rourke, League of Minnesota Cities. The governor's aid proposal was merely temporary, not permanent, said Keith Carlson, Minnesota Inter-County Association. The only real solutions are permanent state aid or a class rate change, he said. Carlson said permanent aid is unlikely, considering the state's budgetary situation, leaving a class rate change as the only viable option. The class rate proposal solves the problem for everybody, not a limited class of communities that would benefit from transition aid, said Bradley Peterson, representing the Coalition of Utility Cities. It is appropriate to have the burden spread to all ratepayers in Minnesota, not just the host communities, he said. Peterson noted that cities take on extra burdens in hosting utilities, such as environmental issues and special training for emergency responders.

### **Special taxing district bills heard**

The Committee on Taxes, chaired by Sen. Thomas Bakk (DFL-Cook), heard two tax increment finance (TIF) proposals, a watershed district proposal and a hospital district proposal, Wed. Feb. 27. All bills were laid over for possible inclusion in an omnibus tax bill.

S.F. 2388, authored by Sen. Charles Wiger (DFL-North St. Paul), extends two TIF redevelopment districts for an additional 10 years. The first site is now Oakdale Mall, currently about 80 percent unoccupied, said Craig Waldron, city administrator. Plans include office and retail space, and the possible addition of a hotel and condos, said Bob Streetar, community development director. The second

site is to redevelop land on Tanners Lake, current home to two restaurants classified as blighted by the state.

S.F. 2601, sponsored by Sen. Julie Rosen (R-Fairmont), allows for decertification of revenue derived from a TIF district in the city of Wells. Rent payments from downtown redeveloped property would be used for further development and improvement, according to City Administrator Ronda Allis, rather than treated as a TIF payment. The district itself was decertified in 2006.

S.F. 2480, sponsored by Sen. Rick Olseen (DFL-Harris), establishes a Comfort Lake-Forest Lake watershed management organization spanning the Washington County and Chisago County border and allow the organization to operate under watershed district statutes reserved for counties exclusively within the Metro Area and joint power entities at least partially in the Metro. That status increases the districts' potential levy authority, said Olseen. A letter from Gary Kreisel, chair of the Washington County Board of Commissioners, supported the proposal in addition to a requirement, not in the bill, that requires approval by the Washington and Chisago county boards for the annual budget and any levies. That requirement would be unprecedented in the state, said Sen. Rod Skoe (DFL-Clearbrook).

A hospital district is established in the east end of the Iron Range by S.F. 2689, sponsored by Sen. David Tomassoni (DFL-Chisholm). The hospital facility, located in Aurora, is also connected to a nursing home said Tomassoni. The district would be able to levee through referendum and make grants to the hospital and nursing home for capital improvement and maintenance under the bill. Jim Carroll, CEO of White Community Hospital, said that financial challenges have prevented upkeep and improvements to the hospital and nursing home, but there is hope for growth in the area due to potential projects already being considered.

## **Transportation Budget and Policy Division**

### **Special license plate bills gain**

The Transportation Budget and Policy Division members met Thurs., Feb. 28, to hear a series of bills concerning special license plates. The panel, acting as a policy committee, chaired by Sen. Steve

Murphy (DFL-Red Wing), approved all the bills and advanced the measures to the full Finance Committee.

S.F. 2204, authored by Sen. Linda Scheid (DFL-Brooklyn Park), allows physically disabled individuals to obtain two sets of disability license plates. Scheid said that current law specifies that only one set of plates be available for an individual, but often disabled individuals drive more than one car. The bill was amended to specify that one set of disability plates may be for a motorcycle. Margot Imdieke, Minnesota Council on Disability, said the council will review the applications for the additional set of plates on a case-by-case basis.

Sen. Geoff Michel (R-Edina) sponsored two bills. S.F. 1329 authorizes special plates remembering victims of impaired drivers. Michel said the purpose is to raise awareness about impaired driving and at the same time honor victims. Michel also sponsored a bill, S.F. 3069, authorizing the issuance of 250 special plates for use in the 2008 United States Golf Association Women's Open Championship. Michel said the plates would only be used for the duration of the tournament on passenger vehicles donated for the championship.

S.F. 2365, authored by Sen. Ann Rest (DFL-New Hope), establishes Minnesota sesquicentennial special license plates. The measure provides that a \$10 fee be paid to cover the costs of the plate and an additional \$25 be contributed to the Minnesota Sesquicentennial Commission. Rest described the various celebrations scheduled to unfold this year in commemoration of Minnesota's 150th birthday. She said the plates will be an additional way to celebrate.

Sen. David Tomassoni (DFL-Chisholm) sponsored a bill, S.F. 2077, authorizing special Bronze Star veteran's license plates. S.F. 3080, carried by Sen. John Doll (DFL-Burnsville), allows for the issuance of a 60-day permit for vehicles on their first registration period, if the license plates being applied for are special license plates. S.F. 3191, authored by Sen. Richard Cohen (DFL-St. Paul), authorizes the issuance of American Red Cross plates to individuals who pay a \$10 fee and contribute \$25 to the American Red Cross disaster preparedness and relief account. S.F. 2337, sponsored by Sen. Jim Carlson (DFL-Eagan), allows World War II Memorial special license plates to be issued to motorcycles.

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# Senate Briefly

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*Fourth graders from Bel Air Elementary School, New Brighton, wave flags during their Patriot Concert in the Capitol Rotunda, Mon., Mar. 3.*

*Photo by A.J. Olmscheid*

March 7, 2008

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# Senate Highlights

## Foreclosure bills gain

The Mon., Mar. 3, floor session was devoted primarily to the consideration of three bills aimed at helping Minnesotans avoid mortgage foreclosure. The bills were granted preliminary passage on General Orders.

Sen. Linda Scheid (DFL-Brooklyn Park) sponsored the first measure. She said that the bill, S.F. 2912, is the product of a working group composed of a wide spectrum of representatives from the private sector and Legislators to aid individuals facing home foreclosures. She said the increase in foreclosures is affecting individuals, neighborhoods and whole communities. Scheid said the bills before the body are aimed at helping people avoid foreclosure early in the process. S.F. 2912 provides for notification of the availability of counseling services early in the process, prescribes counseling forms for pre-foreclosure notice of foreclosure prevention counseling, modifies creditor redemption provisions and redemption processes, and requires certificates of sale of realty to include the interest rate in effect, Scheid said.

Sen. Warren Limmer (R-Maple Grove) offered an amendment to delete a provision in the bill providing that the notice of postponement of sale need not be published. The effect, Limmer said, is to have the postponement notice published and provide the opportunity for more people to be involved. Scheid said

the idea of not publishing the postponement was to reduce the number of times items had to be published. The amendment was not adopted.

Limmer also offered an amendment to provide that the consumer be notified of the availability of the foreclosure counseling services, rather than foreclosure counseling services be given the name of a homeowner facing foreclosure. Scheid said the truth of the matter is that only the name, address and phone number are given to the counseling services. Sen. Linda Higgins (DFL-Mpls.) also spoke against the amendment. Higgins said that very often by the time individuals contact the counseling services it is too late. She said the bill's provisions allow for earlier intervention. The amendment failed on a 13-44 roll call vote.

Scheid offered an amendment to correct terminology referring to foreclosure prevention counseling agencies. The amendment was adopted.

Higgins sponsored two bills. S.F. 2910 provides for an automatic expungement of unlawful detainers for renters who are caught up in a landlord's foreclosure proceedings. Higgins said the renters, through no fault of their own, have unlawful detainers on their records, which can affect future attempts to rent property. Higgins also authored a bill, S.F. 2918, providing for proof of abandonment for purposes of a reduced mortgage foreclosure redemption period.

Members also granted final passage to one bill on the Consent Calendar. The bill, S.F. 2861, changes the due date of the Gang and Drug Oversight Council's annual report to the Legislature.

## Bonding bill okayed

Senators granted final passage to the bonding bill, Tues., Mar. 4. S.F. 3295 authorizes the sale of over \$1 billion in state bonds for capital improvement projects, with over \$965.17 million of the package supported by debt service payments from the general fund.

Sen. Keith Langseth (DFL-Glyndon), chief author, briefly reviewed the bill before members began discussing the measure and offering amendments. Sen. Sandra Pappas (DFL-St. Paul) offered an amendment removing an appropriation to cover part of the city of St. Paul's debt service payments for the RiverCentre. The amendment restores funding for

other St. Paul projects that had seen their allocations cut, she said, which proved to be unworkable. Pappas said the St. Paul delegation was committed to helping the city and would be pursuing other options. The amendment was adopted.

Minnesota has been consistent for years in keeping debt service payments to less than three percent of general fund spending, said Sen. Betsy Wergin (R-Princeton). Such discipline has kept Minnesota's credit rating among the best in the nation, she said. Wergin noted the bill contains language directing the Department of Finance to restrict its bond sale to keep debt service payments within the three percent guideline for the current biennium. She offered an amendment directing the department to restrict future bond sales to keep debt service payments within the three percent guideline in future biennia. The amendment was adopted. Sen. Steve Murphy (DFL-Red Wing) offered an amendment removing a \$4 million appropriation related to the Urban Partnership Agreement. Murphy said the appropriation was already made in the recently enacted transportation funding bill. The amendment was adopted.

Sen. Geoff Michel (R-Edina) said he was concerned about the bill's size. If we followed the three percent guideline, the bill should be only about \$820-830 million in general fund supported bonding, he said. In light of a recession and a projected shortfall, Michel said, "it seems like it would be prudent for us to put this bill on a diet." Langseth said the bill does not exceed the three percent guideline. Even if it did, he said, the bill contains an internal restriction on bond sales to stay within the three percent mark. This is the time to build and bond, Langseth said. Contractors admit that their bids are smaller in down times, because they want the work and they want to keep their crews together for when business picks up, he said. State construction work helps the economy and being able to get good deals for projects helps the state, Langseth said.

The bill was granted final passage, 51-7, and then tabled to await its companion.

In other action, Senators took up several measures on General Orders and granted them preliminary passage.

S.F. 3154, sponsored by Sen. Linda Scheid (DFL-Brooklyn Park), clarifies what documentation a mortgage lender may rely on to evaluate a borrower's abil-

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Senators Joe Gimse (R-Willmar), left, and Rod Skoe (DFL-Clearbrook) consult in the Senate Chamber during the Thurs., Mar. 6, floor session. Photo by David J. Oakes

ity to repay. Loans made based on limited documentation, often called “no doc” loans, were restricted in last year’s effort to address predatory lending, Scheid said. There are, however, situations where the loans are appropriate and lenders need guidance to permit them to continue to make appropriate “no doc” loans, she said. We have and will continue to have the most stringent limits on predatory lending in the nation, Scheid said. S.F. 2881, also carried by Scheid, updates the state’s usury law regarding contracts for deed.

Sen. Linda Higgins (DFL-Mpls.) authored a bill, S.F. 2908, ensuring that tenants of properties in foreclosure are notified. The bill also permits tenants to withhold their last month’s rent in lieu of a security deposit refund. S.F. No. 2909, sponsored by Sen. Rick Olseen (DFL-Harris), modifies a tenant’s right to pay utility bills when the landlord’s failure to pay the bills will lead to a service disruption. Authored by Sen. Kathy Sheran (DFL-Mankato), S.F. 2471 permits 16-year-olds, with written parental consent, to donate blood. S.F. 2511, carried by Sen. Ann Rest

(DFL-New Hope), reinstates two advisory groups that were inadvertently abolished last year.

S.F. 2377, sponsored by Sen. Tony Lourey (DFL-Kerrick), modifies ambulance staffing requirements. Lourey said the bill balances patient safety and needed flexibility, especially in Greater Minnesota communities that have recruitment and retention issues. S.F. 2796, carried by Sen. Tom Saxhaug (DFL-Grand Rapids), fixes an unintended consequence of early childhood and family education licensure provisions modified last year. S.F. 2418, authored by Sen. Paul Koering (R-Fort Ripley), allows Emergency Medical Services Regulatory Board members to serve two consecutive terms and delays for one year trauma triage and transportation guidelines.

### **Permanent moratorium on new radiation therapy facilities okayed**

Most of the Wed., Mar. 5, floor session was devoted to considering bills on General Orders. Members also granted

final passage to bills on the Senate Calendar.

One measure, S.F. 2667, generated considerable debate. The bill, authored by Sen. Linda Berglin (DFL-Mpls.), makes permanent the moratorium on the construction of radiation therapy facilities. Berglin said the area has excess capacity now and for the next ten years and that there is no need for further construction. Sen. David Hann (R-Eden Prairie) said the decision on whether or not facilities should be built is not for the Legislature to make. He said those decisions belong in the marketplace. “If we are interested in having low cost, high efficiency facilities, there must be a competitive factor,” Hann said.

Sen. Linda Scheid (DFL-Brooklyn Park) offered an amendment extending the moratorium for two years, until 2010. Scheid said, “We are making medical decisions in this bill and we shouldn’t be doing that.” She said, “I have never seen an instance where eliminating competition has driven costs down.” Sen. Kathy Saltzman (DFL-Woodbury) said that ex-

# Senate Highlights

tending the moratorium just extends the debate for two more years. Berglin said, "We don't need to keep returning to this issue, it is clear we are at overcapacity for at least the next ten years." The amendment failed on a 23-40 roll call vote. The measure was approved on a voice vote.

Members also granted preliminary passage to an additional seven bills. H.F. 3055, sponsored by Sen. Richard Cohen (DFL-St. Paul), is the deficiency appropriation bill for specific state agencies. Cohen said the only general fund appropriation is \$175,000 for the Sesquicentennial Commission. He said the appropriation is to pay the commission's small staff. The other appropriations are primarily for licensing boards, Cohen said.

S.F. 2690, authored by Sen. Ann Lynch (DFL-Rochester), allows the city of Rochester to continue funding the county historical society. Lynch said Rochester will soon become a city of the first class and current law prohibits cities of the first class from funding county historical societies.

Sen. Gary Kubly (DFL-Granite Falls) sponsored a bill, S.F. 2534, making the offices of county auditor-treasurer and county recorder appointive, rather than elective, in Yellow Medicine County. The measure was given preliminary passage on a 47-13 roll call vote. S.F. 2472, carried by Sen. Kathy Sheran (DFL-Mankato), provides for the appointment of the county auditor-treasurer in Nicollet County. S.F. 3081, carried by Sen. John Doll (DFL-Burnsville), sets filing deadlines for reports and regulating customer utility payment agreements during the cold weather period.

Sen. Ann Rest (DFL-New Hope) authored two measures. S.F. 2402 makes a number of changes to provisions governing the Board of Accountancy. S.F. 2500 provides for the sharing of purse set-aside and breeder's fund revenue and allows for racing simulcasting at the new horse racing track in Columbus Township. Sen. Ray Vandever (R-Forest Lake) offered two amendments. The first amendment requires the new track to contribute one percent of the simulcast revenue or \$30,000, whichever is less, to community service organizations. The amendment failed on an 8-49 roll call vote. The second amendment specifies that no gambling facility may be located or expanded in the state unless approved by local

referendum. The amendment failed on a 7-50 roll call vote.

Senators also granted final passage to three bills. S.F. 2912, authored by Scheid, makes changes in foreclosure laws and provides for mortgage foreclosure prevention counseling. S.F. 2910, authored by Sen. Linda Higgins (DFL-Mpls.), modifies provisions relating to the expungement of eviction records. S.F. 2918, carried by Higgins, provides for proof of abandonment for purposes of a reduced mortgage foreclosure redemption period.

## First tax bill passed

Senators granted final passage to the session's first tax bill, Thurs., Mar. 6. The chief author, Sen. Thomas Bakk (DFL-Cook), described the bill, H.F. 3201, as essentially noncontroversial.

Everything in the bill was in last year's vetoed tax bill, Bakk said, except for some federal conformity items that incorporate changes made by to the federal tax code during the interim. Bakk reviewed the provisions that were removed from the bill in order to make it noncontroversial, including: requiring inflation to be included in economic forecasts, additional aid for local governments, aid for the Mall of America expansion, a change in the class rate for utilities' personal property, a tightening of provisions governing foreign operating corporations, authorization for local deed taxes, and most local option sales tax requests. To pay for the federal conformity in the bill, Bakk said, the June accelerated sales tax payment is increased from 78 percent to 80 percent of the tax due.

Sen. Paul Koering (R-Fort Ripley) offered an amendment exempting from the sales tax materials and supplies used to construct a number of new water treatment facilities. The sales tax on these projects is a tremendous burden for the taxpayers of the communities building these facilities, Koering said. Bakk opposed the amendment, saying it was well-intentioned but bad policy. The amendment costs the state millions of dollars from the general fund, he said. The amendment was not adopted.

Sen. Betsy Wergin (R-Princeton) offered an amendment lowering the corporate franchise tax for corporations that increase their employment by 500 jobs in one year. The amendment also accelerates the single-sales factor transition, which Wergin said would encourage companies

to locate their headquarters in Minnesota. The amendment also repeals the collection and refund of sales tax on capital equipment. This amendment encourages job creation and business activity for companies large and small, Wergin said. This amendment is good policy, but we do not know what it costs, Bakk said. On the Senate floor, we cannot have the kind of public interaction we need to about the provisions, Bakk said. The amendment was defeated, 28-36. An amendment, offered by Sen. Dick Day (R-Owatonna), repealing the deduction of wind energy conversion revenue from school districts' general education aid was not adopted.

An amendment allowing tuition expenses to qualify for the education tax credit, raising the credit from \$1,000 to \$5,000 per child, and removing the income cap on the availability of the credit was offered by Sen. David Hann (R-Eden Prairie). Bakk opposed the amendment, saying removing the cap makes the amendment very, very expensive. The amendment was defeated, 20-39. Sen. Warren Limmer (R-Maple Grove) offered an amendment offsetting the recently-enacted transportation tax increases with reductions in the income tax. This amendment costs hundreds of millions of dollars and makes our overall tax structure more regressive, Bakk said. The amendment was not adopted, 22-40.

Sen. John Marty (DFL-Roseville) offered an amendment removing a provision increasing the amount of gas tax revenues attributed to ATVs. The provision takes money away from highways and diverts it to ATV trails, he said. Many of us supported the gas tax increase because we wanted the money to address our transportation needs, Marty said. Minnesota has over 15,000 miles of ATV trails, more than neighboring states, he said, but we nonetheless have serious problems with ATV riders causing damage to private and public property that is not part of a state trail. The increased attribution recognizes the growth in ATV use, Skoe said. The money will be used to develop a larger, better trail system that ATV riders can use, Skoe said, in order to avoid damaging land where ATV should not be ridden. Damage was reduced after resources were provided to create a proper snowmobile trail system, he said. The amendment was defeated, 25-39.

Hann offered an amendment denying local government aid to cities with ordi-

nances prohibiting public safety officials from undertaking any law enforcement action to detect the presence of undocumented persons or to verify immigration status. Cities should not direct their law enforcement officers not to enforce the law, Hann said, but if they do, then the rest of us should not be supporting them financially. The amendment does not prevent the cities from adopting the ordinances, it simply gives them a choice, he said. Most of local government aid goes to supporting police and fire operations, said Sen. Linda Higgins (DFL-Mpls.). The amendment guts the efforts of cities to enhance their public safety, she said. If the cities are not enforcing the law, they probably do not need the money for public safety, said Sen. Bill Ingebrigtsen (R-Alexandria). Public safety professionals say that requiring local police to check immigration status makes undocumented persons less likely to cooperate with police as victims or witnesses, said Sen. Scott Dibble (DFL-Mpls.). The amendment was defeated, 29-35.

Limmer offered an amendment freezing for two years property taxes on second homes and cabins. The amendment was not adopted, 5-55. Limmer also offered an amendment imposing levy limits on cities with populations larger than 2,500. The amendment was defeated, 7-54. Sen. Julie Rosen (R-Fairmont) offered an amendment increasing the long-term care tax credit. She said the amendment is aimed at encouraging individuals to obtain long-term care insurance. Bakk said the amendment was a good idea because the current credit is probably too small. However, he said there is a cost to the general fund and that if more people apply for the credit the cost could be more substantial. Bakk urged Rosen to introduce a bill on the topic. It might well be that savings in other areas offset the cost of the credit, but it should be discussed more thoroughly, Bakk said. The amendment was not adopted.

An amendment, offered by Sen. Julianne Ortman (R-Chanhassen), providing a property tax cap for seniors in the state was also debated. Ortman said the amendment specifies that 2008 is the base year and in subsequent years property taxes could not rise. Ortman said there is no cost to the general fund, but there is a cost for local units of government. She said the amendment will make a real difference in Minnesotans' lives. Bakk said that, though he is sympathetic to the problem of in-

creasing property taxes, he is reluctant to single out one group of taxpayers. He said the bill vetoed by the governor last year contained aid to cities and counties that could have helped ease the property tax burden on all Minnesotans. The amendment failed, 31-33.

Sen. David Senjem (R-Rochester) offered an amendment reducing the rates for taxes with revenue that flow into the health care access fund if the fund has a projected surplus. We have a surplus of over \$300 million in the health care access fund, he said. The amendment does not cost anything, but it will help health care consumers by reducing the provider tax when we have a surplus. The amendment was defeated. Senjem offered another amendment exempting agricultural land and timberland from the tax base for school capital improvement levies. The amendment was not adopted, 27-36.

H.F. 3201 was granted final passage, 63-2.

In other action, eight bills on the Calendar were granted final passage; the bills had been granted preliminary passage at the Tues., Mar. 4, floor session. S.F. 3154, sponsored by Sen. Linda Scheid (DFL-Brooklyn Park), clarifies what documentation a mortgage lender may rely on to evaluate a borrower's ability to repay. S.F. 2881, also carried by Scheid, updates the state's usury law regarding contracts for deed. S.F. 2908, authored by Sen. Linda Higgins (DFL-Mpls.), ensures that tenants of properties in foreclosure are notified and permits tenants to withhold their last month's rent in lieu of a security deposit refund. S.F. 2909, sponsored by Sen. Rick Olseen (DFL-Harris), modifies a tenant's right to pay utility bills when the landlord's failure to pay the bills will lead to a service disruption. Authored by Sen. Kathy Sheran (DFL-Mankato), S.F. 2471 permits 16-year-olds, with written parental consent, to donate blood. S.F. 2511, carried by Sen. Ann Rest (DFL-New Hope), reinstates two advisory groups that were inadvertently abolished last year. S.F. 2377, sponsored by Sen. Tony Lourey (DFL-Kerrick), modifies ambulance staffing requirements. S.F. 2796, carried by Sen. Tom Saxhaug (DFL-Grand Rapids), fixes an unintended consequence of early childhood and family education licensure provisions modified last year. Senators also granted final passage to one bill on the Consent Calendar. S.F. 2262, carried by

Sen. Dan Sparks (DFL-Austin), repeals obsolete telecommunications rules.

After an afternoon recess, members reconvened in order to follow procedural necessities to establish a conference committee on the bonding bill. The Senate version of the bonding bill was approved and tabled, Tues., Mar. 4. Senators amended the Senate language onto the vehicle measure, H.F. 380. Sen. David Hann (R-Eden Prairie) then offered an amendment transferring an \$11 million appropriation from the polar bear and gorilla exhibit at the Como Zoo to the cooperative facilities grant program for school districts. We need to consider our priorities, Hann said, and consider whether this money is better spent on our school districts or on an animal exhibit. It is hard to think of anything that is used by more families to educate their children than a zoo, Langseth replied. The amendment was rejected, 22-44. H.F. 380 was granted final passage, 57-9.

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### Historical database available

The Legislative Reference Library has developed a database, "Legislators Past and Present," containing information about Legislators who have served since territorial times. The database's information was compiled from official legislative directories, obituaries, news clippings, family files and other sources. It contains information about terms of service, education, occupation, party or caucus affiliations, leadership positions, represented communities and more.

The database also includes information about Minnesota Legislators who served in other government functions, ranging from the local level to the national level. It even indicates which Minnesota Legislators also served in another state's legislature. (There were five: Cyrus Aldrich in Illinois, Francis Cornell in New York, Mark Dunnell in Maine, Willis Gorman in Indiana and Knute Nelson in Wisconsin.)

"Legislators Past and Present" is available online at <http://www.leg.state.mn.us/legdb/index.asp>

### Schedule available online

Next week's schedule is online: [http://www.senate.mn/schedule/schedule.php?cmte\\_type=&ls=85&date=03/10/2008&type=weekly](http://www.senate.mn/schedule/schedule.php?cmte_type=&ls=85&date=03/10/2008&type=weekly)

# Committee update

## Agriculture and Veterans Budget and Policy Division

### Pesticide disclosure bill heard

Three bills were considered by members of the Agriculture and Veterans Budget and Policy Division, sitting as a free-standing policy committee, at their Tues., Mar. 4, meeting. The panel, chaired by Sen. Jim Vickerman (DFL-Tracy), devoted the bulk of its meeting to consideration of a bill expanding access to pesticide application information.

Sen. Sharon Erickson Ropes (DFL-Winona), chief author of S.F. 2994, said consumers can easily find information about foods and medicine, such as what is in soda or fast food. People should be able to find out what is in pesticides and when they might be exposed to them, she said.

The bill permits residents to use a website to find out what crops are grown in a county and when and where pesticides will be applied, with a disclaimer that pesticides may be applied off-schedule in case of unforeseen outbreaks. The bill also requires the creation of a toll-free number with pesticide application information. A monthly filing of pesticide application records with the Department of Agriculture is also required, under the bill. Erickson Ropes said she had met with stakeholders in order to find an agreeable solution. We have some agreement, she said, but it is not complete, especially regarding the monthly filing.

Becky Sheets, a Staples resident, discussed her chemical sensitivity resulting from years-long exposure to pesticides. She said her area has evolved from a community of family farms with regular crop rotation to an intensive potato production area with nearly daily spraying. I can tell when spraying is happening from miles away when it is windy, Sheets said, and I can even tell what class of pesticide is being sprayed. Going inside and closing my doors is not an option, because the pesticide permeates everything, she said. The spring after spraying started near our farm, there were no lambs from our sheep, said Otter Tail County resident Norma Smith. The following year, there were lambs, she said, but they were not healthy. She said the liver of one dead sheep was discolored. Sara Rummel, Clean Water Action, said it is important for Minnesotans to have access to information so they can make smart, responsible choices to protect their own health.

This topic has been batted around for six years, said Bruce Kleven, representing a number of commodity growers' groups. An educational website is the best idea so far, he said, but the bill is still in a work in progress. Pesticide application records are kept in case of an investigation, he said. Kleven compared them to personal income and expense records kept in case of a tax audit. It makes no more sense to require pesticide records to be sent to the Dept. of Agriculture, he said, than it would to require people to send pay stubs and bank records to the IRS. Kleven said the "right to know" argument could be turned around to require disclosure of the sources of pharmaceuticals that remain in treated wastewater dumped into rivers and streams. He said a sample of water from the Mississippi River south of Minneapolis revealed traces of birth control and other medicines that were likely flushed through the sewer system. The drift problems discussed by the Greater Minnesota residents are examples of illegal conduct, Kleven said. Pesticides are tightly controlled, with limits on when and how they can be applied, he said. Kleven said the bill in part reflects insufficient communication between residents. Good communication would improve many situations, he said.

Erickson Ropes said that not everyone communicates well. Some farmers are more congenial to their neighbors than others, she said. She asked members to advance the bill without recommendation. The bill will need to return to the division for consideration of its fiscal implications, she said. Erickson Ropes pledged to continue working with Kleven and others as the bill progressed. Sen. Steve Dille (R-Dassel) said there should be broader studies as to whether pesticide reactions are a widespread problem. All we have are anecdotes that pesticide use is or is not a problem, he said. The bill is not about research, dosages or drift, Erickson Ropes said. It is simply about providing residents with information about applications, she said.

A motion to re-refer the bill to the Judiciary Committee without recommendation failed on a divided voice vote.

S.F. 3067, sponsored by Sen. Mary Olson (DFL-Bemidji), permits the secretary of state to waive any reinstatement fee for a business entity that has been administratively or statutorily dissolved for failure to file an annual report, if a principal of the entity is a returning combat veteran. The

measure was advanced to the Judiciary Committee.

S.F. 2878, carried by Dille, contains various recommendations from the Board of Veterinary Medicine. The bill accepts an alternative program for evaluating the veterinary education of foreign-trained veterinarians, known as the Program for the Assessment of Veterinary Education Equivalence. The bill also permits European board-certified veterinarians to receive a University of Minnesota Veterinary Medical Center specialty clinician license. The measure permits the Board of Veterinary Medicine to serve orders by standard U.S. mail or personal service, rather than by certified mail. Finally, the bill makes technical changes to veterinary dispensing and prescription provisions in order to make the language consistent with Minnesota Board of Pharmacy and U.S. Food and Drug Administration provisions. The bill was approved and re-referred to the Finance Committee.

### Dog ownership bill okayed

Members of the Agriculture and Veterans Budget and Policy Division, sitting as a free-standing policy committee, met Thurs., Mar. 6, to consider six bills on an array of topics, including dangerous dogs and the former Veterans Homes Board.

S.F. 2876, carried by Sen. Ellen Anderson (DFL-St. Paul), enhances regulation of dangerous dogs. The bill requires dogs deemed dangerous to be sterilized, provides for hearings for owners of dangerous dogs that are seized by animal control authorities, and prohibits persons with a history of certain animal-related offenses from owning dogs. This bill is about owners, Anderson said, not specific breeds of dogs. She said she does not support banning breeds to address the problem of children being attacked by dogs. We need to take our obligation to protect the public seriously, she said, while acknowledging the rights of dog owners.

Bill Forbes, Minnesota Animal Control Association, said that most bites are to children and that most victims already knew or knew of the dog. These are usually not stray dogs, but might be the dog down the street, he said. The current penalties for dangerous owners are not properly aligned, Forbes said. Under current law, the dog gets put to sleep and the owner has no further consequences, he said. We need to turn the law around and get at the real problem, which is the

owner, not the dog, Forbes said. He said there is no hard data, but most information indicates that problem owners have a history of run-ins with the law.

Al Kasinskas, a member of the Minnesota Responsible Animal Owners Alliance, spoke against the bill. He said the proposal takes responsibility away from local units of government and places culpability on individuals. There is an absence of sufficient recordkeeping on dog bites, Kasinskas said.

S.F. 2876 was approved and re-referred to the State and Local Government Operations and Oversight Committee.

Two bills relating to the transfer of authority for the state's veterans homes from the Veterans Homes Board to the Department of Veterans Affairs were approved. S.F. 3281 establishes a Veterans Health Care Advisory Council. Christine Kiel, Dept. of Veterans Affairs, said the new council would serve in a similar capacity to the board, but would be advisory

rather than governing. S.F. 3282 statutorily ratifies the abolishment of the Veterans Homes Board and the transfer of its duties to the department. The transfer was accomplished in Nov. 2007 by a governor's executive order. The bill also establishes a new deputy commissioner in the Dept. of Veterans Affairs to oversee veteran health care. The bills, both sponsored by Sen. Sharon Erickson Ropes (DFL-Winona), were advanced to the State and Local Government Operations and Oversight Committee.

S.F. 3003, authored by Sen. Claire Robling (R-Jordan), requires wholesalers of lawn fertilizer containing phosphorus to provide retail establishments with signs stating the legal limitations on the fertilizer's use. The bill was re-referred to the Business, Industry and Jobs Committee. Chair Jim Vickerman (DFL-Tracy) sponsored two bills. S.F. 3050 extends the life of the Minnesota Agriculture Education Leadership Council to 2013. The council

was to expire June 30, 2008. S.F. 3262 adds a member representing the forest products industry to the NextGen Energy Board, makes the board permanent, and provides that any unencumbered balance from an FY 08 appropriation for the board is available in FY 09. Both bills were re-referred to the State and Local Government Operations and Oversight Committee.

## Business, Industry and Jobs

### Worker's comp changes progress

The Business, Industry and Jobs Committee, chaired by Sen. James Metzen (DFL-St. Paul), heard eight bills relating to the trades, a business development organization, independent contractor audits, safe cosmetics and worker's compensation, Mon., March 3.

Boiler operation licensing is modified under S.F. 3140, sponsored by Sen. Kathy Sheran (DFL-Mankato). The bill



Flanked by alternative fuel vehicles in front of the Capitol, Sen. John Marty (DFL-Roseville) addresses a gathering of proponents of cleaner cars, Mon., Mar. 3.

Photo by A.J. Olmscheid

# Committee update

authorizes issuance of a provisional license under specific circumstances to businesses that want to use employees who have a lower class license than is currently required by law. Other changes include allowing the commissioner of employment and economic development to establish educational equivalencies for boiler operation licenses and chief engineers, and increasing the horsepower limitations of licenses. Joel Amato, chief boiler inspector for the state, said the bill addresses a shortage of engineers in the state, and also encourages youth participation in the industry by allowing 16-year-olds to operate historical boilers or hobby steam engines. The bill was approved and re-referred to the State and Local Government Operations and Oversight Committee.

Sen. Linda Scheid (DFL-Brooklyn Park) and Sen. Gary Kubly (DFL-Granite Falls) presented bills modifying opportunities to apply for a restricted journeyman or restricted master plumber license, S.F. 2786 and S.F. 2663, respectively. The first, sponsored by Scheid, changes the application deadline to Oct. 1, 2008, and allows for applicants with at least two years of practical plumbing experience as a plumbing contractor. Kubly's bill extends the application deadline to Jan. 1, 2009. Kubly suggested that the panel move Scheid's bill, which matches language in the other body. S.F. 2786 was recommended to pass and sent to the floor.

S.F. 2969, also sponsored by Scheid, modifies electrical, plumbing, water conditioning, boiler and high-pressure piping professional statutes. The bill is clean-up language to a 200 page code consolidation bill from the 2007 session, said Scheid.

S.F. 2468, sponsored by Sen. David Tomassoni (DFL-Chisholm), changes the name of Minnesota Technology, Inc. to Enterprise Minnesota, Inc. and makes changes to the organization's statutes. The bill eliminates the requirement that the president's salary may not exceed 95 percent of the governor's salary and eliminates obsolete language referencing the corporation as a state agency for accounting and budgeting requirements. The bill also revamps the organization's primary duties. The bill was recommended to pass and re-referred to the Finance Committee.

S.F. 2688, also sponsored by Tomassoni, directs the Dept. of Employment and Economic Development to conduct sufficient audits of trucking industry employers to determine if there is a pattern of im-

proper classification of owner-operators as independent contractors. The panel voted to delete language repealing the industry-specific criteria for independent contractor status under DEED. The repealer encourages standardization of the definition as suggested by the legislative auditor, said Tomassoni. However, John Hausladen, president of the Minnesota Trucking Association, said that repealing the language would broaden the definition and make an auditor's job more difficult. Hausladen said this is not an issue in the trucking industry today because the description of independent contractor for the industry is very good and even a model for other states. In addition, Hausladen argued the bill unduly targets the industry, and DEED already has audit authority.

Don Gerdesmeier of Teamsters Joint Council #32 supported the bill, emphasizing language that would direct focus onto employers who have already been found to have improperly misclassified employees in other jurisdictions. The bill was approved as amended and sent to the floor.

The Safe Cosmetics Act, S.F. 2999, requires cosmetics manufacturers to disclose the ingredient dibutyl phthalate on the product's label. In addition, dBt in any fragrance must be disclosed on the label, and the remainder of fragrance ingredients in the product must be listed on the manufacturer's website. Bill sponsor Sen. Ellen Anderson (DFL-St. Paul) said that research is revealing some chemicals in cosmetics may be linked to cancer or have reproductive toxicity. Dibutyl phthalate is considered an endocrine disruptor, said Anderson.

Nancy Lauden from Estee Lauder said that while she disagrees with many of Anderson's points, the industry wants the consumer to feel informed. Lauden also emphasized that the fragrance industry is extremely proprietary and manufacturers are contractually obligated to not reveal fragrance formulas. The bill was laid over for further discussion.

S.F. 3218, sponsored by Sen. Thomas Bakk (DFL-Cook), adopts recommendations of the Workers' Compensation Advisory Council. The meat of the bill, according to Bakk, raises the maximum weekly compensation for temporary total disability from \$750 to \$850, and increases the time an injured worker can receive total disability benefits from 104 weeks to 130 weeks. Another provision allows the Department of Labor to use a worker

identification number, rather than relying on Social Security numbers. The bill was approved and re-referred to the Committee on State and Local Government Operations and Oversight.

## SEED program approved

The Business, Industry and Jobs Committee, chaired by Sen. James Metzen (DFL-South St. Paul), heard bills related to economic development authorities, technology innovation grants, the governor's SEED program, a business investment tax credit, and a standard JOBZ subsidy agreement, Wed., Mar. 5.

Sen. Tom Saxhaug (DFL-Grand Rapids) presented S.F. 2806, which adopts the Human Resources Agency conflict of interest statutes for economic development agencies. Current EDA statute prohibits any financial interest by a member. The proposal requires that any potential conflict of interest be documented and reviewed by the commissioner. Ed Zabinski, president of the Grand Rapids EDA, said that loosening the language would help attract and retain volunteers from the business community who may otherwise face steep legal action. The bill was approved and re-referred to the Judiciary Committee.

S.F. 3107, sponsored by Sen. Dan Sparks (DFL-Austin), provides \$750,000 to the University of Minnesota base appropriation and directs the money to short-term innovative technology and economic development research and outreach grants. Tim Mulcahy, vice president of research at the U of M, said his office would solicit ideas from researchers and partners of the U of M and evaluate them for a grant on various criteria including their commercial potential. The bill was approved and re-referred to the Finance Committee.

The Strategic Entrepreneurial Economic Development (SEED) initiative, S.F. 3109, sponsored by Sparks, was also considered by the panel. DEED Commissioner Dan McElroy walked members through the proposal, which lays out 22 tactics designed to develop and grow entrepreneurs, provide new capital for rural businesses, and help rural Minnesota gain a competitive advantage. McElroy said that the governor has requested about \$20 million from the general fund and \$50 million in the bonding bill for the programs.

Many of the programs focus on communities with a declining population or above average unemployment, said McElroy. Some of the proposals include a rural enterprise microloan program to encourage non-profit investment, establishment of offices within DEED to maximize technology and entrepreneurship, numerous grant programs, and one-time appropriations for projects such as Marketing Rural Minnesota. The bill also funds development of a pooled bond program to benefit small communities.

The bill was approved and re-referred to the State and Local Government Operations and Oversight Committee.

Sen. Thomas Bakk (DFL-Cook) authored S.F. 3271, providing a tax credit to insurance companies that invest in small to medium sized Minnesota businesses. A similar program is in place in about ten other states, said Bakk. National insurance companies that pay Minnesota premium taxes could receive tax credits equal to 80 percent of the investment of designated capital after a specified number of years. Michael Korengold of Enhanced Capital Partners Inc. said that in other states benefits from job creation more than cover the cost of the delayed tax benefits. Bakk said that the proposal may not be doable this year if it pushes tax credits into the tails, but it is good to start the conversation. The bill was approved and re-referred to the Committee on Finance.

A proposal to establish a standard subsidy agreement for JOBZ program applicants was heard. S.F. 3115, sponsored by Sen. Julie Rosen (R-Fairmont), would replace language that guides local governments' consideration of executing an agreement. The standard agreement would be between the applicant, the business, and the department, and includes specific requirements for job creation, retention and capital investment, according to Rosen. The bill was approved and re-referred to the Taxes Committee.

## Commerce and Consumer Protection

### Health care reform bill gains

The Commerce and Consumer Protection Committee met Tues., Mar. 4, to hear several bills and begin work on the insurance portions of the health care reform bill.

Committee Chair Linda Scheid (DFL-Brooklyn Park) sponsored two measures. S.F. 2930, regulates debt management services. Scheid said the bill makes changes to the definition of accreditation and repeals an obsolete criminal provision. The definition of accreditation means certification as an accredited credit counseling provider by the Council on Accreditation, the Bureau Veritas Quality International N.A., or BSI Management Systems America, Inc., under the bill. Scheid said an exception is made for applicants licensed in Minnesota as a debt proleter immediately before Aug. 1, 2007.

Sen. James Metzen (DFL-South St. Paul) offered an amendment making changes to the law enacted last year. The amendment deletes a requirement for the debtor's signature for changes to the debt management services agreement requested by the debtor and for increases of less than \$10 requested by the creditor because of inaccurate information. In each case, an updated payment schedule or notification is required within seven days, under current law. The amendment was adopted. The bill was advanced to the Judiciary Committee.

Scheid also sponsored a bill, S.F. 3132, regulating medical debt information. Scheid said the bill is about protecting patients' medical debt information. The purpose of the bill is to protect a patient's financial and medical debt information to ensure the provision of health care services, products, or devices despite a patient's medical debt, Scheid said. "We don't want to see patients denied medical care because of medical debt," she said. The measure was also approved and advanced to the Judiciary Committee.

Sen. Dan Sparks (DFL-Austin) sponsored a bill, H.F. 1314, regulating the advertising and conducting of live musical performances or productions. Sparks said the bill makes a distinction between a recording group and a performing group. He said the bill is aimed at groups that perform under the name of a group that has had hit records or other success in the past. Jon "Bowser" Bauman, formerly of the group Sha Na Na and currently representing the Vocal Group Hall of Fame Truth in Music Committee, said the bill aims at protecting the names and reputations of successful groups by having at least one member of the performing group be a member of the successful group. Bauman said the bill protects artists

and audiences by ensuring that performers are who they say they are. He said the practice of groups appropriating another group's name is a sophisticated form of identity theft. The bill was approved and sent to the Senate floor.

The health care reform bill, S.F. 3099, was described by Chief Author Linda Berglin (DFL-Mpls.) and Sen. Julie Rosen (R-Fairmont). Berglin said the portion of the bill that brought the measure to the committee is the health insurance exchange and Section 125 plans. The bill is the product of work done by the governor's Transformation Task Force and the Health Care Access Commission, Berglin said. She said the insurance exchange provision allows employees, who do not have health care insurance through their employers, to purchase insurance with pre-tax dollars. In addition, she said the exchange also makes it easier for small employers to provide insurance.

Rosen said the insurance exchange functions as an insurance market clearing house. She said the exchange will help provide information, assistance and technical expertise to employers and individuals wishing to purchase health insurance. Rosen said Section 125 plans refer to the federal tax code section that allows the purchase of medical coverage with pre-tax dollars. She said the bill requires employers with 10 or more employees to offer a Section 125 plan. Employees will be able to save a great deal because they will be paying the premiums with pre-tax dollars.

Members devoted the balance of the meeting to hearing testimony on the bill and discussing amendments. Dominic Sposeto, Independent Insurance Agents, said the language dealing with the insurance exchange is much better than language considered last year. He said the employer mandate does cause concern because there a number of plans already available.

Steve Ehlen, Holland & Frank, said there are already programs available that make the insurance exchange unnecessary. There is no reason to set up the exchange, Ehlen said, because a number of companies can already provide the information and expertise needed to choose among plans. Darcy Hitesman, Hitesman & Associates PA, echoed Ehlen's concerns about the mandates contained in the bill.

Mike Hickey, National Federation of Independent Business, said there are a lot of good ideas in the bill, but there

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Senators Charles Wiger (DFL-Maplewood), left, and Dan Larson (DFL-Bloomington) closely examine a bill during the Tues., Mar. 4, floor session.

Photo by David J. Oakes

are some issues. He said the mandate for employers to offer Section 125 plans is very problematic. He said the NFIB is also concerned about the premium tax falling disproportionately on small employers.

Erin Sexton, Minnesota Chamber of Commerce, said the bill takes significant steps toward reforming the health care system, but there is concern about the Section 125 mandate, the additional assessment and the savings assessment.

Sen. Ray Vandever (R-Forest Lake) moved to delete the provisions of the bill relating to the health insurance exchange. Berglin said the establishment of the exchange serves two purposes, to allow individuals to purchase health insurance and to help individuals and employers obtain information about health insurance. Rosen said the exchange is an integral part of the reform package. The amendment failed.

Vandever moved to delete the health care savings reinvestment assessment in the bill. Berglin said that no assessment is generated unless there are significant savings. She said the provision is another critical piece of the entire package. The amendment failed. Vandever

also moved to delete provisions relating to public health and the hospital assessment that funds the public health programs. Berglin said that the public health portion of the bill was recommended by the Transformation Task Force and the Health Care Access Commission. The amendment failed. The bill was approved and re-referred to the Judiciary Committee on a 5-4 roll call vote.

## Consumer cell phone bill gains

A bill providing consumer protections for cell phone users was one of the highlights of the evening portion of the Commerce and Consumer Protection Committee's Tues., Mar. 4, hearing.

S.F. 833, sponsored by Sen. Mary Olson (DFL-Bemidji), sets forth definitions, requires disclosures, requires a listing of government taxes and fees and requires consumer authorization for third party billing. Olson said the bill was before the panel because of the third party billing provisions. Olson offered an amendment removing references to "third party," but still requiring authorization for charges for services such as Internet browsing or e-mail. The amendment was adopted.

Sen. Dan Skogen (DFL-Hewitt) offered an amendment simplifying the language relating to what must be supplied to the consumer at the time of sale. He said the carriers need more flexibility in providing information to the customer. Olson said the amendment is a step backward and removes a lot of the consumer protection in the bill. Skogen withdrew the amendment.

Michael Bennett, AT&T, said AT&T has asked consumers, through extensive focus groups, what they want at the time of sale. Consumers have told us they want a printed simple summary with estimates of the first bill and on-going bills. He said, "We compete with other carriers on who can be the most consumer friendly." In addition, Bennett said the complaint rate to the Attorney General's Office has gone down 40 percent. He urged members to oppose the bill.

Olson responded that problems such as unauthorized contract extensions are still taking place and that the number of complaints is significant.

Members approved the bill and re-referred the measure to the Judiciary Committee.

The committee also discussed a bill, S.F. 2747, creating a Minnesota school employee insurance pool. Chief Author Don Betzold (DFL-Fridley) said the Senate has passed the bill twice, once in 2005 and again in 2007.

Betzold said the bill was vetoed last year, but that the proposal before the committee contains changes to address the concerns of the governor. He said the measure now requires oversight by the commissioner of commerce and specifies that no self-insured plan may be offered for the first two years. The commissioner of commerce must approve a self-insured plan before it may be offered, Betzold said.

The bill sets up a statewide school employee insurance pool, not a plan, Betzold said. "I think with the state-wide purchasing power of school employees, health insurance plans will be more affordable," he said. He said the bill requires at least six plans to be included in the pool. The bill is not the solution to rising health care costs, but it is another tool, Betzold said.

Tom Dooher, president, Education Minnesota, spoke in support of the bill. Dooher said the health care crisis has effects on the ability to attract and retain teachers. Insurance costs have doubled in

the last few years, Dooher said. He said at least six districts do not offer health insurance and more are contemplating not offering insurance. Jennifer Schaubach, Minnesota AFL-CIO, said the bill is an important step in moving health care reform forward in the state.

John Gross, Dept. of Commerce, said, "We don't believe the bill will reduce costs statewide; it may help small districts and because of consolidation reduce some administrative costs." In addition, Gross said the bill removes local control from the school districts. For districts that have achieved low-cost, high-quality coverage, the bill does nothing to help.

Grace Schwab, Minnesota School Boards, said a mandatory pool does not lower costs, but it does eliminate competition and remove incentives for local districts. She said a mandatory pool does not address the real drivers in health care costs, including an aging workforce and new technology. Phil Griffin, representing the Minnesota Health Plans, also spoke in opposition to the bill.

The measure was approved and re-referred to the State and Local Government Operations and Oversight Committee.

In other action, the panel, chaired by Sen. Linda Scheid (DFL-Brooklyn Park), advanced three additional bills. S.F. 2979, authored by Sen. LeRoy Stumpf (DFL-Plummer), exempts auctioneers from the registration and reporting requirements applicable to professional fund-raisers when the auctioneers are conducting charitable auctions. The bill was approved and advanced to the Senate floor. S.F. 2716, carried by Olson, authorizes use of the principal, as well as the interest, in a town cemetery fund to care for and beautify the cemetery. The bill was approved and re-referred to the State and Local Government Operations and Oversight Committee. S.F. 2007, sponsored by Sen. Jim Carlson (DFL-Eagan), changes the percentage of damage, from 70 to 60 percent, of a car's actual cash value, before the damage must be disclosed to a buyer. The measure was approved and re-referred to the Judiciary Committee.

### **Insurer good faith bills heard**

Two measures relating to insurers' duty to deal with their insureds in good faith were heard by members of the Commerce and Consumer Protection Committee over the course of two meetings, Thurs., Mar. 6.

S.F. 3116, sponsored by Chair Linda Scheid (DFL-Brooklyn Park), provides for penalties and attorney fees for vexatious insurance claims practices. The bill defines vexatious practices as conduct that is deliberately arbitrary, capricious, frivolous, not supported by a law or a valid extension of law, and without any expectation by the insurer that the conduct is in good faith. The bill specifies that disagreements about the value or amount of proceeds owed, arson or fraud investigations, and reliance on counsel are not vexatious conduct.

Only about half the states have a statute regarding insurer's good faith, Scheid said. Other states with a good faith standard have adopted it judicially, she said. She noted that Wisconsin's standard is often held up for adoption in Minnesota, but that it is a judicial rule, not a statute. If we are going to have a statute governing insurer conduct, it should be carefully and tightly drawn, Scheid said. This bill is an attempt at compromise, she said, between those who believe we need a good faith law and those who believe consumers are sufficiently protected now. Bob Johnson, Insurance Federation of Minnesota, spoke in support of the bill, saying it was designed to carefully address the small minority of property or casualty claims that are not handled appropriately by the insurer. The bill was approved and re-referred to the Judiciary Committee.

S.F. 2822, carried by Sen. Tarryl Clark (DFL-St. Cloud), provides remedies if an insurer denies a claim without reasonable basis and with either knowledge of or reckless disregard for the lack of reasonable for the denial. In general, we have wonderful insurers who respond to claims, Clark said, but sometimes we have problems. This bill tries to make sure people can get what they pay for, she said. The bill is essentially limited to property and casualty coverage, said Wil Fluegel, Minnesota Association of Justice. It also limits the insured's liability to costs and damages and allows, but does not require, courts to award reasonable attorney fees, Fluegel said.

We do not need a bad faith law, because our current consumer protection laws are sufficient, said Marcus Marsh of the Association of Farm Mutual Insurance Companies. Marsh said the bill will drive premium rates up at a time when consumers are seeing many other costs rise. The other proposal is more tightly crafted and

structured, Johnson said. He said S.F. 2822 contains a number of ambiguous definitions that could extend the bill's reach beyond its intended, first-party scope. However, Scheid said that her conversations with Clark indicated a willingness to continue conversations about the best way to proceed. S.F. 2822 was advanced to the Judiciary Committee without recommendation.

In other action, committee members advanced two additional bills, both sponsored by Sen. John Marty (DFL-Roseville). S.F. 2265 prohibits nonrenewal of a homeowner's insurance based upon a denied or unpaid claim. S.F. 2917 provides for the regulation of lending and default practices regarding manufactured homes. Both bills were advanced to the full Senate.

### **Chemicals prohibited**

The Commerce and Consumer Protection Committee, chaired by Sen. Linda Scheid (DFL-Brooklyn Park), met Fri., Mar. 7, to consider two measures prohibiting chemicals used in plastics.

S.F. 1858, sponsored by Sen. Sandy Rummel (DFL-White Bear Lake), prohibits Bisphenol-A and Phthalates in products for young children. Rummel said the bill is aimed at protecting reproductive health and the health of children. She said the bill will protect children from dangerous hormonal disruptor chemicals used in toys and baby bottles. "Alternatives do exist and responsible manufacturers are beginning to use them," Rummel said. Gretchen Musicant, commissioner of health, city of Minneapolis, said many individuals already contain levels of a variety of chemicals that may have adverse health effects.

Julie Goodman, toxicologist, Gradient Corporation, said studies have shown polycarbonate plastics, which contain Bisphenol-A, are safe for use in baby bottles.

Scheid said that it seems best to err on the side of caution when it comes to the safety of very young children.

The bill was approved and advanced to the Business, Industry and Jobs Committee.

Members also considered a bill, S.F. 651, prohibiting the manufacture, processing or distribution of products containing more than one-tenth of one percent of commercial decabromodiphenyl ether. Sen. Ann Rest (DFL-New Hope), pre-

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sented the bill on behalf of Sen. Sandra Pappas (DFL-St. Paul), and said the chemical, commonly referred to as PBDE, is used as a flame retardant in the exterior casings of televisions, computers and monitors, in upholstered furniture, and in mattresses and mattress pads. Rest said the bill provides for a limited phase-out and focuses on home exposures to children. The bill also provides that a manufacturer or user may apply for a three-year exemption by filing a written request with the commissioner of the Pollution Control Agency. The measure authorizes an exemption upon a finding that there is no alternative that performs the same technical function, is commercially available, is economically practicable and provides net health and environmental benefits.

The bill was approved and advanced to the Business, Industry and Jobs Committee.

In other action, members heard a bill providing for foreclosure deferments. S.F. 3396, sponsored by Sen. Ellen Anderson (DFL-St. Paul), provides that an eligible foreclosed borrower has the right to defer a foreclosure sale until the expiration of the deferment period. Anderson said the crisis in subprime loan foreclosure has far reaching effects on neighborhoods and local governments. Supporters stressed the need to allow individuals time to work toward payment arrangements that would prevent foreclosures. "The dragnet is too wide, under the bill, because it catches all foreclosures," said Kevin Dunlevy, Minnesota State Bar Association. Dunlevy said the bill also raises some constitutional questions. Members laid the bill over for further discussion.

## E-12 Education Budget Division

### District fund transfers heard

The E-12 Education Budget Division heard fund transfer proposals and a few clean up bills, Tues., Mar. 4. The division, chaired by Sen. LeRoy Stumpf (DFL-Plummer) laid the eight bills over for possible inclusion in an omnibus education finance bill.

ISD #411, Balaton may transfer up to \$70,000 from its operating capital account to its undesignated general fund under S.F. 2514. The proposal, authored by Sen. Dennis Frederickson (R-New Ulm), would help cover one year of expenses

until a referendum became available, explained a representative of the school district.

Blasting from a nearby mining operation is to blame for a bowed wall in a school in ISD #706, Virginia, said bill sponsor Sen. David Tomassoni (DFL-Chisholm). S.F. 3249 transfers up to \$100,000 from a debt redemption fund to the district's general fund for repairs, without making a levy reduction.

Sen. Tony Lourey (DFL-Kerrick) sponsored S.F. 2868, transferring up to \$300,000 from the capital fund to the general operating fund of ISD #2580, East Central. The school is four years old and needs minimal maintenance and repairs, said Superintendent Jeff Peura. Instead, Peura explained, the money would become part of a plan to resolve the district's debt in the next two years.

ISD #671, Hills-Beaver Creek has upgraded its 1920's school building for disabled access and now wants to transfer the \$260,000 remainder of the disabled accessibility fund into the health and safety fund and the general fund according to Superintendent David Deragisch. In addition, S.F. 3344, sponsored by Sen. Jim Vickerman (DFL-Tracy), authorizes a \$100,000 transfer from the capital expense account to the district's general fund.

S.F. 2801, sponsored by Sen. Ann Lynch (DFL-Rochester), makes a technical correction. A fund balance penalty exception given to ISD #2899, Plainview-Elgin-Millville community education fund after a consolidation gave an aid adjustment but did not take into account the corresponding levy adjustment.

A school district that operates and maintains an ice arena may levy for 100 percent of operating costs under S.F. 2371, authored by Sen. Charles Wiger (DFL-Maplewood). The bill affects nine school districts in the state, said Wiger. In 2003, the limit was reduced to 90 percent as aid was reduced and shifted to levy obligation, explained Wiger. Since then, the percent has been restored for rental property and other facilities, but has yet to be restored to district-operated ice arenas.

Another disability access fund transfer is authorized by S.F. 2379. ISD #750, Rocori has completed all their access projects, leaving \$82,000 in the fund, according to bill sponsor Sen. Tarryl Clark (DFL-St. Cloud). The money would be transferred for three capital investment projects, said Superintendent Scott Staska.

S.F. 2678, sponsored by Stumpf, replaces about \$80,000 in lost sparsity aid to ISD #356, Lancaster with transitional aid. The sparsity aid was reduced when a neighboring school district shifted facilities, explained Stumpf, throwing the district's budget out of balance.

### Educator training grants heard

The E-12 Education Budget Division, chaired by Sen. LeRoy Stumpf (DFL-Plummer), heard grant proposals and state aid modification bills, Wed., Mar. 5. The bills were laid over for possible inclusion in the education finance omnibus bill.

S.F. 3244, sponsored by Sen. Dan Skogen (DFL-Hewitt), provides \$400,000 for a grant to the Principals' Leadership Institute, a staff development program for principals. Funding for the program expired last year, said Skogen.

S.F. 2669, sponsored by Sen. Sandy Rummel (DFL-White Bear Lake), increases state aid compensation for early childhood screenings. Tammy Dunrud, assistant coordinator of Forest Lake Area Schools, said that the program ran a deficit last year, drawing money from other programs. Sen. Tarryl Clark (DFL-St. Cloud) said that creating incentives for early screening should be a priority.

S.F. 3436, sponsored by Sen. John Doll (DFL-Burnsville), appropriates \$200,000 to the Minnesota Historical Society to provide content based professional development and curriculum development to teachers. The grant would continue to fund professional development workshops throughout the state, said the education outreach program director of the Historical Society.

S.F. 2964, sponsored by Sen. Patricia Torres Ray (DFL-Mpls.), increases rates for adult basic education aid. The bill limits grants to a single organization to 15 percent of the total supplemental services aid and adjusts the growth of state total adult basic education aid for fiscal years beyond 2008. The proposal is intended to help recruit skilled workers in the field, said Torres Ray. The bill also increases the dollar amount the state may pay toward GED test fees from \$20 to \$40.

S.F. 3312, also sponsored by Rummel, provides \$400,000 to the Minnesota Humanities Center in FY 2009 for professional development and curriculum supplements available to teachers in the humanities, such as language, history,

civics and literature. Stanley Romanstein, president of the Minnesota Humanities Center, said funding could develop podcasts available to the many young teachers throughout the state demanding web access to staff development resources.

## Education

### Achievement gap bill gains

The Education Committee met Mon., Mar. 3, to hear a variety of bills. One measure, S.F. 3151, provides a plan to reduce the educational achievement gap. Chief Author Patricia Torres Ray (DFL-Mpls.) said the bill is the product of work done during the interim on the achievement gap. Torres Ray said it became very clear that the achievement gap is a very complex issue. The goal of the bill is to eliminate differences in academic performance among groups of students defined by race, ethnicity and income, she said. We found a number of districts in Minnesota are already moving forward with plans to reduce the achievement gaps within their populations, she said. However, there has not been enough time to evaluate the results of those initiatives, Torres Ray said.

Torres Ray said the proposal has four important components. The first requires districts that have significant disparities to develop a plan to close or dramatically narrow the differences in a academic achievement among students. The second provides a framework for using best practices to implement the plan for closing the gap. The third part provides for the state to convene an advisory task force to look at different components of excellence in education. The final component provides for a practical state plan to eliminate the academic performance differences among groups of students.

Audrey Appelsies, Children, Youth and Family Consortium, University of Minnesota, said that for the sake of the state's economic future, it is incumbent that the state provide leadership, direction and support to reduce educational disparities. Meria Carstarphen, superintendent, St. Paul Schools, said it is critically important to reduce disparities and have more students graduate. Rogelio Munoz, executive director, Chicano Latino Affairs Council and the state councils of color, said that individual districts are making great strides, but there is no statewide plan in operation.

Michelle Weber, Minnesota Dept. of Education, said the department's concerns include allowing districts to have enough time to put together a plan and providing funding for the task force in the bill. Weber said, though, that the department is willing to continue working on the provisions of concern.

The measure was approved and advanced to the State and Local Government Operations and Oversight Committee.

A bill, S.F. 3250, providing for a world class schools vision statement was also before the committee. Chief Author Sandy Rummel (DFL-White Bear Lake) said the bill sets up a working group to monitor the progress of the state in meeting the world-class schools goals and to propose strategies, make recommendations and draft legislation. She said the bill arises from Minnesota's Promise, a collaborative call to action to transform the education system. Rummel said the bill provides a coherent plan from the Capitol to the classroom.

Rummel said the bill outlines ten strategies for improvement throughout the education system, including early childhood education, academic rigor, educator quality, family and community involvement, cultural inclusiveness, appropriate use of data and research, adequate funding, and special education. Testimony in support of the bill stressed the importance of improving education to meet the needs of a global economy.

The bill was approved and re-referred to the State and Local Government Operations and Oversight Committee.

Committee Chair Charles Wiger (DFL-Maplewood) authored a bill, S.F. 3001, incorporating the Department of Education's recommendations for combined technical and policy changes.

Commissioner Alice Seagren said the bill makes changes to financing provisions, charter school provisions, testing provisions, special programs provisions and life-long learning provisions. Tom Melcher, Dept. of Education, took members through a section by section explanation of the bill. Wiger said the bill would be laid over for further consideration.

In other action, the panel advanced several additional bills. S.F. 2653, authored by Sen. Don Betzold (DFL-Fridley), establishes a conflict of interest exception for contracts for which competitive bids are not required by law. Specifically, the exception applies to

employment contracts between a local school board and a class of school district employees such as teachers or custodians, where the spouse of a school board member is a member of the class of employees contracting with the school board. The bill was approved and advanced to the Senate floor.

Betzold also sponsored a bill, S.F. 2754, authorizing a school hiring authority to contract with a third party to conduct background checks. The bill also details requirements for the contracts between the school hiring authority and the third party. An amendment was adopted requiring that the third party entity abide by the Data Practices Act. The measure was approved and re-referred to the Judiciary Committee.

### Variety of bills gain

A number of proposals were before members of the Education Committee as they gathered, Wed., Mar. 5.

S.F. 3194, authored by Sen. Terri Bonoff (DFL-Minnetonka), provides for the adoption of statewide technology standards and guidelines for school districts to use in improving students' academic achievement. Under the bill, the standards must encompass instructional technology, technological tools, shared services, data practices, data management, and facilities infrastructure. Sen. Kevin Dahle (DFL-Northfield) sponsored a bill, S.F. 3029, creating a five-year pilot program allowing alternative learning centers and charter schools to identify systemic improvement measures to best serve eligible students. S.F. 2815, carried by Sen. Tom Saxhaug (DFL-Grand Rapids), modifies the required language for levy renewal referenda. The bill removes a reference to a property tax increase and requires the language to state that the question is on the renewal of an existing levy. All three measures were approved and re-referred to the State and Local Government Operations and Oversight Committee.

Committee Chair Charles Wiger (DFL-Maplewood) sponsored a bill, S.F. 2420, providing for assessments in the earth and space, life, and physical sciences in grades 10 through 12. Adding tests is not adding courses, said Lee Schmitt, a professor of education at Hamline University. High schools can teach these sciences in a number of courses, he said. Only by testing in the sciences will schools and teachers know how much success they are

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having in teaching the subjects, he said. The bill was advanced to the Finance Committee. S.F. 2940, authored by Sen. Jim Carlson (DFL-Eagan), permits school boards to opt, by resolution, whether to choose board nominees by primary. The bill also requires the Dept. of Education to report on its data collection procedures and recommend a streamlined, web-based reporting system. The measure was forwarded to the State and Local Government Operations and Oversight Committee.

Sen. Sandy Rummel (DFL-White Bear Lake) carried a bill, S.F. 2882, on the use of multiple performance measures to fairly and accurately report student achievement and school performance. Members began their consideration of the bill at a prior hearing, Wed., Feb. 27. Rummel offered, and members adopted, an amendment reflecting the results of discussions among interested parties, including the Dept. of Education and Edu-

cation Minnesota. The panel heard from a variety of educators and representative of education-related groups on the importance of measuring student and school achievement and the advantages and disadvantages of different measurement models. Commissioner Alice Seagen thanked Rummel for addressing several of the department's concerns, but said there was still more work to be done. Rummel said the discussions are making significant headway with several stakeholders involved. She moved to advance the bill to the Finance Committee. This is the policy committee and we need to resolve the policy issues here before we send this bill on, said Sen. David Hann (R-Eden Prairie). He moved to table the bill; the motion to table prevailed.

## MSHSL reviewed

Members of the Education Committee, chaired by Sen. Charles Wiger (DFL-

Maplewood), traveled to the Xcel Energy Center in St. Paul, Fri., Mar. 7, to hear an overview of the Minnesota State High School League. The league is a nonprofit, voluntary association of high schools that provides opportunities for athletics and fine arts competition for high school students. The league is governed by special statutory provisions in chapter 128C.

## Energy, Utilities, Technology and Communications

### Cap and trade system amended

The Committee on Energy, Utilities, Technology and Communications inspected two bills addressing greenhouse gas emissions, Tues., Mar. 4.

S.F. 3337, sponsored by Committee Chair Yvonne Prettner Solon (DFL-Duluth), creates a process for the state to develop policies for implementation of Minnesota Climate Change Advisory



Senators Thomas Bakk (DFL-Cook), left, and Richard Cohen (DFL-St. Paul) confer during floor debate in the Senate Chamber, Thurs., Mar. 6.

Photo by David J. Oakes

Group recommendations and the Next Generation Energy Act of 2007.

The bill outlines six principles for policy, including emphasis on conservation and efficiency, public education and government leading by example. In addition, the bill requires an annual report to the Legislature and to the public on the reductions, including a plan for attaining the reductions.

Brad Lehto of the AFL-CIO said AFL-CIO leadership has adopted even stronger standards in anticipation of state action and supports the approach being taken.

The bill was approved and sent to the floor.

S.F. 2818, sponsored by Sen. Ellen Anderson (DFL-St. Paul), establishes legislative interest in a potential cap and trade system. Anderson outlined proposed amendments drafted in response to the last hearing of the Green Solutions Act, offering guidelines for what a cap and trade system in Minnesota could look like. Anderson's amendments were adopted.

Addressing a major friction point of the bill's first committee review, the new language suggests auctioning of emission permits to the extent economically feasible, and would direct any revenue from auctions to benefit consumers, public good, and to help high-energy-consuming industries reduce their costs.

Sen. Julie Rosen (R-Fairmont) argued that the bill still assumes that auctions will be included, and any references to auctioning should be removed.

However, the appropriate parallel is to public ownership of airwaves, said Sen. Scott Dibble (DFL-Mpls.), and no one should use a public resource for free—or profit from its use—without paying back to benefit the public.

New language also directs the system to apply to as many industries as economically feasible, rather than specifying a list of industries that will be included. Anderson also deleted a legislative findings article, unnecessary definitions, establishment of a climate trust fund and language that she said was too rigid in directing the governor and implementation. The scope of studies being commissioned is also greatly expanded under the amended bill.

The bill is a reflection of the Legislature's intent, and is a way for the Legislature to participate in the Midwest Greenhouse Gas Accord being negotiated by regional governors, said Anderson.

Language proposes a team of six Legislators to be observers of the regional negotiations, in addition to a legislative report on negotiations to be provided by the Office of Energy Security. In addition, any system must be okayed by the Legislature before becoming law.

The bill was approved and re-referred to the State Government Operations and Oversight Committee.

### Conservation bills considered

The Energy, Utilities, Technology and Communications Committee, chaired by Sen. Yvonne Prettner Solon (DFL-Duluth), heard four bills related to energy conservation and one bill related to utility shut-offs, Thurs., Mar. 6.

S.F. 2775, sponsored by Sen. Leo Foley (DFL-Coon Rapids), requires notification of a customer's gas or electric utility shut-off to the corresponding water utility. The bill would prevent frozen pipes and damage in homes that may be abandoned or in foreclosure, said Robert Schreier, director of community development for Brooklyn Park. The bill was approved and re-referred to the Committee on Judiciary.

Sen. Julie Rosen (R-Fairmont) proposed a bill, S.F. 2949, providing for the issuance and appropriation of bond proceeds for a local renewable energy initiative and micro energy loan program. Mike Bull, assistant commissioner of renewable energy and advanced technology, said the bill works well with the direction of the Next Generation Energy Board. The bill was approved and re-referred to the Finance Committee.

S.F. 3311, also sponsored by Rosen, clarifies the terms of a propane prepurchase program, specifying that up to \$4 million of a year's federal low income home energy assistance appropriation may be held over for use in the next year to prepurchase propane. In addition, funds held over may also be used for other authorized low-income home energy assistance purposes. The bill was approved and sent to the Senate floor.

S.F. 3089, sponsored by Sen. Kevin Dahle (DFL-Northfield), reinstates a program including qualifying strategic tree planting as conservation improvement expenditures. Paul Morlock of Law's Nursery in Hastings called it a common sense, low tech proposal because of the energy benefits of planting trees, describing it as an investment that appreciates over time. A representative of the Dept.

of Commerce said that since the program was scrapped, the criteria have changed to emphasize energy savings, not just cost effectiveness, and the program would be welcome. The bill was approved and sent to the Senate floor.

S.F. 3093, sponsored by Sen. Scott Dibble (DFL-Mpls.), extends the terms of guaranteed energy savings contracts to 20 years and reduces the payments slightly. A representative of the Minneapolis Housing Authority said the bill would help save an additional \$10 million in costs for housing that shelters many low income and elderly residents. The bill was approved and re-referred to the Committee on State and Local Government Operations and Oversight

## Environment and Natural Resources

### Dove hunting ban heard

A ban on the hunting of mourning doves was one of three measures heard by members of the Environment and Natural Resources Committee, Mon., Mar. 3. The panel, chaired by Sen. Satveer Chaudhary (DFL-Fridley), laid the measure over for possible inclusion in an omnibus environmental policy bill.

S.F. 2329, sponsored by Sen. Scott Dibble (DFL-Mpls.), essentially repeals the 2004 authorization for mourning dove hunting. The bill strikes mourning doves from the statutory list of game birds and prohibits the taking of mourning doves. Mourning doves are small songbirds that are not hunted for the traditional reasons game birds are hunted, Dibble said. He said there is no wildlife management reason to hunt mourning doves. He noted that mourning doves are monogamous and often mate for life. If one member of the mating pair is killed, the other is unlikely to re-mate and continue breeding, Dibble said.

Representatives of several animal rights and environmental organizations spoke in favor of the bill. Mourning doves are small and yield only about two ounces of edible meat per bird, said Susan Brunnels, Midwest Avian Adoption and Rescue Services. She noted that mourning doves are erratic flyers, making them difficult to hit and kill. It is possible that aggressive mourning dove hunting could drive the species to extinction, she said. John Arthur, Minneapolis chapter of the

# Committee update

Audubon Society, said the organization once supported mourning dove hunting, but has now reversed its position. Hunting mourning doves seems to be approached as little more than target practice by some hunters, Arthur said. If hunters need something to shoot at, they have other options, he said, including clay pigeons and numerous other game birds. When mourning dove hunting was legalized, we were told there would be 50,000 hunters in three years, said Howard Goldman of the Humane Society. We have seen at most 15,000 hunters, he said, meaning "this is an experiment that has failed." Goldman noted that mourning dove hunting has broader environmental effects, including an increase in the discharge of toxic lead.

Chaudhary noted that many other game birds are also hunted with lead shot. Sen. Tom Saxhaug (DFL-Grand Rapids) countered the small-yield argument by noting that sunfish also yield only a couple ounces of meat, but the state permits anglers to take them.

Representatives of several outdoors and sport-hunting organizations spoke in opposition to the bill. Hunters and anglers are self-regulating groups, said Gary Leaf, Sportsmen for Change. The conservation groups in the private sector are very much in tune with the species they monitor, he said. Leaf noted that many game species were in dire straits until hunters took up their causes and encouraged responsible practices, reviving the species. It is insulting to compare mourning dove hunting to target practice, he said. The bulk of a hunter's time is spent looking at nothing, waiting for an animal or bird to appear, Leaf said. Hunting mourning doves is not easy, he said. As long as the science continues to support mourning dove hunting, he said, the hunt should be permitted. If the science indicates that hunting is harming the species, then hunters will come forward to protect the species, Leaf said.

Ed Boggess, deputy director of the Fish and Wildlife Division, said the DNR supports continuing the mourning dove hunt. The mourning dove is the most abundant game bird species in the United States, he said. The Minnesota hunting season is set under a federal framework and the mourning dove population is monitored annually, he said.

Members also considered a bill, S.F. 2451, prohibiting the use of construction

debris as cover material at landfills. Chief Author James Metzen (DFL-South St. Paul) said the debris can contribute to the creation of hydrogen sulfide gas, leading to serious environmental and health problems. However, Leo Raudys of the Pollution Control Agency said the use of construction debris is tightly controlled. It has been used at an industrial landfill in Buffalo for about 18 months, he said, and monthly inspections have indicated no problems. The bill was laid over for possible inclusion in the omnibus environmental policy bill.

S.F. 2800, authored by Sen. Ellen Anderson (DFL-St. Paul), requires store chains and individual stores of more than 5,000 square feet of retail or wholesale space to operate an in-store plastic bag recycling program. Anderson noted that Minnesotans use 2.6 billion plastic bags every year. Susan Hubbard, Eureka Recycling, discussed the environmental impact of plastic bags and the need for recycling. Plastic bags, like all plastics, do not biodegrade, she said, and will be with us for thousands of years to come. Jamie Pfuhl, Minnesota Grocers Association, noted that many retailers already offer recycling. She said the focus should shift away from a mandate and toward consumer education. At Anderson's request, members deleted rulemaking and penalty provisions before advancing the bill to the Commerce and Consumer Protection Committee.

Sen. Mary Olson (DFL-Bemidji) carried S.F. 2943, which provides for designating Star Lakes or Rivers. Under the bill, a lake association may apply for designation as a star lake or river if it develops and updates a comprehensive management plan, maintains a membership or participation of at least half the private shoreland owners, participates in the PCA citizen water quality monitoring program, and meets at least annually with DNR staff regarding the comprehensive management plan. The bill also creates a star lake board and permits the erection of star lake or river signs. The measure was advanced to the State and Local Government Operations and Oversight Committee. S.F. 3056, carried by Sen. Dennis Frederickson (R-New Ulm), requires proceeds from the sale of DNR administrative sites to be used to acquire facilities or renovate existing buildings for administrative use, or to acquire land for, design and construct DNR administrative buildings.

The bill was approved and re-referred to the Finance Committee.

Two additional bills were laid over for possible inclusion in an omnibus environmental policy bill. S.F. 2404, sponsored by Sen. Gary Kubly (DFL-Granite Falls), provides for the issuance of an annual state park permit at no charge to veterans with total and permanent service-connected disabilities. S.F. 3014, authored by Sen. Kathy Sheran (DFL-Mankato), modifies the restriction on firearms that can be carried in deer zones.

## Game and fish measures discussed

Bills relating to game and fish and the licensing of individual sewage treatment system professions occupied the members of the Environment and Natural Resources Committee at their Tues., Mar. 4, meeting.

Sen. Satveer Chaudhary (DFL-Fridley), committee chair, sponsored S.F. 3425. The bill makes a number of changes to provisions relating to game and fish. The measure modifies report requirements for the game and fish fund, changes the disposition of the pheasant habitat improvement account, modifies the wild turkey management account, changes hunting and fishing licensing and taking provisions and authorizes rulemaking. The measure was laid over because of time constraints.

Sen. Dan Sparks (DFL-Austin) sponsored a bill, S.F. 3386, modifying the licensing requirements for individual sewage treatment system professionals. The bill was laid over for possible inclusion in the panel's omnibus bill.

## Outdoor heritage council okayed

Among the bills considered by members of the Environment and Natural Resources Committee, Wed., Mar. 5, was a measure creating a council to oversee a portion of the sales tax proceeds from a proposed constitutional tax increase and dedication for natural and cultural resources. The bill, carried by Chair Satveer Chaudhary (DFL-Fridley), was approved.

S.F. 3488 creates an outdoor heritage fund to receive part of the dedicated tax revenue. The Lessard-Heritage Enhancement Council, under the bill, is to be composed of six Legislators and ten public members, including at least four women and one member of an ethnic minority. The bill requires the council to propose,

with the support of at least 11 of its members, a biennial budget plan for spending from the outdoor heritage fund. Chaudhary said the proposal adopts a structure similar to that of the Legislative-Citizen Commission on Minnesota Resources. People want clarity and transparency said former Sen. Bob Lessard. It is important to have a council like this so that sportspersons, and citizens in general, can see where the money is going, he said. Members adopted an amendment, offered by Sen. Tom Saxhaug (DFL-Grand Rapids), requiring entities appointing members of the council to consider geographic diversity when making their appointments. The bill was re-referred to the State and Local Government Operations and Oversight Committee.

Committee members heard four additional bills. S.F. 3425, sponsored by Chaudhary, is the omnibus game and fish policy bill, containing recommendations from the Dept. of Natural Resources. Among other things, the bill clarifies that any shelter left on the ice must be licensed, standardizes the minimum hunting age for moose, deer and elk hunting, permits archery hunters of non-deer big game to carry a firearm, and establishes a statewide limit of four walleye daily and in possession. The bill was advanced to the State and Local Government Operations and Oversight Committee.

Sen. David Senjem (R-Rochester) carried a bill, S.F. 3057, modifying restrictions on the practice of shining artificial lights to spot, locate or take wild animals. The bill completely prohibits shining when a person is carrying a firearm or bow. For unarmed persons, the bill prohibits shining on highways and in fields, woodlands or forests from one hour after sunset until sunrise; on fenced, agricultural land; and on residential property from a moving motor vehicle. The bill sets forth exceptions for taking raccoons, hunting fox or coyote, carrying out safety activities and engaging in outdoor recreation that does not involve spotting, locating or taking a wild animal. The measure was laid over for possible inclusion in an omnibus environmental policy bill.



*Senators Tom Saxhaug (DFL-Grand Rapids) and Gen Olson (R-Minnetrista) look over proposed legislation in the Senate Chamber, Thurs., Mar. 6.*

Photo by David J. Oakes

S.F. 2877, authored by Sen. Pat Pariseau (R-Farmington), modifies the restricted hours for raccoon hunting. Under current law, the restrictions apply from sunset to sunrise; the bill applies the restrictions from a half hour after sunset to a half hour before sunrise. The proposal was laid over for possible inclusion in the omnibus policy bill. S.F. 3246, sponsored by Sen. Dennis Frederickson (R-New Ulm), permits the DNR to issue administrative penalty orders to address violations of water program laws. Frederickson said administrative penalty orders are an additional enforcement mechanism for dealing with violators. The bill was forwarded to the Judiciary Committee.

### **Forestry bills gain**

Two bills dealing with forestry were heard at the Thurs., Mar. 6, meeting of the Environment and Natural Resources Subcommittee on Forestry. Chair Tom Saxhaug (DFL-Grand Rapids) sponsored both bills.

S.F. 2976 modifies requirements for alternative recording for state forest roads. Under the bill, the commissioner may

adopt a state forest road map after a public hearing is held. The map must show state forest roads at the time the map is adopted, be prepared at a scale compliant with county recorder standards, include section numbers and include a list of legal descriptions of all parcels crossed by state forest road prescriptive easements. The bill also spells out the procedure for making appeals.

S.F. 2651 creates a Minnesota forests for the future program, establishes a revolving account, provides for expedited exchanges of public land and modifies the sustainable forest incentive program.

Both measures were advanced to the full Environment and Natural Resources Committee.

## **Finance**

### **Bonding bill okayed**

A measure authorizing the sale of over \$1 billion in state bonds for capital improvement projects was approved by the Finance Committee, Mon., Mar. 3. The bulk of the package, \$965.17 million, is supported by debt service payments

# Committee update

from the general fund. S.F. 3295, carried by Sen. Keith Langseth (DFL-Glyndon), was advanced to the full Senate.

Committee Chair Richard Cohen (DFL-St. Paul) said one of the panel's focus areas was the general fund spending within the bill, which amounts to \$30.455 million. Langseth explained why several projects needed to be paid directly out of the general fund. For example, the bill includes \$3.9 million from the general fund for a diversion channel near Browns Valley, to avoid future flooding. Langseth said the project cannot be bonded for, because the diversion channel is on the South Dakota side of the border, even though it will benefit Minnesota. The bill also includes an additional \$5 million for debt service, because the Dept. of Finance projected a bonding package of only \$645 million, Langseth said.

Before advancing the bill, members adopted a number of amendments. Several of the amendments clarify various rider provisions. Cohen offered, and members adopted, an amendment providing future bonding authority for the Minnesota Housing Finance Agency to construct, acquire, preserve, and rehabilitate permanent supportive housing for families with children and individuals who experience long-term homelessness or are at risk of becoming long-term homeless. Sen. Sandra Pappas (DFL-St. Paul) offered an amendment providing \$3.5 million to pay debt service for the St. Paul RiverCentre. The amendment redirects funds from other St. Paul projects within the bill to maintain balance. Pappas said she was reluctant to reduce funding for other projects, but that the RiverCentre debt is the city's highest priority. Among the projects to be reduced in the amendment is a restoration effort at the State Capitol. The Capitol is one of the most beautiful buildings in the state from the outside but falling apart on the inside, said Sen. Don Betzold (DFL-Fridley). It is not a St. Paul project, the Capitol is a statewide asset, said Sen. Claire Robling (R-Jordan). She moved to amend the amendment, restoring funding for the Capitol and further reducing funding for the Asian Pacific Cultural Center. The amendment to the amendment prevailed on a divided voice vote. The amendment was adopted.

In other action, committee members heard a presentation on the latest economic forecast. Finance Commissioner Tom Hanson, State Economist

Tom Stinson and State Budget Director James Schowalter reviewed the forecast, which projects a shortfall of \$935 million in the current biennium and a shortfall of \$1.086 billion in FY 10-11. The full forecast document is available online at <http://www.finance.state.mn.us/ffeu/forecasts/2008feb/2008feb.pdf>.

## Health, Housing and Family Security

### County based purchasing debated

Bills dealing with county based purchasing for state health care programs were the focus of the afternoon portion of the Health, Housing and Family Security Committee meeting Mon., Mar. 3. The panel, chaired by Sen. John Marty (DFL-Roseville), heard four bills relating to county based purchasing and one bill incorporating the legislative auditor's recommendations for strengthening state agency administration of health care programs.

The first of the county based purchasing bills, S.F. 3181, modifies the dispute resolution process between a county and the commissioner of human services over county based purchasing of state health care programs such as General Medical Care, MinnesotaCare, the Medical Assistance prepayment program and other prepaid health care services. Under the bill, the three-person mediation panel is composed of a representative of the commissioner of human services, a representative of the president of the Association of Minnesota Counties and one representative selected jointly by the commissioner and the designee of the Association of Minnesota Counties. The measure, sponsored by Sen. Tony Lourey (DFL-Kerrick), also requires the commissioner to submit a report describing the activities undertaken by the commissioner to comply with the requirements of county based purchasing.

Sen. Ann Lynch (DFL-Rochester) carried a bill, S.F. 3031, requiring the commissioner of human services to assign eligible individuals to the county based purchasing health plan, if the individual resides in a county that has an approved plan. The bill also requires the commissioner to approve a county based purchasing health plan proposal submitted on behalf of Winona, Houston, Fillmore and Mower Counties for state health care programs, if the single-plan proposal does

not limit an enrollee's provider choice or access to services.

S.F. 3241, sponsored by Sen. Sharon Erickson Ropes (DFL-Winona), makes several changes to the implementation of prepaid health care programs and to the county based purchasing health plan option. The bill also makes changes to the dispute resolution process. Erickson Ropes said the bill also requires the commissioner to approve a county based purchasing health plan proposal for any Minnesota county or counties establishing a county based purchasing entity as a single-plan contract for all counties eligible under federal law. The bill also specifies that there be no more than two plans, including the county based purchasing plan for those counties not federally eligible for single-plan status. S.F. 3299, also sponsored by Erickson Ropes, exempts counties located in rural areas from the requirement for county based purchasing proposals to ensure a reasonable choice of providers.

Representatives of a number of counties spoke in support of the measures. Supporters said the locally based provision of health care ensures more transparency and effectiveness for consumers. Opponents, including representatives of health plans, argued that the sole-source provisions of the county based purchasing programs limit choice for consumers. Julie Brunner, Minnesota Council of Health Plans, said that the bills are not consistent with proposed health care reforms, nor do the bills provide consumers with optimal services.

Members took no action on the bills at the afternoon portion of the hearing.

### Advanced hygienist bill okayed

A proposal to create a new, mid-level dental practitioner was approved by members of the Health, Housing and Family Security Committee at an evening meeting, Mon., Mar. 3. The panel, chaired by Sen. John Marty (DFL-Roseville), advanced the bill to the Finance Committee.

S.F. 2895, authored by Sen. Ann Lynch (DFL-Rochester), establishes a new level of practice for an advanced dental hygiene practitioner (ADHP). Lynch said the bill is not for or about any group of practitioners or any curriculum at any institution. The bill is about expanding access to dental care, she said, recounting the story of a 12-year-old Maryland boy who died after bacteria from a dental abscess traveled to his brain. Lynch briefly

outlined the bill's provisions and noted that nothing in the bill mandates the use of an ADHP in any dental clinic.

Michael Scandrett, Minnesota Safety Net Coalition, said the lack of access to dental care is one of the biggest problems facing patients who use the state's safety net clinics. Patients may wait as long as eight months to see a dentist for a routine visit and two years for a complex procedure, he said. Scandrett noted that the number of dentists projected to retire in coming years greatly outstrips the projected supply of new dentists. Seven emergency rooms in the Twin Cities reported 10,000 visits relating to oral health, costing more than \$4.7 million, he said. Scandrett noted that many emergency

room visits could have been avoided with adequate preventive and routine care. The bill creates a practitioner who will provide only basic restorative services, supervised generally by a dentist, he said. Scandrett noted that ADHPs will be able to practice outside traditional clinic walls and that safety net clinics could employ three ADHPs for the cost of one dentist. Mid-level practitioners have been used in 20 countries for many years, including for over 30 years in Canada, he said. We do not know the depth and breadth of the access problem, said Maureen Johnson, a dental hygienist with the Salvation Army Good Samaritan Dental Clinic in Rochester. It is startling that we have faith-based organizations entering the field

of dental care, she said. The ADHP would be a cost-effective, well-used member of the team at a safety net clinic like mine, Johnson said.

Several practitioners raised concerns with the proposal. Dr. Bob Brandjord, an oral surgeon, said the bill represents a rush to judgment. We need more information and study before acting, he said. The state should evaluate all potential options, he said, and require a planned curriculum and a pilot program before authorizing a new practice. An outline or a list of competencies is not enough, he said. Dentists recognize the access problem and the needs of the uninsured and underinsured, said Dr. Scott Lingle, representing the American Dental Association. We are concerned about patient safety, he said, and every medical procedure could be called simple until something goes wrong. The worst case is for something to go wrong when the practitioner lacks the education to know it has gone wrong, he said. When a procedure becomes something more complex in a split second, Lingle said, practitioners need well-trained surgical skills to finish the job. When I was a dental hygienist, I disagreed with some of the treatment options recommended or ordered by the dentists I worked for, said Patricia Stone, a dental student. She said that when she went back to school, she did not understand why she needed to retake some science courses and take other advanced science courses. Once I started treating live patients in my third year, she said, I realized how critical that education was to patient safety.

The bill was approved, 9-3.

Committee members also considered a bill, S.F. 3122, creating a dental school scholarship program and expanding a loan forgiveness program to include dentists who agree to provide services through a nonprofit organization, community clinic, or federally qualified community health center for a period of at least three years. Carried by Sen. John Doll (DFL-Burnsville), the bill also provides for community dental health coordinators, who will promote oral health through organized and coordinated community-based promotion and prevention programs. Finally, the bill creates a unified oral health system to help improve the administrative efficiency and effectiveness of the state's existing public dental health programs. Members adopted an amendment, offered by Lynch, removing the unified oral health system



*Scott Taylor, Edina, shows members of the Health, Housing and Family Security Committee, Wed., Mar. 5, an example of a pool drain cover that may have prevented the serious injuries his daughter Abigail sustained in June 2007.*

Photo by David J. Oakes

# Committee update

provisions. S.F. 3122 was approved and forwarded to the Finance Committee.

In other action, committee members completed their work on several county-based purchasing proposals heard during an afternoon session. S.F. 3181, sponsored by Sen. Tony Lourey (DFL-Kerrick), was advanced to the State and Local Government Operations and Oversight Committee. S.F. 3031, authored by Lynch, was forwarded to the Finance Committee. Sen. Sharon Erickson-Ropes (DFL-Winona) carried two bills, S.F. 3241 and S.F. 3299; motions to advance each bill failed. Members also considered a fifth proposal, S.F. 3322. The bill, sponsored by Sen. Yvonne Prettner Solon (DFL-Duluth), adopts recommendations from a recent legislative auditor's report on the financial management of public health care programs. The bill was approved and re-referred to the Judiciary Committee.

## Pharmacy bill gains

The Health, Housing and Family Security Committee met Wed., Mar. 5, to consider bills relating to prescription drug sales, screening for STDs and public swimming pool requirements along with a number of other measures.

S.F. 2941, authored by Chair John Marty (DFL-Roseville), modifies the requirements for what constitutes a valid prescription by requiring that the prescription be based on a documented patient evaluation that includes an examination. Marty said the bill also describes what constitutes an examination and lists the drugs covered by the bill. Marty said the purpose of the bill is to get at the problem of obtaining a prescription and purchasing drugs through the Internet. Dan Pearson described the conditions that led to his son's death from drugs obtained through the Internet. Cody Wiborg, Minnesota Board of Pharmacy, spoke in support of the measure and explained the types of drugs listed in the bill. The bill was approved and advanced to the full Senate.

Marty also sponsored a bill, S.F. 2879, allowing a health practitioner to prescribe or dispense oral antibiotic drugs for the sexual partner or partners of a patient who has been diagnosed by the practitioner with a sexually transmitted chlamydia or gonorrhea infection. The bill also contains an appropriation for grants to local health agencies and nonprofit organizations to provide services for the detection and treatment of sexually transmitted infections.

Peter Carr, Dept. of Health, reviewed the upward trend of STDs in Minnesota over the last few years. Marty said the trends are all going in the wrong direction, but with the talk of health care reform this year, the bill's emphasis on prevention and treatment could aid in lowering costs later on. The measure was approved and re-referred to the Finance Committee.

Sen. Geoff Michel (R-Edina) sponsored a bill requiring public pools and spas to be equipped with anti-entrapment devices and systems. The bill also expands licensure requirements to pools that are currently unlicensed, requires inspections and requires existing pools to be retrofitted with drain covers that are in compliance with industry standards. Michel described the pool accident involving Abbey Taylor last summer. Michel said, "We need to beef-up safety standards for our public pools, especially kiddie pools." Scott Taylor, Abbey's father, spoke about the problem of pool safety and the incidence of accidents similar to Abbey's. He said the standards in the bill are not stringent enough because the industry set the standards, which would continue to allow the same type of drain cover. Michel said the industry has made some improvements, but has not moved as far as the Taylors would wish. In addition, the bill allows for a discussion about what we, as public policy makers, can do to improve standards and safety, Michel said. The bill was approved and advanced to the Finance Committee.

S.F. 2698, sponsored by Sen. Kathy Sheran (DFL-Mankato), provides for colorectal cancer screening for uninsured and underinsured persons. Sheran said the bill sets forth the eligibility requirements and provides for Medical Assistance for individuals who have colorectal cancer found through the screening. Sheran said it is the third most common form of cancer, but it is a preventable disease. Dr. David Perdue said up to 90 percent of colorectal cancer can be prevented through early detection and treatment. Cindy Hillger, former WCCO television anchor, spoke in support of the measure. She described her experience as a survivor of the disease. She emphasized the importance of screening and early detection in preventing colon cancer and the subsequent costs and hardships associated with cancer treatments. The bill was approved and re-referred to the Finance Committee.

## Licensing bills heard

The evening portion of the Wed., Mar. 5, meeting of the Health, Housing and Family Security Committee was devoted to a variety of topics.

Sen. Sandra Pappas (DFL-St. Paul) sponsored two bills. S.F. 3417 adds an exception to the complementary and alternative health care client bill of rights for in-patient hospital and hospice care. Pappas said complementary and alternative health care bill of rights are meant to cover outpatient care. Geoff Bartsh, representing Health Partners and Regions Hospital, said complementary and alternative health care in a hospital setting is covered under the hospital patient bill of rights. S.F. 2825 amends the patient bill of rights to include continuous doula support and information about evidence-based nonpharmacological pain relief. Members adopted an amendment clarifying a provision relating to informing patients about nonpharmacological pain relief. Both measures were approved and advanced to the Senate floor.

Two bills relating to physical therapists were also before the committee. S.F. 3394, sponsored by Sen. Kathy Saltzman (DFL-Woodbury), grants a waiver of the examination requirements to an applicant applying for licensure before July 1, 2008, who has been issued physical therapy licenses between 1980 and 1995 in at least three other states and one or more foreign countries. Saltzman said the bill arises from the experience of a constituent and that the Board of Physical Therapy suggested pursuing the bill as an exception, rather than pursuing a bill providing for reciprocity with other states. Several members said they were reluctant to make an exception for an individual. Sen. Yvonne Prettner Solon (DFL-Duluth) said that the standards are in place for a reason. Sen. Sharon Erickson Ropes (DFL-Winona) said that setting policy is appropriate, but there are always occasions that call for exceptions to be made. Sen. Linda Berglin (DFL-Mpls.) said that a review of policy might be in order, but the situation at hand deserved to be rectified. The bill was approved and sent to the Senate floor.

Prettner Solon sponsored a bill, S.F. 1018, changing provisions relating to physical therapy. Prettner Solon said the goal of the bill is to improve access to physical therapy. She said the bill extends the initial period of physical therapy treat-

ment without an order of referral from a licensed health care provider from 30 to 90 days; permits physical therapists to continue to treat patients with an order of referral from advanced practice nurses; specifies that the 90 day limitation does not apply to prevention, wellness and exercise; and requires physical therapists, who have been licensed for less than a year, to practice for one year with an experienced physical therapist or under a physician's order before treating a patient without a referral. The bill was approved and sent to the Senate floor.

A bill requiring information on the human papillomavirus (HPV) and meningococcal disease to be provided through schools was also heard. S.F. 3005, authored by Prettner Solon, also requires distribution of information on the vaccines for the two diseases. The measure requires the information to be distributed at the beginning of the sixth grade school year. Prettner Solon said there is nothing in the bill requiring students to receive vaccinations.

The bill supports providing education to parents so that children may remain healthy and safe, said Diane Peterson, associate director, Immunization Action Coalition. Brigid Riley, executive director, Minnesota Organization on Adolescent Pregnancy Prevention and Parenting, said the HPV vaccine provides the best protection before young people become sexually active. Linda Sandvig, representing School Nurses of Minnesota, said school nurses want parents to have a number of types of information, but there is a cost for school districts, which are already experiencing difficulty because of cutbacks. Prettner Solon said the costs would not be too burdensome for districts. The measure was approved and re-referred to the Education Committee.

Prettner Solon's final bill of the evening, S.F. 2968, establishes a regulation system for technicians performing body art procedures and for body art establishments. Prettner Solon said that the tattoo industry is one of the fastest growing in the nation. Tattooing is not a passing fad, but in Minnesota there is no regulation of tattoo technicians or tattoo establishments, she said. Ryan Wells, owner of a tattoo establishment, said he welcomed regulation by the Dept. of Health to maintain the integrity of the industry. He said the bill requires licensing of both operators and establishments. The bill was

approved and re-referred to the Finance Committee.

Sen. Tony Lourey (DFL-Kerrick) sponsored a bill, S.F. 3258, making changes to optometrist licensing provisions. Lourey said the bill does not change the scope of practice for optometrists, but consolidates the licensure process from three steps to one step, deletes obsolete language and makes other administrative changes. The bill was approved and advanced to the full Senate.

S.F. 1520, sponsored by Sen. Patricia Torres Ray (DFL-Mpls.), establishes registration for naturopathic doctors. The bill defines naturopathic physical medicine as including, but not limited to, the therapeutic use of the physical agents of air, water, heat, cold, sound, light and electromagnetic nonionizing radiation and the physical modalities of electrotherapy, diathermy, ultraviolet light, hydrotherapy massage, stretching, colon hydrotherapy, frequency specific microcurrent, electrical muscle stimulation, transcutaneous electrical nerve stimulation and therapeutic exercise. The bill outlines the scope of practice of naturopathic doctors and the requirements for registration.

Dr. Carolyn Torkelson, University of Minnesota, said she supported the registration of naturopathic doctors because many of the patients she treats have complex medical conditions and are seeking integrated treatments that involve both traditional medical treatment and naturopathic treatment. She said she wanted to be able to refer patients to qualified naturopathic doctors. Torres Ray said consumers are choosing to pursue integrated treatments and need to be able to make educated choices. She said naturopathic doctors are licensed in a number of other states.

Opponents said the bill does not improve consumer safety, but does exclude a number of well-respected practitioners of alternative health care. Sen. Linda Berglin (DFL-Mpls.) said the other practitioners could continue to practice, but they would not be listed in the registry.

Torres Ray said the language does not limit other practitioners, nor is the intent to limit other practitioners. She said it is important to move forward in order to protect consumers. The bill was approved and re-referred to the Judiciary Committee.

S.F. 2742, authored by Sen. Sharon Erickson Ropes (DFL-Rochester), requires

hospitals to develop staffing levels for direct care registered nurses. Erickson Ropes said she would not ask for a vote, but that various stakeholders would continue working on the bill. She said the bill is aimed at improving patient safety through the implementation of staffing plans that establish the maximum number of patients that may be assigned to a direct care registered nurse.

## Higher Education Budget and Policy Division

### Omnibus policy bill started

The Higher Education Budget and Policy Division, acting as a free-standing policy committee, heard five bills and began work on its omnibus policy bill, Tues., Mar. 4. The division is chaired by Sen. Sandra Pappas (DFL-St. Paul).

S.F. 3020 provides assistance to help pay the college loans of new public defenders carrying considerable student debt, said author Sen. Ron Latz (DFL-St. Louis Park). The bill provides up to \$4,500 a year for ten years to full-time and part-time employees. Recruitment in rural areas and retention in urban areas are big challenges to the public defender profession, said Kevin Kajer, of the Board of Public Defenders. Public defenders earn modest pay compared to prosecution and private practice, and the majority are part-time employees, which disqualifies them for a federal assistance program, explained Kajer. The federal program provides forgiveness at the end of a ten year commitment to full-time employees. The bill was approved and re-referred to the Judiciary Committee.

Sen. Paul Koering (R-Fort Ripley) sponsored S.F. 2327, which allows the spouse of a veteran to qualify as a resident if the veteran maintained residency while in service. Residency status is already granted to spouses of active military members, according to statute. While subsequent financial aid draws from a finite pot of money, according to division analysts, there is still a fiscal note of \$16,000. The bill was laid over for further consideration. Pappas said she was unclear whether the fiscal note would direct the bill to the finance, rather than the policy, omnibus bill.

The TEACH scholarship program, which helps child care providers earn a college degree in early childhood education or child development, is modified

# Committee update



Senators Paul Koering (R-Fort Ripley) and Linda Higgins (DFL-Mpls.) intently examine documents during the Thurs., Mar. 6, floor session.

Photo by David J. Oakes

to provide for administrative costs by S.F. 2846. The bill, sponsored by Pappas, allows five percent of state funding to be used to run the program.

The vehicle for the omnibus policy bill, S.F. 2942, also sponsored by Pappas, removes a surplus appropriation sunset provision related to a grant program. Pappas said it was experimental language that has worked well.

S.F. 3387 is the agency bill for the Office of Higher Education, carried by Sen. Claire Robling (R-Jordan). The four articles clarify language regarding the Minnesota Indian Scholarship Program, ACHIEVE scholarships, licensing and naming regulations for private institutions, and the Minnesota GI bill. The bill also authorizes the Minnesota Office of Higher Education and the Department of Education to share data for research

purposes. That article needs to be seen in the Judiciary Committee before consideration for the higher education omnibus bill, said Pappas. The ACHIEVE scholarship article was laid over for some further clarification, and the remaining articles were laid over for inclusion in the omnibus policy bill.

Finally, an amendment to the omnibus policy bill was okayed, preventing community and technical colleges with a flat resident tuition rate on Jan. 1, 2008 from establishing a nonresident tuition rate.

## **MnSCU policy on credit clarified**

The Higher Education Budget and Policy Division, chaired by Sen. Sandra Pappas (DFL-St. Paul), met Thurs., Mar. 6, as a free-standing policy committee, to consider two bills.

Sen. Charles Wiger (DFL-Maplewood) sponsored a bill, S.F. 2370, establishing a P-20 Education Partnership. He said the partnership is established to create a seamless system of education that maximizes achievements of all students, from early childhood through elementary, secondary and postsecondary education, while promoting the efficient use of financial and human resources. Wiger said the bill builds on work done by the P-16 Council and reflects the evolution of the group. Currently, Wiger said, the partnership is made up of representatives from educational organizations, higher education organizations, business groups and civic organizations. Under the bill, Legislators are added to the groups composing the partnership.

Susan Heegaard, Office of Higher Education, said the group has been

highly creative and quite structured even though the group is fairly informal. She cautioned, though, that adding members may lessen the creativity or politicize the partnership. Pappas said adding members could go either way, and that perhaps the bill adds too many Legislators. The bill was laid over for further consideration.

S.F. 3485, authored by Sen. Tarryl Clark (DFL-St. Cloud), provides an exception from the 60 semester credit requirement for an associated or applied science degree. Dave Johnson, mechanical design instructor, St. Cloud Technical College, said the AAS degree is designed to make students employable and the course content at technical colleges was sufficient for the degree. Members laid the bill over.

## Judiciary

### Data practices bills heard

The Judiciary Subcommittee on Data Practices, chaired by Sen. Mary Olson (DFL-Bemidji), met Tues., Mar. 4, to consider three measures relating to the classification of data.

Much of the hearing was devoted to discussion of a bill, S.F. 2345, making a number of changes to provisions governing civil investigative data and licensing data. Chief Author Don Betzold (DFL-Fridley) said the bill provides clarity in complex areas of the data practices law. The bill adds new definitions of civil investigative data and civil legal action and specifies that in order for data to be classified, the chief attorney for the government entity is responsible for making a reasonable determination that the data are civil investigative data. The general classification for civil investigative data is as protected nonpublic or confidential data, under the bill. However, the provisions allowing the data to be released are expanded to include situations where the release would aid the investigative process of the government entity or allow for the exercise of due process rights. The bill also makes an exception to provisions classifying inactive civil investigative data as public, to eliminate a reference to pending civil legal action.

In addition, the bill makes a change in the statute classifying licensing data to include data that are not on individuals. The measure specifies that inactive complaint data is changed to inactive civil investigative data and that the nature or

content of unsubstantiated complaints would be private when no disciplinary action or penalty is imposed and the data is not civil investigative data. Other provisions authorize the release of licensing data in cases where the government entity determines that access will aid the law enforcement or investigative process, allow for the exercise of due process rights, promote public health or safety or dispel widespread rumor or unrest.

Much of the testimony centered on provisions relating to removing the word “pending” from the definition of civil legal action and issues related to the licensing provisions. Members laid the bill over for further discussion.

Betzold also sponsored a bill, S.F. 2645, eliminating a requirement that marriage dissolution petitions include the Social Security numbers of the petitioner and respondent. The bill was approved and advanced to the full Judiciary Committee.

The subcommittee also heard a bill, S.F. 3235, carried by Olson, making a number of technical changes in data practices provisions. The measure eliminates the authorization for a fee for “compiling” copies, defines government agency as state agencies, statewide systems and political subdivisions and corrects a cross-reference in the law governing access to peace officer records. Members also adopted an amendment, offered by Betzold, providing for sharing non-identifiable data between the Dept. of Education and the Office of Higher Education for research purposes. The bill was advanced to the full Judiciary Committee.

### Uniform act modifications heard

The Judiciary Committee, chaired by Sen. Mee Moua (DFL-St. Paul), considered modifications to two uniform acts at its Thurs., Mar. 6, meeting.

Sen. Ron Latz (DFL-St. Louis Park) said S.F. 3070 updates provisions relating to custodial trust property. Latz said the bill allows the use of a debit or credit card to make payments from a custodial trust account. He said current law only allows funds to be withdrawn or checks to be drawn against an account. “Checks are going the way of the dinosaur, so the bill brings methods of accessing the accounts into this century,” Latz said. Robert A. McLeod, Probate and Trust Section, Minnesota State Bar Association, said the trustee still has fiduciary responsibility for

the account, under the bill. He said the bill does not make fraud any easier, but it doesn’t make it any more difficult; it simply recognizes modern realities. Members of the committee approved the bill and sent the measure to the Senate floor.

S.F. 2936, carried by Sen. Yvonne Prettner Solon (DFL-Duluth), modifies plat requirements. The bill provides that the shore or margin of wetlands, which do not form a boundary of or within the plat, must be shown as a dashed line. Prettner Solon said the current law requires plat monuments to be set at all angle and curve points on the outside boundary lines of the plat prior to recording. The bill requires plat monuments to be set at all other block, lot, outlot, park, survey line and witness corners within one year of recording the plat. The bill also spells out the requirements for the appearance of registered land surveys, Prettner Solon said. The bill was approved and advanced to the full Senate.

Sen. Mary Olson (DFL-Bemidji) sponsored a bill, S.F. 3067, providing for a waiver of the fee for business reinstatement for returning military veterans. Secretary of State Mark Ritchie said about 70 or 80 returning veterans get caught up in paperwork delays and the bill will ease the burden on veterans returning from a deployment. The bill was approved and advanced to the Finance Committee.

S.F. 3085, carried by Sen. Don Betzold (DFL-Fridley), makes a number of changes to the Uniform Probate Code. He said the first portion of the bill takes care of a situation in which a current spouse is omitted from a decedent’s most recent will executed before the marriage. The bill provides that the surviving spouse is allowed to receive an amount equal to the intestate share, whether there was no previous will or a will that left all of the estate to beneficiaries other than children, Betzold said. He said the measure also prioritizes beneficiaries to ensure the children of a decedent are paid first. The bill also specifies that in situations where the homestead passes to a trustee of a trust of which the spouse or the decedent’s descendants are the beneficiaries are included in provisions dealing with the descent of the homestead. The notice to creditors and limitations on the presentation of claims provisions are also modified, under the bill.

Sen. Linda Scheid (DFL-Brooklyn Park) offered an amendment modify-

# Committee update

ing language relating to the Uniform Anatomical Gift Act. Scheid said the amendment conforms with language in provisions relating to funeral directors. Betzold said the amendment adds clarification to the language. Moua said she was reluctant to adopt amendments that are also separate bills. Scheid withdrew the amendment.

The bill was approved and advanced to the Senate floor.

Scheid sponsored a bill, S.F. 1406, enacting the Uniform Prudent Management of Institutional Funds Act. Scheid said the bill replaces a uniform act approved in 1972. Generally, it provides guidance to charitable organizations for the management, investment and expenditures of endowment funds, Scheid said. She said it updates language and allows charitable organizations to use modern investment techniques. Harry Haynsworth, Briggs and Morgan, said the bill provides better guidelines and standards for the investment and spending of funds held by charitable organizations. Members adopted a technical amendment and sent the bill to the full Senate with a recommendation to pass.

## Employee background bills heard

Members of the Judiciary Committee, meeting in the morning of Fri., Mar. 7, considered two bills relating to employers' consideration of background information about potential employees.

S.F. 2597, authored by Sen. Kathy Saltzman (DFL-Woodbury), addresses school district hiring decisions. The bill originally provided for a system where a licensed teacher's record, maintained online by the Board of Teaching, would include a notation if the teacher has been disciplined for engaging in sexual misconduct with a student. Because of multiple concerns regarding the proposal, the bill was laid over at a previous meeting. Upon returning to consideration of the bill, members adopted an amendment, at Saltzman's request, requiring school districts to contact the Board of Teaching to learn whether a prospective teacher has been disciplined for engaging in sexual misconduct with a student. If the prospective teacher has been disciplined, the district will be given access to the public data regarding the misconduct, under the bill. The measure was advanced to the full Senate.

S.F. 3035, sponsored by Chair Mee Moua (DFL-St. Paul), prohibits the use of non-conviction arrest records by private employers and provides private employers with immunity from civil liability, in limited situations, for negligent hiring of individuals with conviction records. Under the bill, a private employer is immune if it follows the provisions applicable to public employers and reasonably determined that the conviction did not directly relate to the job or the individual showed evidence of rehabilitation and fitness to perform the job's duties.

This bill seeks to achieve a better balance in creating opportunities for people with arrest records to gain meaningful employment, said Tom Johnson, a former president of the Council on Crime and Justice. Sen. Mary Olson (DFL-Bemidji) said she had serious concerns about the bill, especially the provision of civil immunity for negligent hiring. However, Sen. Julianne Ortman (R-Chanhassen) said the immunity provisions were appropriate, but that she was concerned with penalizing employers for accessing and relying on non-conviction arrest records in making hiring decisions. This bill does a very good job at striking a delicate balance, said Sen. Linda Scheid (DFL-Brooklyn Park). The bill was advanced to the Business, Industry and Jobs Committee.

In other action, members also heard a bill, S.F. 2644, reducing or eliminating some criminal-justice-related fees enacted to raise revenue during recent budget shortfalls. Carried by Moua, the bill addresses the criminal offense surcharge, the DWI driver's license reinstatement fee, a number of court fees and the public defender co-pay.

Over the last decade, there has been a sentiment that users of the justice system should pay for it, Moua said. In the criminal context, the concept means that offenders should not only be punished, but also have to reimburse the state for their proceedings, she said. In the civil context, it means that low and moderate income Minnesotans are simply denied access to the judicial system. We have problems with inequity and noncompliance, Moua said. This bill asks us to take a real look at the policy implications of the dramatic increases we have imposed, she said. A judiciary that is too expensive is inaccessible, Moua said, which means justice is denied to average Minnesotans, Moua said.

Several Senators expressed concern about the costs of the measure. Moua acknowledged that a calculation of the fiscal impact of the bill, prepared by Senate staff, estimates it reduces state revenue by \$107.6 million in the current biennium. It is very hard to separate the policy from the fiscal concerns, Ortman said. As a policy committee, we need to consider whether these fees, which are not even dedicated to supporting judicial institutions, are appropriate from a policy standpoint, Moua said. If there is an objection to the cost of the proposal, it should come from and be addressed by the various finance panels, she said.

Representatives of public safety organizations spoke in support of the bill. Bill Gillespie, Minnesota Police and Peace Officers Association, noted that many communities have sought to impose lower administrative fines for traffic offenses because the statutory fines and surcharges are so onerous. Our members are observing an increase in unpaid fines because people cannot afford to pay their fines, said Jim Franklin, representing the Minnesota Sheriffs Association and the Minnesota Police Chiefs Association. An unpaid fine turns into a warrant, which becomes an arrest and incarceration, he said. That quickly spirals into lost work, lost income and even a shift to public assistance and other county services, Franklin said. High fees and surcharges have social costs that are larger than the revenue they might bring in, he said.

The measure was approved and referred to the Transportation Committee.

## Property Tax Division

### LGA changes considered

The Property Tax Division, chaired by Rod Skoe (DFL-Clearbrook), considered three bills, Thurs., Mar. 6, including a proposal for local government aid (LGA) changes.

S.F. 3159, sponsored by Sen. Lawrence Pogemiller (DFL-Mpls.), clarifies language that defines whether sugar beet silos are subject to property taxes. Traditionally, all tanks and bins are considered production equipment rather than property, said Bob Hill of the Minnesota Sugar Beet Co-op. However, an ambiguity in statute has recently been noticed, and three assessors in the state are now qualifying the shell of these silos as taxable property, said Hill. Assessing the value of

these shells is like assessing the value of an egg shell but not the contents, he said.

Bob Vanasek, representing the Renville County Board, said that the bill would cut into the county's tax revenue, and may increase litigation.

The committee laid over the bill for more consideration.

Skoe presented a bill making changes to local government aid, S.F. 3234. Mark Steffenson, mayor of Maple Grove, said the proposal would reduce LGA volatility, which adversely affects local budgets. The bill adjusts a floor for city revenue need, simplifies the small city aid base, changes the city job base for disparity aid to take into consideration the number of jobs versus the population, changes the city formula aid to include these bases and holds the aid steady for years after 2009, adjusting for inflation.

The committee and testifiers commented on the challenges facing towns and the local government aid program. Sen. Thomas Bakk (DFL-Cook) said the impact of seasonal recreation property still needs to be addressed.

Tom Goodwin, Apple Valley city council member, said that while Apple Valley is not requesting aid, first tier suburbs have needs equal to or greater than communities in Greater Minnesota.

Sen. Betsy Wergin (R-Princeton) sponsored S.F. 2082, which exempts cities in special taxing districts with townships from levy limits. A levy limit on a city that distributes revenue to an adjoining township is unfair, said Wergin. Skoe said that levy limits haven't been around for quite awhile, and that he didn't foresee them cropping up in the future. The bill was laid over for possible inclusion in an omnibus bill.

## State and Local Government Operations and Oversight

### Commission on legislative redistricting proposed

A redistricting proposal authored by Sen. Lawrence Pogemiller (DFL-St. Paul) was the focus of the State and Local Government Operations and Oversight Committee, chaired by Sen. Ann Rest (DFL-St. Paul), Mon., Mar. 3. The panel also reviewed S.F. 457, sponsored by Sen. Dan Larson (DFL-Bloomington), establishing single-member school board election districts in Bloomington.

The redistricting reform, S.F. 2211, establishes a commission to redistrict Legislative and Congressional districts after the next census. Under the bill, the Majority Leader of the Senate, the Minority Leader of the Senate, the Speaker of the House and the Minority Leader of the House each appoint one retired judge, and the four judges would then choose a fifth judge. The commission would then develop redistricting plans to be accepted or rejected by the Legislature. If three proposals are rejected by the Legislature, the Legislature could take over process, according to the bill.

Pogemiller explained the nine criteria defined to guide the process. Criteria are similar to previous redistricting efforts and encompass court and federally mandated requirements, in addition to a factor of political competitiveness.

The criteria to follow, in order of priority are: nesting, equal population counts, contiguity and compactness, series numbering, minority representation, preservation of political subdivisions, communities of interest, political competitiveness and treatment of incumbents.

Rest proposed an amendment that provides fail-safe actions in case of commission indecisiveness or lack of action. The amendment was supported by Pogemiller and adopted.

Carol Veldman Rudie of FairVote Minnesota testified that in order to create political competition, districts should be larger and have more than one elected official in each body. In addition, FairVote advocates ranked-choice voting, said Veldman Rudie.

The bill was recommended to pass and sent to the Rules and Administration Committee.

S.F. 457 divides the Bloomington School District into four election districts, from which one board member each must be elected, in addition to three at-large members. The districts would be equal in regard to population. A local approval clause allows the school district to initiate the change before 2010, after that a general election would be held to determine participation.

"This does not bring radical change," said Larson, who said the wards would encourage community participation, but limit the power of any one area.

Jim Sorum of the Bloomington School District said that the change

would better represent changing diversity in the city and make for better elections.

However, Mark Hibbs, a member of the school board, said there hasn't been enough community dialogue on the proposal, and School Board President Maureen Bartolotta said proposed districts would have uneven numbers of schools to represent.

The bill was approved and sent to the floor.

### Hockey designated state sport

The State and Local Government Operations and Oversight Committee met Wed., Mar. 5, to consider a variety of bills.

Sen. Gen Olson (R-Minnetrista) said the timing for her bill, S.F. 2313, was most fortuitous, because the State High School Hockey Tournament is starting. The measure designates ice hockey as the official state sport. Olson said the bill was brought to her by two young people she met when they toured the Capitol last spring.

Brendan Broviak, a sixth grader from Minnetonka East Middle School, said he and a friend, Hannah Erhesman, came up with the idea for having hockey be the official state sport. Broviak said Minnesota's 10,000 lakes freeze over to become 10,000 hockey rinks. Erhesman said Minnesota is considered the youth hockey capital of the country and that hockey develops character. Olson said Minnesota is a very sport oriented state and that gliding over the ice on thin silver blades has become an art form. The bill was recommended to pass and sent to the full Senate.

S.F. 2408, sponsored by Sen. Scott Dibble (DFL-Mpls.), allows the city of Minneapolis to adopt an ordinance to restrict or prohibit the use of an engine brake on motor vehicles on I-394 from the Penn Avenue interchange to the end of I-394 in downtown Minneapolis. Dibble said the use of engine brakes, commonly called "jake braking," creates unacceptable levels of noise. He said the engine brakes are not used for safety, but rather to save wear on trucks' brake systems. A representative from the Dept. of Transportation said that prohibitions against engine braking are not generally placed on freeways because freeways are considered truck routes. The measure was approved and re-referred to the Transportation Committee.

Sen. Charles Wiger (DFL-Maplewood) sponsored a bill, S.F. 2370, establishing a P-20 education partnership.

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Wiger said that a P-20 partnership brings together interested parties from early childhood education, K-12 education, secondary education, higher education, business, and other interested parties to create a seamless system of education that maximizes achievements of all students. Members adopted an amendment ensuring that the partnership in the bill meets the guidelines established by the committee. The measure was approved and re-referred to the Higher Education Committee.

Sen. Yvonne Prettner Solon (DFL-Duluth) sponsored two measures. S.F. 2706 provides for the development and application of building energy usage performance standards in state buildings. Committee Chair Ann Rest (DFL-New Hope) said the bill was before the committee because of a provision dealing with the Dept. of Administration. Prettner

Solon said the commissioner of administration was in support of the bill. S.F. 1918 creates the Ultra High-Speed Broadband Task Force to develop recommendations for the development of a comprehensive statewide plan designed to achieve a state ultra high-speed broadband goal that the task considers appropriate. Members adopted an amendment altering the composition of the task force. Both bills were advanced to the Senate floor.

S.F. 2767, authored by Sen. Kathy Sheran (DFL-Mankato), changes the requirements for requesting local impact notes. Sheran said under the bill, upon request of the chair or the ranking minority member of a legislative committee, the commissioner of finance must coordinate the development of a local impact note for proposed legislation. She said current law limits the ability to make requests to

the chairs of the legislative Tax Committees. Sheran said many types of bills have a fiscal impact on local units of government, not just tax legislation, and it is important for Legislators to understand the consequences of legislation on the local units of government. The measure was approved and re-referred to the Committee on Taxes.

S.F. 2811 expands the Permanent School Fund Advisory Committee and redefines the mission of the advisory committee. The bill, sponsored by Sen. Ann Lynch (DFL-Rochester), also provides for managing school trust fund lands and is aimed at improving the returns for school trust fund lands. Lynch said that advisory committee provisions were drafted to comply with the committee's guidelines. The measure was approved and advanced to the Environment and Natural Resources Committee.

S.F. 2988, authored by Sen. Rick Olseen (DFL-Harris), establishes qualifications for type III school buses. Olseen said the bill was before the committee because of a provision relating to rulemaking. The bill was approved and advanced to the Transportation Committee.

Sen. Kathy Saltzman (DFL-Woodbury) sponsored a bill, S.F. 2605, providing for staggered four-year terms for members of the Metropolitan Council. Saltzman said that until 1994, members did serve staggered terms. Members adopted an amendment providing that the terms of council members from odd-numbered districts serving on the effective date of the bill end on Jan. 5, 2009 and that the governor must make new appointments for four-year terms. The measure was approved and advanced to the full Senate.

Two bills authored by Sen. Gary Kubly (DFL-Granite Falls) were also before the committee. One measure, S.F. 2749, creating a wind energy conversion system aggregation program, was sent to the committee in error and was advanced to the Finance Committee without discussion. S.F. 2756 authorizes farmers to use anhydrous ammonia tanks with a capacity of up to 5,000 gallons. Kubly said using larger tanks means that the tanks need not be refilled as often and more acres can be covered in one day. The measure was before the panel because of a provision authorizing rulemaking. The bill was approved and sent to the full Senate.



*Eleven-year-old Hannah Erhesmann, a sixth grader at Minnetonka East Middle School, explains to members of the State and Local Government Operations and Oversight Committee, Wed., Mar. 5, why ice hockey should be designated the state sport.*

Photo by David J. Oakes

## State Government Budget Division

### Admin projects reviewed

Members of the State Government Budget Division met Mon., Mar. 3, to receive updates on a potpourri of activities at the Department of Administration. Commissioner Dana Badgerow and other agency staff provided brief overviews and fielded questions from division members, chaired by Sen. Don Betzold (DFL-Fridley).

The Drive to Excellence initiative focuses on looking at the state as an enterprise, not as a series of disconnected silos and processes, Badgerow said. She said the initiative has involved 13 projects so far, including adopting the Toyota Production System to increase process efficiency. Applying TPS principles to the Department of Health's process for issuing birth certificates, Badgerow said, reduced the process time from five days to less than one day.

We are preparing for the 2010 Census, Badgerow said, and want to be sure we count every single Minnesotan, wherever they may be. The agency is working with federal officials to ensure Minnesota gets as many census takers as possible, she said, and is trying to educate communities about the importance of getting an accurate count. She said some projections indicate the state could be within 1,000 residents of maintaining its Congressional representation or losing a seat.

She said the agency has put out a request for proposals and expects competitive bids to conduct the state's Targeted Group Disparities Study. The statistical study is essential to justify granting up to a six percent preference to targeted minority owned businesses, Badgerow said. If the state is unable to show a historical disparity in awarding contracts, it will be unable to sustain the preference, she said. Badgerow said the state is seeking to partner with local units of government, but that many local units want to examine very different data sets than the state.

Through sales of 51 surplus state properties, we have returned \$14.4 million to the general fund, Badgerow said. However, she said, the agency is unlikely to meet the mandate set in 2007, perhaps by as much as \$4.7 million. A significant pending sale, of the remaining piece of the former Anoka Regional Treatment Center, would bring the state much closer, she said. However, the real estate develop-

ment market is slow, limiting the state's possibilities, Badgerow said.

Other activities Badgerow discussed included the Small Agency Resource Team, which provides human resources and finance services to small state agencies and boards; strict constraints on the use of state purchasing cards; the state's central mail function; a statewide self advocacy network to focus on personal empowerment, leadership training, systems change, disability awareness, and public education; and the new Grants Management Office, which offers training in making grant awards, links grant awarding staff across state agencies, and engages in public outreach.

### Labor agreements okayed

The State Government Budget Division, chaired by Sen. Don Betzold (DFL-Fridley), heard three bills, including a ratification of numerous labor agreements, and discussed interagency agreements, Wed., Mar. 5. The bills were approved and re-referred to the Committee on Finance.

S.F. 1128, sponsored by Sen. Sharon Erickson Ropes (DFL-Winona), allows an employee to use personal sick leave benefits provided by an employer for absences due to an illness or injury to the employee's sibling, parent, grandparent, or stepparent, in addition to a child or spouse, which are currently covered by law. Jennifer O'Rourke of the League of Minnesota Cities said the bill may interfere with negotiated benefits on the local level and slow transitioning to paid time-off. Some division members said they were concerned about the fiscal impact to the private sector. Heidi Holste of the AARP spoke in favor of the bill, and the Consortium for Citizens with Disabilities emphasized the growing importance of caregivers in society.

S.F. 3088, sponsored by Sen. Rod Skoe (DFL-Clearbrook), appropriates \$1 million in grants for Minnesota Public Radio to aid with conversion to digital broadcast signals. The investment now would take advantage of matching federal funds, said Skoe. Jeff Nelson of MPR gave an overview of the conversion process.

S.F. 2620, sponsored by Sen. James Metzen (DFL-South St. Paul), ratifies labor agreements between the state and the American Federation of State, County, and Municipal Employees, Council 5; Minnesota Association of Professional Employees; American Federation of State, County, and Municipal Employees,

Council 5, Unit 8 and Council 5, Unit 225; State Residential Schools Education Association; Minnesota Government Engineers Council; and the Middle Management Association. In addition, the bill ratifies the State Board of Investment salary administration plan, the Commissioner of Employee Relations' plan for unrepresented employees, and the managerial plan approved by the Legislative Coordinating Commission Subcommittee on Employee Relations. There are tentative agreements on two other contracts, said Metzen.

The bill also removes a salary cap on the director of the Minnesota Zoo, but keeps language ensuring that any pay beyond 95 percent of the governor's salary must come from non-state sources. The zoo's director is the lowest paid director of the top fifteen or so zoos in the nation, said Metzen.

Robert Schroeder, deputy chief of staff for the governor and Paula Brown, director of operations, answered questions related to interagency agreements. They also explained a recent change requiring each agency to fund an additional ten percent of its commissioner's salary.

## Taxes

### Technical bill heard

The Committee on Taxes met Tues., Mar. 4, to discuss S.F. 2869, the Revenue Department's policy and technical bill. The bill, carried by Committee Chair Thomas Bakk (DFL-Cook), makes mostly technical changes to individual income and corporate franchise tax provisions, sales and use tax provisions, special tax and fee provisions, property tax and aid provisions and JOBZ provisions. The measure was laid over for possible inclusion in the committee's omnibus tax bill.

The committee also heard an overview of the Department of Revenue's 2008 Tax Expenditure Budget Report. The full report may be found at: [http://www.taxes.state.mn.us/legal\\_policy/other\\_supporting\\_content/2008\\_tax\\_expenditure.pdf](http://www.taxes.state.mn.us/legal_policy/other_supporting_content/2008_tax_expenditure.pdf)

### Omnibus tax bill approved

The session's first omnibus tax bill of the session was approved by members of the Taxes Committee, Wed., Mar. 5. The panel advanced the measure, H.F. 3201, to the full Senate.

The bill, carried by Chair Thomas Bakk (DFL-Cook), contains many provi-

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sions from last year's vetoed tax bill, with many items flagged by the governor in his veto message removed. Members adopted an amendment to the bill removing additional items the governor indicated were objectionable, such as an increase in the property tax class rates for utilities' personal property. Commissioner Ward Einess, Dept. of Revenue, said the governor has indicated his supplemental budget proposal will include an alternative method of assisting host communities that will lose revenue under a new revenue rule. The amendment also removes a number of proposed local sales taxes from the bill. Einess said the governor was suffering from tax fatigue and objected to the local sales taxes.

Sen. John Marty (DFL-Roseville) offered two amendments. The first amendment removes an extension of the petrofund fee exemption for Northwest Airlines. Sen. Rod Skoe (DFL-Clearbrook) noted the airline only gets the exemption if its headquarters remain in Minnesota, which is in doubt if the airline merges with another carrier. The amendment was defeated. The second amendment removes an increase in the amount of gas tax revenues attributed to ATVs. Increasing the ATV attribution diverts money from the highway user fund to an ATV trail fund, Marty said. He said only about 15 percent of ATV riding is on public trails, with about 15 percent on public roads and ditches and about 70 percent on private lands. The money should stay in the highway fund, he said, to help with our dire transportation needs. Other uses of gasoline, such as in lawnmowers and generators, do not divert funds from the highway fund, he said. Skoe noted that when additional resources were provided for snowmobile trails, snowmobilers used the trails they were provided and stopped riding in illicit locations. ATV riders will move to public trails once we have enough trails, he said, and we need more resources for trails. The amendment was defeated.

In other action, members considered three additional bills and laid them over for possible inclusion in a second omnibus tax bill. S.F. 3217, authored by Sen. Dan Sparks (DFL-Austin), permits the city of Austin to use tax increments from a specific TIF district to reimburse the city's Housing and Redevelopment Authority for PCA-mandated soil and debris disposition. S.F. 3009, sponsored by Sen.

Kathy Sheran (DFL-Mankato), extends Mankato's sales and use tax for an urban revitalization project in the city's downtown. S.F. 3176, carried by Sen. Ron Latz (DFL-St. Louis Park), removes a restriction on a TIF district in Hopkins. Under a 2003 special law, the city is not permitted to use increments for activities outside the TIF district other than to pay administrative expenses.

## Transportation Budget and Policy Division

### UPA bill gains

Members of the Transportation Budget and Policy Division, sitting as a free-standing policy committee, met Tues., Mar. 4, to consider five bills, including a measure authorizing state participation in a federal program designed to reduce traffic congestion.

S.F. 3058, carried by Sen. Ann Rest (DFL-New Hope), authorizes state participation for I-35W in the federal government's urban partnership agreement program. The bill provides for dynamic shoulder lanes, which are shoulder lanes on which vehicles may be permitted to operate during certain periods. The measure permits fees to be charged for single-occupant vehicles using dynamic shoulder lanes and high-occupancy vehicle lanes.

Sen. Scott Dibble (DFL-Mpls.) offered an amendment altering how revenue from the fees is allocated. Under the bill, after the first year of operation, the lesser of \$1 million or 75 percent of fee revenues are allocated to MnDOT for administrative and operating costs. The bill allocates an equal amount, not to exceed the remaining revenues, to the Met Council for transit improvements in the corridor. Any remaining amount is split evenly between MnDOT and the Met Council, under the bill. The amendment directs the entire remaining amount, after the MnDOT allocation, to the Met Council. The amendment was adopted. S.F. 3058 was approved and re-referred to the State and Local Government Operations and Oversight Committee.

S.F. 3071, also sponsored by Rest, requires all vehicles on state highways to display vehicle lights at all times. Rest said the bill would make Minnesota the first state to require running lights at all times. More and more vehicles are

equipped by manufacturers to have their lights on at all times, she said. This is not a burden, but an opportunity to increase safety, Rest said. Committee Chair Steve Murphy (DFL-Red Wing) noted that several studies have indicated increased safety from constant light operation and that many foreign countries have similar requirements. However, Sen. Rod Skoe (DFL-Clearbrook) observed that some vehicles only have automatic headlights, but not automatic taillights. Rest said she was sympathetic to the concern and would work to amend the bill to acknowledge variations in automatic lighting systems. Sen. John Doll (DFL-Burnsville) suggested requiring all new vehicles sold after a set date to have a full set of automatic lights. With Rest's agreement, the bill was laid over for further consideration.

Sen. Ron Latz (DFL-St. Louis Park) authored two bills. S.F. 3189 includes juveniles adjudicated for controlled substance offenses in the category of drivers who must pass an examination and pay a \$30 fee in order to have their licenses reinstated. Latz said juveniles were inadvertently omitted and the bill is meant to create consistency. The bill was approved and re-referred to the Finance Committee. S.F. 3257 prohibits the commissioner of public safety from suspending a person's driver's license for driving after a license suspension. Latz said some drivers get on a merry-go-round of suspensions, which clogs the courts. Travis Schwantes, a public defender, said licenses are most often suspended for failing to pay fines, not for serious offenses, like driving under the influence. The bill does not put public safety risks back on the road, he said, because serious offenses lead to license revocation or cancellation. The bill is aimed at drivers who initially could not afford to pay fines for minor traffic offenses, like driving with a broken taillight, he said. The bill was advanced to the Judiciary Committee.

S.F. 3137, authored by Sen. Don Betzold (DFL-Fridley), clarifies that the Met Council is responsible for operating and maintaining commuter rail lines and that MnDOT is responsible for planning, designing, constructing and equipping commuter rail lines. Betzold said the division makes sense, because the Met Council already operates the major transit systems in the Metro Area, including light rail and buses that will connect with the first commuter rail line, Northstar. The measure was advanced to the State and

Local Government Operations and Oversight Committee.

### Chief engineer position approved

The Transportation Budget and Policy Division, chaired by Sen. Steve Murphy (DFL-Red Wing) heard seven bills, Thurs., Mar. 6, including a bill extending disability parking time windows at parking meters, and a bill designating a chief engineer in the Department of Transportation. The panel was sitting in its role as a free-standing policy committee.

S.F. 3336, sponsored by Sen. Leo Foley (DFL-Coon Rapids), is an agency bill on behalf of the Minnesota State Patrol. Michelle Tuchner of the State Patrol explained that the bill prohibits new and used car dealerships and leasers from selling or leasing vehicles that do not meet statutory glazing material requirements. The bill requires that a prescription or statement of medical need must state the minimum required reduction of light transmittance, and exempts the rear and side windows of a police vehicle. The bill was approved and re-referred to the Commerce and Consumer Protection Committee.

S.F. 3407, sponsored by Sen. Don Betzold (DFL-Fridley), clarifies when driver's license databases are accessible to other agencies, and requires other agencies to consider that information private. Betzold said confusion arose when the data transitioned from public to private data. The bill was approved and re-referred to the Judiciary Committee.

S.F. 3316, sponsored by Sen. Kathy Sheran (DFL-Mankato), turns back trunk highways 295 and 333 to the city of St. Peter. The bill was approved and sent to the floor.

Sen. Kathy Saltzman (DFL-Woodbury) sponsored S.F. 2925, which requires a chief engineer position be an appointed deputy commissioner by Minnesota Department of Transportation. The appointee must be a licensed professional engineer. David Martini, of the Minnesota Society of Professional Engineers, said there is no chief engineer position in MnDOT, and those with engineering experience are distanced from leadership positions in the department. A committee

analyst said the position of Deputy Commissioner was also the chief engineer, with an engineering license, from 1989-2007.

Multifunctional leadership could come from many fields, and the bill would limit the pool of talent that the state could draw from, countered Leslie Vermilion of Scott County Public Works.

Sen. Amy Koch (R-Buffalo) offered an amendment, which members adopted, to allow the commissioner to appoint two deputy commissioners, one of which must be a licensed engineer. The committee approved the bill as amended and re-referred it to the State and Local Government Operations and Oversight Committee.

Sen. John Doll (DFL-Burnsville), sponsored S.F. 3372, making changes to the long-term disability parking permit program. Margot Imdieke Cross of the Minnesota State Council on Disability said that before 2003 there were no limits or costs for disabled permit holders to park at parking meters. The bill would extend the window of use to four hours at 90 minute, one hour and two hour meters, and provide a 50 percent discount on monthly contract parking fees in city lots and ramps for those who park in designated disability access spaces. The bill also provides for issuance of a special needs permit to an employee with severe disability for all-day on-street parking with appropriate access.

The bill was recommended to pass and re-referred to the State and Local Government Operations and Oversight Committee.

Sen. Ann Rest (DFL-New Hope) presented two bills to the committee. S.F. 3368 clarifies that employees of the Department of Public Safety are not liable for mistakes or negligence in disseminating driver or vehicle information. Rest said this might include clerical errors, and emphasized that the bill does not apply to any willful acts. The bill was approved and re-referred to the Judiciary Committee.

S.F. 3201 updates Minnesota's laws to comply with federal regulations in regard to commercial driver's licenses. The bill responds to deficiencies noted in an audit of the CDL program, Rest said. The bill was approved and re-referred to the Judiciary Committee.

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### MyBills system available

The MyBills personalized bill tracking system is now available. Users can add House and Senate bills to their lists by bill number, subject, or author, and view the legislative status of their bills, with items with significant current floor action highlighted. Users can modify their lists at any time. The MyBills system is available from the Legislative website at: <http://www.house.mn/leg/billslogin.asp>

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# Senate Briefly

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*Family members of victims of the I-35W bridge collapse observe the Thurs., Mar. 13, Senate Floor Session from the West Gallery as Senators discuss creating a compensation fund.*

*Photo by David J. Oakes*

March 14, 2008

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# Senate Highlights

## Five bills passed

Senators gathered Mon., Mar. 10, to grant final passage to five measures on the Calendar. Bills on the Calendar have been previously discussed by the full Senate, sitting as a Committee of the Whole, and granted preliminary passage.

H.F. 2590, carried by Sen. Paul Koering (R-Fort Ripley), allows members of the Emergency Medical Services Regulatory Board to serve two consecutive terms. H.F. 3055, sponsored by Sen. Richard Cohen (DFL-St. Paul), provides deficiency funding for state agencies and boards. S.F. 2667, authored by Sen. Linda Berglin (DFL-Mpls.), makes permanent a moratorium on radiation therapy facility construction. S.F. 2402, carried by Sen. Ann Rest (DFL-New Hope), modifies provisions governing the Board of Accountancy. Rest also carried a bill, S.F. 2500, providing for sharing of purse set-aside and breeder's fund revenue and allowing for simulcast racing at the new horse racing track in Columbus.

## Brief session held

Senators met briefly, Tues., Mar. 11, to facilitate the movement of bills between committees as the first deadline approaches.

## I-35W compensation fund gains

A bill providing an alternative compensation plan for victims of the I-35W bridge collapse was the centerpiece of the

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Thurs., Mar. 13, floor session. The bill, H.F. 2553, authored by Sen. Ron Latz (DFL-St. Louis Park), sets up a procedure to compensate victims of the collapse and appropriates about \$26.5 million for a victim's compensation fund. Latz said, "All of our hearts go out to those who fell with bridge, nothing we do with money will bring anyone's life back, nor heal anyone's injuries." He said the bill is making long-term public policy, without doubt, and will have lasting effects. Latz said the collapse had a great emotional impact, but the collapse has a standard legal context. I believe compensating the survivors and the families of the deceased is the right thing to do, Latz said. If we believe in a government of a rule of law, we need to apply a non-arbitrary and consistent system of civil justice, he said.

Latz said the bill is not the only source of compensation, but it is a moderate, balanced approach to dealing with a specific incident. He said the proposal is bipartisan and bicameral, with input from the governor. The bill lifts the current \$1 million per incident liability cap and makes the individual liability cap of \$400,000 retroactive to Aug. 1, 2007. Under the bill, the fund will be administered by a three person special panel, which will make individual determinations of liability levels and make settlement offers. The bill also provides that individuals who choose to accept the settlement must agree not to pursue lawsuits against the state, other municipalities or the University of Minnesota. If individuals do not accept the settlement offers, they may pursue lawsuits.

Members adopted an amendment clarifying the right of subrogation and third party reimbursements. Sen. Scott Dibble (DFL-Mpls.) offered an amendment lifting the individual liability cap and appropriating \$38.57 million for settlement offers. He said money is a poor, vulgar method of providing compensation, but it is what is used under the current system. Latz said the bill is a battle between hearts and minds, because we must be cognizant of the future. We would like to provide as much as possible, but it is inevitable that another occasion will arise and we will be faced with making equitable compensation, Latz said. He also spoke against language specifying the collapse was a catastrophe that was totally unforeseen and said the language could actually damage claims made by collapse victims.

Latz said there was not a legal rationale for lifting the liability limits. Sen. Mary Olson (DFL-Bemidji) said in the interest of fairness and consistency she had to oppose the amendment. Sen. Lawrence Pogemiller (DFL-Mpls.) moved to delete the language relating to the catastrophe being totally unforeseen. The amendment to the amendment was adopted.

Pogemiller said this is a difficult question, but the issue is, is it fair for someone who could take no defensive action to be ruined for the rest of their life? He said every time we get in our car, we presume that we must drive defensively, because we accept that there are certain risks. In this instance, there was no way people could do anything to avoid what happened to them, he said. The incident is absolutely unique and it is a challenge to try to craft language that will apply only to this incident, Pogemiller said. Olson responded that the amendment would set a new and different standard for liability. There are many people who are injured who don't share any degree of fault and if we set a new standard we may be opening the flood gates, she said.

The amendment failed on a 9-53 roll call vote.

Sen. David Hann (R-Eden Prairie) offered an amendment to delete a provision appropriating \$680,000 to Waite House. The appropriation is to provide services for the children, who were on the school bus when the bridge collapsed, sponsored by Waite House. He said the Waite House program does wonderful things, but the money it is requesting does not get at what we are trying to do in this bill—provide direct relief to victims. Sen. Linda Berglin (DFL-Mpls.) said many of the children on the Waite House bus have parents who are poor, who do not have insurance and who do not understand our legal system. Many of the children are having trouble in school or having post traumatic stress system, Berglin said. She said because the children were on the Waite House bus, the staff feels responsible and is struggling to help the children. "Sen. Latz has said it may take years for the cases to make their way through the legal system, but children do not have years," Berglin said. The amendment failed. Berglin offered an amendment, which was adopted, clarifying provisions relating to the Waite House appropriations.

The bill was approved on a 63-0 roll call vote.

Three additional bills gained preliminary passage on General Orders. S.F. 1918, carried by Sen. Yvonne Prettner Solon (DFL-Duluth), provides for an Ultra High-Speed Broadband Task Force. Prettner Solon said the task force would make recommendations on a state broadband goals and ways to reach the goal. She said better access to broadband Internet access is necessary to keep the state economically competitive. The bill also requires an evaluation of how broadband Internet can benefit education, health care institutions, community based institutions and government institutions. H.F. 1219, authored by Sen. Betsy Wergin (R-Princeton), removes a sunset date for weight exemptions for milk trucks. Wergin said without the exemption drivers are faced with either breaking federal law or breaking state law. She said federal law requires milk haulers to pick up all of the milk at once, which makes the trucks too heavy. Wergin said

the exemption is needed for a limited time on a limited number of roads.

S.F. 457, carried by Sen. Dan Larson (DFL-Bloomington), provides for the establishment of single-member school board election districts in ISD #271, Bloomington. Sen. Geoff Michel (R-Edina) spoke in opposition to the measure. Michel said the bill flies in the face of local controls and is not supported by the Bloomington School Board. Larson said there is general acknowledgement that there is a problem. He said the board is geographically challenged, because there are huge parts of the city that are not represented on the board. Michel said the bill is putting the Legislature in an uncomfortable position by having the Legislature act as the Bloomington School Board. Michel moved to send the bill to the Education Committee. Larson said the bill is an election issue, not an education issue. Sen. Linda Scheid (DFL-Brooklyn Park) spoke in opposition to the motion. Scheid said, "We all believe in local control, but we

also all believe in equal representation." The motion to refer the bill to the Education Committee failed on a 21-40 roll call vote. The bill was given preliminary passage on a 41-21 roll call vote.

In other action, Senators granted final passage to several bills on the Consent Calendar. S.F. 3161, sponsored by Sen. Kathy Sheran (DFL-Mankato), makes a change to the state highway system by removing Legislative Route 335. S.F. 3364, carried by Sen. Tony Lourey (DFL-Kerrick), changes the name of the Commission on Deaf and Hard-of-Hearing People to the Commission on Deaf, Deaf-Blind and Hard-of-Hearing Minnesotans and allows the commission to hold meetings electronically. S.F. 3323, authored by Sen. Linda Higgins (DFL-Mpls.), changes a provision relating to federally qualified health centers. S.F. 3286, sponsored by Sen. John Doll (DFL-Burnsville), changes the information required on the form for filing a complaint with a health plan company.



*Second Assistant Secretary of the Senate Colleen Pacheco reads off Senators' names at the start of the Tues., Mar. 11, floor session, becoming the first woman in Senate history to take the opening roll call.*

Photo by David J. Oakes

# Committee update

## Agriculture and Veterans Budget and Policy Division

### Veterans holidays considered

The Agriculture and Veterans Budget and Policy Division, chaired by Sen. Jim Vickerman (DFL-Tracy), reviewed nine bills, Tues., Mar. 11, including two designating specific war veterans days, and the omnibus appropriations bill. Vickerman was not present for the meeting, presided over by Sen. Rod Skoe (DFL-Clearbrook). The panel was sitting in its role as a free-standing policy committee.

S.F. 2632, sponsored by Sen. Dan Skogen (DFL-Hewitt), designates March 29 as Vietnam Veterans Day. The bill states that 1,072 of the names listed on the Vietnam Memorial Wall in Washington D.C. were from Minnesota, and many more Minnesotans are surviving veterans.

The bill was recommended to pass and sent to the floor.

The Minnesota Ambulance Association receives \$100,000 for implementation of a veterans paramedic apprenticeship program under S.F. 3264, sponsored by Vickerman. The program provides an educational bridge for military-trained medics to transition into civilian sector jobs, said Sen. Sharon Erickson Ropes (DFL-Winona). The bill was recommended to pass and re-referred to the Finance Committee.

A Korean War Veterans Day designation, July 27, was also approved and sent to the floor. S.F. 3443 sponsor Sen. Paul Koering (R-Fort Ripley) said that a medal honoring service in the Korean War was a meaningful and important gift for his veteran uncle, symbolizing how important these things are to the people that served. A veteran speaking on behalf of the bill said, "It's time."

Sen. Gary Kubly (DFL-Granite Falls) sponsored S.F. 2750 appropriating funds to provide World War II service medallions to veterans that did not receive them during a memorial ceremony last year. Jostens discontinued making them, said Kubly. The bill was approved and re-referred to the Finance Committee.

A memorial plaque honoring all veterans is authorized for placement in the court of honor on the Capitol grounds by S.F. 3006, sponsored by Sen. Patricia Torres Ray (DFL-St. Paul). The bill was initially intended to honor Mexican American vets. The plaque would be furnished by the AMVETS-Mexican American Post 5 of St. Paul. Michael Medina, adjutant of Post 5, said that Latino contributions in the military have been overlooked, particularly by Hollywood.

Paul Mandel of the Capitol Area Architectural and Planning Board said there wasn't enough space to honor every de-



Eight-year-old Brooklyn Sanderson, a third grader at Rockford Elementary Art Magnet School, gets a hug from her mom, Heidi, as she stands in front of her award-winning entry in the 2008 Aviation Art Contest during an awards ceremony in the Capitol

Photo by A.J. Olmscheid

mographic individually, and the amended bill was a good compromise. The bill was approved by the committee.

S.F. 3450, sponsored by Yvonne Prettner Solon (DFL-Duluth), modifies language to allow a portion of Jay Cook State Park to be turned into a state veterans cemetery. Prettner Solon explained it is 140 miles from the area to the nearest veteran's cemetery with available grave sites. She said 14,000 veterans are anticipated to die in the area in upcoming years, and roughly a quarter of those are expected to seek burial in the new site. The site would also serve northwestern Wisconsin, she said. The bill was approved and sent to the floor.

Erickson Ropes presented a second proposal, S.F. 3277, establishing a wound prevention and care formulary demonstration program to be implemented in state veterans homes. The bill requires comprehensive skin care including new diagnostic, prevention and treatment technologies developed by a Minnesota company, and uses a pay for performance system.

Robert Bittner of Advanced Healing Systems, which designed the program, and nurses that have used the program in their facilities, testified about the effectiveness of the program in healing advanced wounds, including burns and ulcers, and preventing amputations.

Committee members questioned whether other options are available. Sen. David Hann (R-Eden Prairie) said the bill is a pitch from one company that should be subjected to a competitive bid process.

Erickson Ropes said that she will continue to work on language.

The bill was approved and re-referred to the Finance Committee on a divided voice vote, 5-4.

Larry Shellito, adjutant general, gave an update on various Minnesota troops throughout the world. Terry Palmer, National Guard comptroller, presented the veterans affairs supplemental budget requests.

## **Biodiesel bill advanced**

The Agriculture and Veterans Budget and Policy Division, acting as a stand alone policy committee, met Thurs., Mar. 13, to consider bills ranging from biodiesel content requirements to safe food handler regulations.

Division Chair Jim Vickerman (DFL-Tracy) sponsored the biodiesel bill. The measure, S.F. 2724, modifies the defini-

tion of biodiesel, increases the minimum biodiesel requirement, creates a tiered biodiesel content goal and provides for adjustments of the biodiesel mandate. The bill also requires the commissioners of agriculture and commerce to consult with stakeholders who are experts in cold weather biodiesel and petroleum diesel issue to make recommendations regarding improvements in the production, blending, handling and distribution of biodiesel blends to ensure the performance of the fuels in cold weather. Members approved the bill and advanced the measure to the Committee on Finance.

Vickerman also sponsored a bill, S.F. 2983, authorizing administrative actions related to pesticide and fertilizer regulation. Under the bill, the commissioner may refuse to accept an application for a registration, permit or license of a person from another state if that person had a registration, permit or license denied or revoked or suspended by another state or if the person has been convicted of a violation or if the person has a history of violations or been subject to a final order imposing civil penalties. The measure was approved and advanced to the full Senate.

Sen. Tony Lourey (DFL-Kerrick) also authored two bills. S.F. 3326 changes payment provisions for agricultural chemical corrective action costs. The bill was approved and sent to the Senate floor. S.F. 3327 authorizes the waiver of food handler license fees under some circumstances, authorizes the waiver of the plan review fee, expedites the plan review process in an area that has been declared a disaster area, and modifies provisions relating to egg grades, weight classes and standards for qualities. The bill also specifies the temperature for egg transport and sale, provides for embargos and condemnations of animals and clarifies provisions relating to the employment of diseased persons. Members adopted an amendment containing the provisions of S.F. 3651. The bill, sponsored by Sen. Steve Dille (R-Dassel), increases the maximum allowable somatic cell count for raw goat milk to 1.5 million cells per milliliter. The bill was approved and re-referred to the Finance Committee.

Two bills relating to bovine tuberculosis, both authored by Sen. Rod Skoe (DFL-Clearbrook), were also considered. S.F. 3725 provides for the designation of zones and the control of cattle, bison and farmed cervidae within the zones. Members adopted an amendment specifying

that the zones cannot contain more than 201 herds. S.F. 3728 provides requirements for cattle herds in a specific bovine tuberculosis management zone within the ten-mile radius around the five presumptive tuberculosis-positive deer sampled in the 2006 hunter harvested surveillance effort. The bill also appropriates money to the Board of Animal Health for the buyout of cattle herds that must be euthanized within the management zone. Skoe said it is vital to reduce the interaction of cattle and deer and the bill is an attempt to provide assistance in that effort. Skoe offered an amendment providing for a study of the life cycle of bovine tuberculosis in pasture areas and allowing herds to be moved until the areas achieves tuberculosis-free status. The amendment was adopted. S.F. 3725 was added as an amendment to S.F. 3728. The bill was approved and re-referred to the Finance Committee.

Sen. John Marty (DFL-Roseville) sponsored a bill authorizing the Dept. of Health to review registrations and assess the public health risks of carcinogenic and endocrine-disrupting pesticides and high-potency nervous system toxins. S.F. 2055 reflects a growing awareness of the potential dangers of some pesticides, Marty said. He said the bill does not change the responsibilities of the Dept. of Agriculture, but authorizes the Dept. of Health to review the registrations also. Quinn Cheney, Dept. of Agriculture, said the bill is over reaching and duplicative. She said pesticides are very strictly regulated and the department tries to balance the dangers of pesticides with the public benefit. Marty said he would not pursue further action on the bill, but would continue discussions with interested parties.

Members also reviewed the governor's budget proposal in the agricultural area. Cheney said the measure cuts \$102,000 to reduce Dept. of Agriculture administrative services, but makes a \$472,000 appropriation to the Board of Animal Health in FY 2008 and a \$2.52 million appropriation in FY 2009 for bovine tuberculosis eradication efforts.

## **Business, Industry and Jobs**

### **Eco-business bills approved**

Two measures designed to align the state's economic development policy with its environmental initiatives were approved by members of the Business, In-

# Committee update

dustry and Jobs Committee at their Mon., Mar. 10, meeting.

These bills are part of a package intended to help make Minnesota a leader in the new green economy, said Sen. Ellen Anderson (DFL-St. Paul), by coordinating economic development initiatives with environmental policies, such as the renewable energy standard, the energy conservation requirement, the greenhouse gas emission reduction goals, the Clean Water Legacy Act, and the Biofuels 25 by 2025 initiative. Other elements of the package, contained in other bills, include tax benefits to attract green companies, she said.

S.F. 3539 requires the commissioner of employment and economic development to prioritize green economy projects seeking various state business development, redevelopment or investment grants. S.F. 3540 creates a Green Economy Transformation Task Force to advise and assist policymakers and to create a statewide action plan to address how to transform the state economic system to respond to and benefit from state environmental policies. Sponsored by Anderson, both bills were approved and re-referred to the Energy, Utilities, Technology and Communications Committee.

Anderson also carried a bill, S.F. 2818, providing for legislative involvement in the adoption and approval of a regional cap and trade program for greenhouse gas emission reductions. The governor has entered into an agreement with other governors, she said. "The train has left the station and is moving forward" on cap and trade, Anderson said. She said whether to adopt cap and trade is a settled question. Now it is time to debate how best to do this, and how to make sure it benefits our economy and our people, she said. The bill provides that any regional cap and trade agreement is not effective in Minnesota until it is enacted into law and requires a study of the economic, environmental and public health costs and benefits of a cap and trade program. At Anderson's request, members deleted a section of bill setting forth legislative intent and principles regarding emissions and a cap and trade program. Because members ran out of time, the bill was laid over for further consideration.

In other action, the panel, chaired by Sen. James Metzen (DFL-South St. Paul), approved a bill changing the method of determining whether a municipality must

administer and enforce the State Building Code. S.F. 3291, sponsored by Sen. Thomas Bakk (DFL-Cook), was forwarded to the State and Local Government Operations and Oversight Committee.

## Fire retardant ban okayed

The Committee on Business, Industry and Jobs, chaired by Sen. James Metzen (DFL-South St. Paul), faced a full agenda, Wed., Mar. 12. Nine bills were presented, including a proposal barring private employers from using non-conviction records in the hiring process.

S.F. 3158 directs Explore Minnesota Tourism to conduct a study of vacation rental lodging in Minnesota. Bill sponsor Dan Skogen (DFL-Hewitt) said that non-homestead vacation property owners that rent out their properties are ultimately competing with resort owners. The study seeks to find whether these property owners are charging similar rates and providing similar protections such as fire code and whether they should be subject to local lodging taxes, said Skogen. The bill was approved and sent to the floor.

Sen. Mee Moua (DFL-St. Paul) said her bill, S.F. 3035, promotes economic opportunities for individuals with criminal records to obtain jobs. The bill prohibits private employers from using non-conviction records in hiring or licenses, a standard that public employers already meet. The bill also establishes that employers may not be sued for negligent hiring of an individual with a criminal record if the conviction does not directly relate to the position, or if the applicant shows evidence of sufficient rehabilitation. Tom Boardman of 3M and the Council of Crime and Justice supports the legislation, saying it makes hiring easier for both the employee and the employer.

A representative of the Minnesota Chamber of Commerce opposed the bill, saying private employers can already be sued under the Human Rights Act for using this information. In addition, the chamber opposes language barring private employers from requesting or obtaining access to non-conviction information if an employee is arrested and can't come to work. A committee analyst said that the bill would not prohibit an employer from firing an employee that does not show up for work, regardless of why. The bill was recommended to pass.

S.F. 3003, sponsored by Sen. Claire Robling (R-Jordan), requires retail signage explaining a law banning fertilizer with phosphorus. A study put out after the ban of phosphorus fertilizers recommended ongoing public education, said Robling. Wholesalers of lawn fertilizer must provide the signs to each retail establishment offering its product for sale, under the bill. Phosphorus fertilizer is allowed for use of establishing a new lawn, treating soil that is phosphorus deficient, applied on a golf course by a trained person, or applied on farms growing sod for sale. The bill was approved and recommended to pass.

S.F. 3669 requires the commissioner of transportation to submit a report proposing a program to mitigate the impact of transportation construction projects on small businesses in the state. Metzen said the bill is timely in light of passage of the transportation bill that may spur more construction in the state. The bill is sponsored by Sen. Patricia Torres Ray (DFL- Mpls.).

The committee briefly reviewed two bills repealing sunsets, S.F. 3147 and S.F. 2830, sponsored by Metzen and Sen. Dan Sparks (DFL-Austin) respectively. Both bills were approved and sent to the Consent Calendar.

The first repeals a sunset on funding of a program providing access to news services for deaf, blind and hard of hearing individuals. The services are not paid for by the general fund, and the repeal would remove uncertainty in the population, said Metzen.

S.F. 2830 repeals a sunset for a voluntary payroll card account program that is now used as a model around the nation, according to Sparks. The sunset has been extended twice already said Sparks, and the program has not received a single complaint.

S.F. 3055 makes it a little easier to employ reservists, said sponsor Sen. Amy Koch (R-Buffalo). The bill provides for a no-interest small business loan if a key employee or owner is deployed and acceptance of veterans into the dislocated workers program within 36 months of return. The bill also exempts unemployment benefits paid from use in computing the future tax rate if a temp worker is laid off after a veteran's return home. The bill was approved and re-referred to the State and Local Government Operations and Oversight Committee.

S.F. 973, sponsored by Sen. David Tomassoni (DFL-Chisholm), anticipates a forthcoming study group recommendation that the state be required to approve international trade agreements. The bill requires approval of the Legislature before the state may be subject to an international agreement. In addition, the bill requires the Dept. of Administration to provide an annual report on international business relations and trade, including an analysis of the amount of public contract work being performed overseas. The bill was approved and re-referred to the Committee on Finance.

S.F. 3455, sponsored by Metzen, restricts scrap dealers from accepting kegs from anyone except a representative of the manufacturer or brewer. Scrap metal salvage can be very lucrative, said Metzen, and 400,000 kegs are lost or stolen a year at great cost to small producers. Sen. Jim Carlson (DFL-Eagan) said that some kegs are not refillable and could not be returned anyway, and an amendment was approved to exempt non-refillable kegs. The bill was approved and re-referred to the Committee on Finance.

S.F. 651 phases out manufacturing, processing or distribution of a brominated fire retardant chemical from external casings of home electronics, textiles, and bedding. The chemical, decabrominated diphenyl ethers (DECA), was determined to have health hazards in an MPCA review conducted in conjunction with a previous ban on two other fire retardants in the same family, called polybrominated diphenyl ethers. Those two chemicals have been banned in the European Union, according to bill sponsor Sen. Sandra Pappas (DFL-St. Paul). The study also determined that alternatives are available. The bill was amended to extend the phase out date until 2012.

Laura Ruiz of the Citizens for Fire Safety and Albemarle Corp., a DECA manufacturer, said the chemical was found safe in reviews by the European Union, and some of the key alternatives have not been proven to be safe. While studies have not proven that the chemical is harmful, the dangers of fire and the chemicals released in a fire are well known, she said. Pappas said that Ruiz's testimony last year caused confusion and prompted the MPCA's review of DECA studies. The bill was approved and sent to the floor.

## Commerce and Consumer Protection

### Foreclosure deferment bill okayed

A measure offering distressed homeowners a one-year reprieve from foreclosure was approved by members of the Commerce and Consumer Protection Committee, Mon., Mar. 10.

S.F. 3396 does not offer a permanent solution to the problem, said Sen. Ellen Anderson (DFL-St. Paul), chief author. It helps us get a handle on the wave of foreclosures, she said, and offers time for a possible federal solution to take hold and for bank outreach efforts to move forward. "This is an extraordinary approach," she said, for a foreclosure problem that is estimated to be second only to Great Depression-era problems.

The bill permits homeowners who obtained a mortgage from 2001 to 2007, if the mortgage is either subprime or a negative amortization loan, to obtain a one-year deferment of foreclosure. The bill requires deferring homeowners to live in the home during the deferral period and to make monthly payments toward the loan. The benefit to the lender is that the home is still occupied and still creating some income, Anderson said, while homeowners benefit from having more time to try to work out a resolution to their financial crisis.

Committee Chair Linda Scheid (DFL-Brooklyn Park) spoke in support of the measure, saying this is an extraordinary time. "We certainly have a crisis," Scheid said, with families and neighborhoods feeling the impact of widespread foreclosures. Anderson said she estimates the bill will help about 15,000 Minnesota homeowners avoid foreclosure in 2008.

Representatives of several banking groups expressed concerns about the bill. Banks are already helping people, said Steve Johnson of the Minnesota Bankers Association. Banks do not take foreclosure lightly, he said. Though this is billed as a temporary fix, he said, other temporary fixes have become permanent. Johnson also noted that the mortgage industry is not a completely local industry. Local lenders rely on national and global financial support, he said, and Minnesota could suffer from being viewed as too different by players in the secondary market.

The bill was advanced to the Judiciary Committee.

In other action, committee members approved a bill requiring Explore Minnesota Tourism to study vacation rental lodging in Minnesota. The measure, S.F. 3158, also requires the agency to report any recommendations needed to protect consumers, ensure tax compliance, promote safe rentals and promote tourism. Chief Author Dan Skogen (DFL-Hewitt) said the bill was motivated by concerns over private cabin owners renting out their lake homes on a sort of gray market. The bill was re-referred to the Business, Industry and Jobs Committee.

### Consumer complaint DB gains

The Committee on Commerce and Consumer Protection, chaired by Sen. Linda Scheid (DFL-Brooklyn Park), heard five bills Tues., Mar. 11, including proposals to create a consumer complaint database and to ensure private insurance provides the same mental health coverage as public programs.

S.F. 3082, sponsored by Sen. Rick Olseen (DFL-Harris), ensures that out of state vehicle titles branded with a salvage or prior salvage status carry that brand forward on a Minnesota title. Larry Ollila of the Dept. of Public Safety said that current law has a loophole allowing vehicles more than six years-old from another state to get a fresh title. The bill was approved and re-referred to the Transportation Committee.

The attorney general is directed by S.F. 3302 to create a consumer complaint database to provide information, including summary data regarding complaints involving purchases of consumer goods. Bill sponsor, Sen. Ron Latz (DFL-St. Louis Park), said he has had difficulty gathering information to pursue consumer related legislation, and a database would help with identifying legitimate problems that need to be addressed. The bill was amended to include both goods and services.

The Attorney General's Office expressed concerns, but he has not been, Latz said.

The bill was approved and sent to the Committee on the Judiciary.

S.F. 3214 ensures non-owner occupied properties are also covered under mortgage fraud chapters. Bill sponsor, Sen. Linda Higgins (DFL-Mpls.), said the properties were unwittingly left out of legislation passed last year. The bill was recommended to pass and sent to the floor.

Sen. John Marty (DFL-Roseville) sponsored a bill, S.F. 1362, mandating pri-

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*The Capitol Rotunda comes alive with musical entertainment and enthusiastic participants during “Rochester on Tour at the Capitol,” Wed., Mar. 12.*

Photo by A.J. Olmscheid

vate health insurance companies provide the same coverage for mental health services as is required by public health care programs such as MinnesotaCare. This would ensure programs such as assertive community treatment are available, said Sue Abderholden of National Alliance on Mental Health. Marty said that health insurance companies are finding that including mental health coverage is not as expensive as anticipated due to early intervention.

Geoff Bartsh of Health Partners said the greatest return on investment comes from treatment of mental health problems; however, the bill takes a benefit set targeted for the Medical Assistance population and applies it to the general population.

Mike Hickey of the National Federation of Independent Business told the committee to not advance the bill until the costs are known. He said that the bill's impact on premiums must be considered.

Sen. Mary Olson (DFL-Bemidji) said all treatment has a cost, but providing early care is a significant savings to the system. In addition, she said, there is no sense in carving out a disease that shouldn't be treated any differently.

Insurance representatives emphasized that they do provide mental health coverage and have every intention to continue to do so.

Marty responded that there is nothing inherently different between the populations, rather, those with mental illness in the commercial market where these programs aren't offered fall out of the commercial market and get picked up by the public programs.

Members of the committee noted an oversight that would bar private insurance from charging co-pays for these services, and Marty said it would not leave the next committee without being amended to address that. The bill was approved and re-referred to the Health, Housing and Family Security Committee.

S.F. 3467, sponsored by Scheid, updates miscellaneous commerce provisions to conform to federal regulations and makes technical changes. The bill also removes the requirement that an individual in a long term care partnership program must exhaust long term care policy benefits before qualifying for asset protection.

The committee accepted a series of amendments. The amendments put motor vehicle service contracts under the purview of the Dept. of Commerce, allow for insuring of churches in a city of the second class with the approval of the commissioner, make technical changes to operations of commercial self insurance groups, and allow private employers who left the state before 1998 to buy out their outstanding liabilities in the self insurers' security fund.

The bill was approved and sent to the floor.

## Payday loan regulation considered

The Committee on Commerce and Consumer Protection, chaired by Sen. Linda Scheid (DFL-Brooklyn Park), examined the payday lending industry and two bills to modify and regulate industry, Tues., Mar. 11.

S.F. 2838 caps interest rates at 36 percent on "payday" loans, short term loans that often charge extremely high fees and rates. Bill sponsor, Sen. Linda Higgins (DFL-Mpls.), called the loans short-term fixes that become long-term problems for repeat borrowers.

A 36 percent cap for military members was passed on the federal level as requested by the Dept. of Defense, said Higgins.

Sen. Sandra Pappas (DFL-St. Paul) presented S.F. 3197, putting the loans under the consumer small loans statute. A loophole in the law allows businesses to evade the loan and cap fees, said Pappas. The bill also prevents borrowers from falling into a cycle of debt by providing a payment plan option, Pappas said.

Erin Anderson of Minnesota ACORN said the loans prey on minorities, women, military members and low income workers. Thirteen states ban or cap lenders, she said.

Anderson said that in North Carolina, the industry was shut down. Anderson said the state found that borrowers used better alternatives to their cash flow problems, such as borrowing from friends or relatives at much more reasonable rates, or beginning to talk with their lenders.

Ron Elwood of Legal Aid said since 1999, there have been one million payday loans made in Minnesota, and the rates have exploded. Seven out of ten loans are not following the statute dictating small loans, he said. Sixty percent of borrowers take 12 or more loans a year, and 90 percent take five or more loans a year, according to studies by the Center for Responsible Living.

Brad Rixmann of Payday America said Minnesota has the lowest fees in the country, and the business would shut down under proposed legislation. Three customers of Payday America testified against the bills, saying that the service is crucial to making ends meet and bridging financial gaps during crises.

Stewart Tapper of UnLoan said that his company would not give a loan for an entire paycheck to make sure that the loan is manageable to the customer.

Pat Cerillo, president of Cypress Research Group, said Minnesota has a very low usage rate compared to other states and already has very restrictive interest rates that may hover at the edge of operability. Cerillo said that while 36 percent interest rate may be a reasonable solution for repeat borrowers, some lenders have stopped serving members of the military under the federal law. Cerillo said the North Carolina study was a general population survey not restricted to borrowers, and the percent of respondents that said they were worse off without payday loans corresponds with the percent of the population that used the service. Cerillo said that she does support a repayment plan for vulnerable borrowers.

Elwood said the companies operated just fine before the loophole was discovered, some companies still operate under the statutes, and could continue to do so under Pappas' bill which would restore regulation.

Sen. James Metzen (DFL- South St. Paul) said the bill may end up hurting the people it's trying to help.

Sen. John Marty (DFL-Roseville) said that people aren't stupid, but they may be desperate, and the testifiers who had only borrowed a few times were the exception. Pappas' bill could crack down on the abuses, said Marty, since some businesses still operate under the regulations.

A motion to approve S.F. 3197 failed on a 3-3 divided voice vote. A motion to table the bill failed. A motion to advance the bill without recommendation failed. Both bills were finally laid on the table for further consideration.

## Liquor bills okayed

The Committee on Commerce and Consumer Protection began work on the omnibus liquor bill, Thurs., Mar. 13. The panel, chaired by Sen. Linda Scheid (DFL-Brooklyn Park), heard seven bills total, including proposed changes to motor vehicle insurance adjustments.

Sen. Rod Skoe (DFL-Clearbrook) presented S.F. 3061, modifying the Petrofund program. The bill transfers expense recovery authority from the Pollution Control Agency to the Petroleum Tank Release Compensation Board and requires the board to reimburse individuals for replacing PVC piping with metal piping at residential locations. The bill also exempts a heating oil vendor from responsibility for a spill if the spill was solely

caused by the failure of a tank or apparatus that is owned by the homeowner. Other technical changes are made. The bill was approved and sent to the floor.

S.F. 3672 is the vehicle for the omnibus liquor bill, sponsored by Sen. Dan Skogen (DFL-Hewitt). The bill removes statute contradicting a law passed in 2007 allowing the sale of strong beer on the fairgrounds, according to Joe Bagnoli, speaking on behalf of the State Fair. The bill was laid over for further additions.

Sen. David Tomassoni (DFL-Chisholm) presented three bills. S.F. 2924 allows the Cherry Corner Store in St. Louis County to receive a liquor license if the county board allows it. The store falls within 1,500 feet of a public school, which would make sale of alcohol illegal. However, the school and store are separated by forest terrain and farm, said Tomassoni. The bill was approved and incorporated into S.F. 3672.

S.F. 3484 allows farm wineries to make and sell cognac and brandy. The production of these products would be subtracted from the 50,000 gallon limit for wine production, according to the bill. The bill was approved and incorporated into S.F. 3672.

The committee took a reprieve from liquor to approve a name change for the Boxing Commission to the Combative Sports Commission. Last year mixed martial arts were incorporated into the jurisdiction of the boxing commission, and S.F. 3685 makes conforming changes. The bill expands the commission's duties, allows the commission to acquire grants, decreases the amount of insurance required by participants, and appropriates \$80,000 from the general fund for operations. The bill also lowers the fees to be more competitive with surrounding states, said Scott Ledoux, executive director. The bill was approved and re-referred to State and Local Government Operations and Oversight Committee.

Sen. Scott Dibble (DFL-Mpls.) presented S.F. 3280, allowing issuance of a liquor license to a property being redeveloped into a restaurant near Loring Park in Minneapolis. The city must have a special exception to issue the license because of the property's proximity to the Basilica of St. Mary and St. Mark's Episcopal Cathedral. The bill was approved and incorporated into S.F. 3672.

S.F. 3508, sponsored by Sen. Mary Olson (DFL-Bemidji), requires insurance

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companies to use a manual or system in its entirety to appraise a vehicle. The bill also requires insurers to use industry recognized software or systems for reimbursing auto body shops for paint and refinishing materials. Olson said this would prevent shops from charging more to the insurance companies and customers. However, a representative for the auto body industry said the bill does not take labor or regional variations in cost into consideration. The bill was laid over for further work.

## E-12 Education Budget Division

### Facility bond extensions proposed

The E-12 Education Budget Division, chaired by Sen. LeRoy Stumpf (DFL-Plummer), considered five education funding proposals, Tues., Mar. 11. All bills were laid over for possible inclusion in the omnibus education finance bill.

S.F. 3355, sponsored by Sen. Ann Rest (DFL-St. Paul), allows a school district to hold a referendum on a day other than the general election if the district's general fund falls to three percent of operating costs. These referenda are currently allowed for districts that are operating in statutory operating debt, 2.5 percent below operating costs, she said. Rest said the measure would allow schools, specifically the Robbinsdale school district, to do something before entering statutory operating debt.

S.F. 2834, sponsored by Sen. Julie Rosen (R-Fairmont), increases lease levy authority from \$100 to \$150 per pupil. Twenty-one school districts in the state have lease costs over \$100 a pupil, and only two had received approval from the commissioner to exceed the limit. The rate has been \$100 for at least ten years, said fiscal analyst Eric Nauman.

S.F. 3204, sponsored by Sen. Linda Scheid (DFL-Brooklyn Park), creates a new category for receiving integration aid, providing \$445 per pupil to districts with 50 percent or higher protected population numbers, which mirrors the payments to St. Paul and Minneapolis. For districts between 15 and 50 percent, the rate is \$129 per pupil, under the bill. Scheid said the bill targets just a few first ring suburbs with comparable diversity populations to the Twin Cities, which receive less funding, namely Brooklyn Center, and possibly Richfield and Columbia Heights. In ad-

dition, the bill allows districts to levy for statutory operating debt up to \$200,000 or one percent of the districts adjusted net tax capacity, whichever is less. The levy proceeds could only be used for cash flow purposes, under the bill.

S.F. 3420, sponsored by Sen. Ann Lynch (DFL-Rochester), increases the reimbursement rate for half-pints of milk served to kindergarten students, but not as part of a school lunch or breakfast. The rate is increased from 14 cents to 21 cents under the bill. Elaine Keefe, representing the Minnesota School Nutrition Association, said that when the reimbursement rate for schools no longer covers the cost of milk, schools drop out of the program rather than pick up the remainder.

Stumpf rounded out the presentations with S.F. 2149. The bill extends payments of capital facility bonds over a 15 year term rather than the current 10 year term. The proposal allows districts to save money on lower rate bonds versus using 15 year lease-payment agreements with higher rates, said Stumpf.

### Standard modifications laid over

The E-12 Education Budget Division, chaired by Sen. LeRoy Stumpf (DFL-Plummer), heard two bills related to education standards and a brief review of the appropriation tracking sheet for the governor's supplemental education budget recommendations, Wed., Mar. 12. Both bills were laid over for possible inclusion in the omnibus education finance bill.

The first bill heard, S.F. 382, requires high school students to participate in one term of physical education as a state graduation standard. Bill sponsor Sen. David Tomassoni (DFL-Chisholm) offered an amendment to remove language including health education as well, a combination he said he has been unsuccessfully trying to pass for five years.

Dr. John Sirard of the University of Minnesota's epidemiology and community health division spoke of the growing obesity rates in the U.S., and especially among children. Scientists are seeing increasing rates of diseases in children, such as Type 2 Diabetes, usually seen in adults, said Sirard.

The division debated whether a half credit of physical education would have any effect on the health of students, and whether the requirement would place a burden on student athletes trying to integrate other subjects into their schedules.

Tomassoni said this was a minimum standard, and that physical activity in the school day also benefits learning.

Grace Schwab of the Minnesota School Board Association said that the requirement would be one of a number of requirements that reduce parent and student choices. In addition, Schwab said the association would be gathering information on the fiscal impact at the local level.

S.F. 2051, sponsored by Sen. John Doll (DFL-Burnsville), requires school districts to report evidence of achievement in all subjects not measured by a state test, i.e. the arts, physical education and social studies. Testimony focused on the value of standards for arts education. Doll said current law requires districts to check a box stating that arts education exists, but provides no opportunity for districts to evaluate strengths and weaknesses.

Schwab said the reporting required by the bill could be very challenging for small rural districts.

### Governor's budget heard

Members of the E-12 Education Budget Division met Thurs., Mar. 13, to review the governor's supplemental budget proposal and a measure appropriating funds for the Minnesota Learning Resource Center. Both bills were laid over for further consideration.

S.F. 3631, carried by Division Chair LeRoy Stumpf (DFL-Plummer), contains the governor's budget recommendations. Deputy Commissioner Chas Anderson and other staff from the Dept. of Education walked members through the package. The proposal focuses on teacher quality, school leadership and innovative learning, Anderson said. She said it adopts three strategies to increase the supply of highly effective teachers: retraining current teachers, recruiting high-quality professionals from other fields, and retaining the state's most effective teachers. To promote school leadership, the proposal funds the Principals' Leadership Institute. In the area of innovative learning, the bill provides for the development of an online teaching tool offering model online courses.

S.F. 3092, sponsored by Sen. Sandy Rummel (DFL-White Bear Lake), authorizes a grant to the Minnesota Learning Resource Center to support its comprehensive training program for education professionals charged with helping children acquire learning readiness skills.

## Economic Development Budget Division

### Extension of Rochester program for legal immigrants approved

The Economic Development Budget Division, chaired by Sen. David Tomassoni (DFL-Chisholm), listened to four bills, Mon. Mar., 10. The committee also re-referred one bill, S.F. 2772, sponsored by Sen. Scott Dibble (DFL-Mpls.), to the Committee on Finance without discussion.

S.F. 3073, sponsored by Sen. Linda Higgins (DFL-Mpls.), establishes a formula to determine deferred loan amounts for a mortgage foreclosure prevention program that aids homeowners hit by emergency financial need, but who could otherwise still afford their payments. Higgins said the current payment cap, \$5,500, is obsolete. The new formula would provide 110 percent of the median monthly owner cost multiplied by six. The bill was approved and re-referred to the Committee on Finance.

S.F. 2538, sponsored by Sen. Gary Kubly (DFL-Granite Falls), appropriates \$125,000 for construction of a Nassau fire station. Kubly said the town can't buy a new fire truck, because the current facility is too small. The bill was approved and re-referred to the Committee on Finance.

Sen. David Senjem (R-Rochester) offered S.F. 3222, appropriating \$75,000 for the Rochester Lifetrack Resources program. The program, which provides employment assistance and support for legal immigrants and refugees, was a one-time pilot in Rochester, said Senjem. A program manager of Lifetrack said that by transitioning families from state assistance to sustainability, the program has saved the state \$209,000. The bill was recommended to pass and re-referred to the Committee on Finance.

S.F. 2643, sponsored by Sen. Scott Dibble (DFL-Mpls.), sets up a working group to inspect issues related to foreclosures, with an emphasis on working with community land trust organizations. These organizations separate ownership of a home from the land upon which it is built. The land is held in trust, and the home and full rights and responsibilities for the land may be sold to a low to moderate income family, which could then, in turn, sell the home to another affordable housing buyer.

Chip Halbach, Minnesota Housing Partnership, said the organizations maintain investments and value of property for future households and communities, and increase the pool of affordable housing. The bill was approved and re-referred to the State and Local Government Operations and Oversight Committee.

### Film grant considered

A proposed grant to aid in the filming of a movie in Minnesota over the next two years was heard by members of the Economic Development Budget Division, Wed., Mar. 12.

S.F. 3221, sponsored by Chair David Tomassoni (DFL-Chisholm), transfers \$500,000 from Explore Minnesota Tourism to the Minnesota Film and TV Board. The board did not use all of its snowbate money from a previous year, said Lucinda Winter, the board's executive director. We are now in a position to bring a film to the state, she said, and to tap the unused funds that were returned to the tourism agency. The economic benefits of filmmaking are much larger than the fiscal cost to the state, Tomassoni said.

S.F. 2512, authored by Sen. Ann Rest (DFL-New Hope), provides funding to the Sesquicentennial Commission to commemorate and celebrate Minnesota's 150th anniversary of statehood. S.F. 2922, carried by Sen. James Metzen (DFL-South St. Paul), appropriates \$200,000 for a grant to HIRED to operate its industry sector training initiatives, which provide employee training developed in collaboration with employers in specific, high-demand industries.

All three bills were laid over for possible inclusion in the panel's omnibus supplemental budget package.

## Education

### Higher compulsory age okayed

A proposal to increase the compulsory school attendance age was approved by members of the Education Committee, Mon., Mar. 10.

S.F. 3574, authored by Chair Charles Wiger (DFL-Maplewood), raises the compulsory attendance age from 16 to 18, beginning with the 2008-09 school year. Representatives of the school districts in the state's two largest cities spoke in support of the measure. There is a significant cost, to students and to the public at large, in dropping out, said Superintendent Me-

ria Carstarphen, St. Paul Public Schools. Each annual class of dropouts amounts to \$4 billion of lost lifetime income, she said, and causes significant ripple effects throughout the economy. She noted that some dropouts return to complete their education later in life, but it is always more expensive to provide remedial education, she said. The bill was re-referred to the Judiciary Committee.

Members considered a number of additional measures. S.F. 2882, sponsored by Sen. Sandy Rummel (DFL-White Bear Lake), provides for the use of a growth-based performance measure to report student achievement and school performance. The committee had considered the bill at previous meetings. Rummel offered, and members adopted, an amendment reflecting the results of recent negotiations with interested stakeholders and the Dept. of Education. We need to have multiple measures for student performance, Rummel said. She noted that we measure many things, such as the economy, using multiple indicators. Sen. David Hann (R-Eden Prairie) offered an amendment reflecting ongoing concerns expressed by the Dept. of Education. This gives us something to build on, with opportunities to modify the bill as discussions continue, he said. If we need to wordsmith the bill to accommodate the department, I am willing to keep working with the commissioner, Rummel said, but the bill needs to move forward. However, she said she opposed the amendment. The amendment was not adopted; S.F. 2882 was laid over for possible inclusion in the omnibus education policy bill.

Sen. Yvonne Prettner Solon (DFL-Duluth) authored a bill, S.F. 3005, requiring information on meningococcal disease and human papillomavirus (HPV) to be distributed to students in the sixth grade. The bill requires information about each disease to include the disease's causes and symptoms, how the disease is spread, and where parents can obtain additional information about the disease and its vaccine. The bill was approved and re-referred to the Finance Committee.

The remaining bills were laid over for possible inclusion in the omnibus policy bill. S.F. 3519, carried by Sen. Satveer Chaudhary (DFL-Fridley), requires districts to establish standards and offer courses in outdoor education. S.F. 3316, authored by Sen. Kathy Saltzman (DFL-Woodbury), changes the time period for a

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teacher to request a leave or extension of leave to teach at a charter school. Under current law, teachers must provide 90 days' notice; the bill requires notice to be provided by Feb. 1 of the preceding school year. Also carried by Saltzman, S.F. 3317 addresses the ability of the commissioner of education to adopt and enforce rules regarding special education. S.F. 3415, sponsored by Sen. Ann Lynch (DFL-Rochester), allows licensed physicians and licensed psychologists to make a diagnosis and determination of attention deficit disorder or attention deficit hyperactivity disorder for purposes of identifying a child with a disability who is eligible for and in need of special instruction and services.

## Omnibus policy bill okayed

A package of policy provisions was approved by members of the Education Committee during a marathon hearing, Wed., Mar. 12. S.F. 3001, carried by Chair Charles Wiger (DFL-Maplewood), was advanced to the State and Local Government Operations and Oversight Committee.

Members began by adopting an amendment, offered by Wiger, containing select provisions from bills heard over the course of the year and technical and policy recommendations from the Dept. of Education.

Sen. Sharon Erickson Ropes (DFL-Winona) offered an amendment requiring schools to distribute information on meningococcal disease and human papillomavirus (HPV) to students. Several Senators expressed concerns about the amendment, saying it would impose a significant cost on districts and would open the door to sending other immunization information home with students. Sen. David Hann (R-Eden Prairie) offered an amendment to the amendment relieving private schools of the requirement; the amendment to the amendment was adopted. The main amendment was not adopted.

Hann offered an amendment removing a requirement that the majority of a charter school's board members be licensed teachers at the school. Under the amendment, the law would simply permit a majority to be teachers. We statutorily prohibit employees from serving on the board of a traditional public school, presumably because of conflict of interest concerns, he said. But in the charter school context, we have conflict-

ing law, Hann said. The most important thing boards do is supervise senior school leadership, he said, but current law creates an untenable situation for charter schools. The amendment was not adopted.

Sen. Rick Olseen (DFL-Harris) offered an amendment removing a requirement that schools place students' assessment scores for ninth grade writing, tenth grade language arts and 11th grade mathematics on the students' transcripts. Olseen said he was concerned the score on a single test might not properly reflect a student's abilities. Representatives of the Education Department said the point of the provision was to encourage students to take the assessments more seriously, simply by placing the score on the transcript. The amendment was adopted.

Sen. Michael Jungbauer (R-East Bethel) offered an amendment regarding a section requiring schools to purchase environmentally sensitive cleaning and maintenance products when economically feasible. Jungbauer noted the proposal is traveling separately. Nonetheless, he said, the language imposes tremendous costs on schools and is based on incomplete science. Under the amendment, the requirement would become permissive authority. The amendment was adopted.

Before acting on the omnibus education policy bill, committee members considered a number of individual bills. S.F. 2835, authored by Sen. Ann Lynch (DFL-Rochester), permits school districts to begin their academic years before Labor Day in 2009 and 2010. Lynch noted that Labor Day falls especially late on the calendar in the next two years. The bill restricts the start date to no earlier than Aug. 31, 2009, and Aug. 30, 2010. The measure was approved and advanced to the Finance Committee. S.F. 2816, sponsored by Sen. Kathy Saltzman (DFL-Woodbury), requires a study of the possibility and ramifications of allowing school districts to participate in the state employee health insurance plan. The bill was advanced to the State and Local Government Operations and Oversight Committee. S.F. 3523, authored by Saltzman, clarifies a required student policy on cooperating and providing educators with information about school matters. The measure was approved and re-referred to the Judiciary Committee.

The remaining bills were laid over for possible inclusion in the omnibus bill. Sen. Tarryl Clark (DFL-St. Cloud) and

Sen. Terri Bonoff (DFL-Minnetonka) carried two bills, S.F. 3153 and S.F. 3226, containing the recommendations of an early childhood subcommittee. Both bills provide for the creation of an office dedicated to coordinating early childhood education, pre-K and child care programs administered by the Departments of Education and Human Services. Sen. Tom Saxhaug (DFL-Grand Rapids) sponsored a bill, S.F. 3657, modifying the Online Learning Option and Postsecondary Enrollment Options Acts.

Sen. Mary Olson (DFL-Bemidji) carried a bill, S.F. 3079, containing the preliminary recommendations of a task force on integrating the contributions of Minnesota American Indians into teacher preparation and licensing requirements. Olson also carried S.F. 3525, which establishes a task force for language immersion programs for Dakota and Ojibwe language preservation. S.F. 2773, authored by Sen. Sandra Pappas (DFL-St. Paul), provides for teacher training in rigorous content, such as Advanced Placement and International Baccalaureate programs.

S.F. 3064, carried by Sen. John Marty (DFL-Roseville), clarifies that students are expected to be present and participate in school safety drills. S.F. 2741, also authored by Marty, modifies eligibility standards for alternative facilities bonding. Sen. David Hann (R-Eden Prairie) presented a bill, S.F. 1945, on behalf of Sen. Julianne Ortman (R-Chanhassen). The measure allows charter school students to participate in extracurricular activities in their resident school districts. S.F. 3526, sponsored by Sen. Patricia Torres Ray (DFL-Mpls.), adds nutrition to the required academic standards and creates an Advisory Council on Health, Nutrition and Physical Education.

## Energy, Utilities, Technology and Communications

### Energy bills gain

The Energy, Utilities, Technology and Communications Committee met Tues., Mar. 11, to consider several bills relating to coordinating energy policy and environmental policy.

Sen. Ellen Anderson (DFL-St. Paul) carried two bills. S.F. 3539 provides direction to conform the state's economic development policies with the state's environmental policy. The bill specifies



*Kirk Schneidawind, left, with the Minnesota School Boards Association, testifies in support of a bill to allow schools to start before Labor Day in the next two years. Also appearing before the Education Committee, Wed., Mar. 12, was Dover-Eyota Superintendent Bruce Klaehn.*

Photo by A.J. Olmscheid

that projects that advance or promote a green economy be added to the list of redevelopment projects the commissioner of employment and economic development must prioritize when determining which projects receive grants. Anderson said the bill also requires the commissioner and the Jobs Skills Partnership Board to promote job training that complements green economy business development. The measure was approved and re-referred to the Committee on Finance. S.F. 3540 creates a Green Economy Transformation Task Force to analyze and plan for an economy that advances the environmental and energy policies of the state. The bill was approved and re-referred to the State and Local Government Operations and Oversight Committee.

S.F. 3160, carried by Sen. Gary Kubby (DFL-Granite Falls), authorizes local units of government to engage in energy-related

activities, including ownership of renewable energy projects. The measure also provides for the issuance of bonds to pay for construction of a renewable energy project and authorizes an ad valorem tax to pay the cost of energy purchased or acquiring interest in the projects. The measure was approved and advanced to the State and Local Government Operations and Oversight Committee.

Sen. Michael Jungbauer (R-East Bethel) sponsored two bills. S.F. 3341 provides for a voluntary inventory of business energy use. Jungbauer said the bill requires municipalities to develop an inventory form for businesses to voluntarily list their energy use. Jungbauer said municipalities would make the inventory available to the public by electronic or other means. He said the inventory would allow consumers to make informed decisions about supporting business that are reducing their carbon

footprints. The bill was approved and re-referred to the Business, Industry and Jobs Committee. S.F. 3546 provides a property tax exemption for personal property at an electric generation facility. The measure was approved and re-referred to the Committee on Taxes.

S.F. 2657, authored by Sen. Dan Skogen (DFL-Hewitt), provides a tax credit for small wind power generator installations. The bill was also approved and re-referred to the Taxes Committee. Sen. Jim Carlson (DFL-Eagan) authored a bill, S.F. 1948, memorializing the governor to take action to prepare a plan of response and preparation to meet the challenges of peak oil. Carlson said the resolution is aimed at focusing attention on the fact that world oil production is nearing its point of maximum production and will enter a prolonged period of irreversible decline. The measure was approved and advanced to the Rules and Administration Committee.

### **Broadband inventory approved**

The Committee on Energy, Utilities, Technology and Communications, chaired by Sen. Yvonne Prettner Solon (DFL-Duluth), approved four bills and laid over a solar energy mandate for further consideration, Thurs., Mar. 13.

The chair presented three bills. S.F. 3520 repeals a wind easement sunset provision passed last year. The language needs to be reconsidered by stakeholders with more input from real estate professionals in addition to environment and energy representatives, said Prettner Solon.

The committee approved an amendment repealing a request for information from Manitoba Hydro-Electric Board on the economic and environmental impact of the plant. A representative of the Cree first nation said the statute makes no acknowledgment of context affecting their communities, and is a poor example of good neighbor behavior. Sen. Scott Dibble (DFL-Mpls.) said the language was a respectful request, and provides transparency on a source of energy for the state. The bill was recommended to pass and re-referred to the floor.

Prettner Solon's second bill, S.F. 3605, modifies the duties of a Legislative Electric Energy Task Force established in 2006 to make legislative recommendations. The task force's name is changed to the Legislative Energy Commission. The

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commission is directed to study and recommend legislation relating to renewable energy, transmission, alternative fuels, renewable energy sources and economic development. The bill was recommended to pass and re-referred to the State and Local Government Operations and Oversight Committee.

S.F. 2866, the chair's third bill, establishes a broadband inventory project, and directs the Dept. of Commerce to produce a statewide inventory of existing broadband service and availability. The bill was approved and re-referred to the Judiciary Committee.

Sen. Sandy Rummel (DFL-White Bear Lake) explained two bills for the committee. S.F. 2996 allows wastewater byproducts such as sludge and algae grown in wastewater to be considered biomass in regard to renewable energy sources. The bill does not include incineration of sludge as a biofuel. The University of Minnesota is interested in research turning algae into biofuel, said Rummel; however, the way bio-energy is currently defined, the project does not qualify for certain grants. Rummel said a more standard definition of biomass should be crafted over the interim. The bill was recommended to pass and re-referred to State and Local Government Operations and Oversight Committee.

The second bill, S.F. 3528, requires .0125 percent of renewable electricity created by utilities in 2012 to be generated by solar photovoltaic energy. Sixty percent of that fraction must be produced by the consumer on-site, such as a home or small business, under the bill. Rummel said Minnesota missed the boat in production of wind turbines for wind generation, and the bill would create a market for solar industry to develop in Minnesota as an up-and-coming technology.



*Mychal Evans and his son, Mychal Jr., participate in a Capitol Rotunda event, Mon., Mar. 10, sponsored by the Employment Action Center Young Dads Program, an organization that assists young fathers in achieving self-sufficiency.*

Photo by A.J. Olmscheid

The Dept. of Commerce supports development of solar energy, but does not support a carve-out for technology that is expensive and not yet cost-effective, said Mike Bull, assistant commissioner of renewable energy and advanced technologies.

Loren Laugtug of Otter Tail Power Company said his company is concerned that there are no economic criteria for participation in the bill.

The committee laid the bill over for further work.

## Environment and Natural Resources

### New state park debated

The Committee on Environment and Natural Resources, chaired by Sen.

Satveer Chaudhary (DFL-Fridley), considered five bills, Fri., Mar. 7, spending the majority of its time discussing the establishment of a new state park.

S.F. 3076, sponsored by Sen. Thomas Bakk (DFL-Cook), establishes a Lake Vermillion State Park in St. Louis County, adjacent to Soudan Underground Mine State Park. The county has a rare one-year window to purchase five miles of shoreline and 3,000 acres from U.S. Steel, said Bakk. That year expires in July, he said.

The bill requires the sale of state land to offset the loss of private taxable land in the county. The bill also offsets loss of school trust land from the sale of public parcels and makes the park school trust land to generate revenue from the trust.

Keith Nelson, St. Louis County commissioner, said that while the proposed purchase price is \$10-20 million, the value is closer to \$50 million for the land alone. The land is potentially 30 percent of the property value of the township, and the

county supports the provision requiring the property tax base to be held constant through sale of other public land parcels, said Nelson.

County Commissioner Mike Forsman said that 300,000 visitors have been projected to visit the park per year, and the county would need to develop proper sewers and other infrastructure to accommodate them.

The process is already underway to establish a price for the sale so the Legislature can take action, according to Bob Meier of the DNR.

Stakeholders must consider whether it is wise to create another park when existing state parks are facing maintenance and funding issues, said Bakk.

The bill was approved and re-referred to the Finance Committee.

Non-residents are authorized to spear fish from darkhouses under S.F. 3339, sponsored by Sen. Joe Gimse (R-Willmar). Non-residents may not apply for permits under current law. A representative of the DNR suggested that the bill would provide a modest increase in license fees collected by the DNR. The bill was approved and sent to the Committee on Finance.

S.F. 2978 states that anyone maintaining a campfire must follow the same precautions required of a person who starts a campfire. The bill is intended to hold small groups accountable for losing control of a campfire they are tending, explained bill author Sen. Tom Saxhaug (DFL-Grand Rapids). The bill was laid over for possible inclusion in the omnibus policy bill.

Saxhaug also presented S.F. 2648, providing a wetland bank credit for certain state held conservation easements. In counties with 80 percent or more of pre-settlement wetlands, owners of wetlands facing imminent development could receive credits for preserving the land through conservation easement, explained John Jaschke of the Board of Water and Soil Resources. The bill was laid over for possible inclusion in the omnibus policy bill.

S.F. 3555, sponsored by Sen. Julie Rosen (R-Fairmont) allows the county of Watonwan to appoint interim county soil and water conservation board members to replace the entirety of the board that quit, leaving the board empty. The interim members would fill the remainder of the staggered terms until regular elections. By avoiding a special election, the county will save \$15,000, said Rosen. The bill was approved and re-referred to the State and Local Government Operations and Oversight Committee.

### Wood burner permitting reviewed

The Committee on Environment and Natural Resources, chaired by Sen. Satveer Chaudhary (DFL-Fridley), considered six bills throughout the meeting Mon., Mar. 10, including a bill proposing looser requirements for ethanol plant expansion requirements.

S.F. 3365, sponsored by Sen. Gary Kubly (DFL-Granite Falls), transfers land from the Department of Natural Resources to Chippewa County. Three tax forfeited properties would be transferred for inclusion in a regional park, according

to Scott Williams, Chippewa zoning commissioner. The bill was laid over for possible inclusion in the omnibus lands bill.

Sen. Linda Berglin (DFL-Mpls.) authored S.F. 3393 in response to a proposed wood burning biomass plant, Midtown Eco Energy, to be constructed in the Minneapolis East Phillips neighborhood. The bill requires a cumulative assessment of past and current pollution from all sources before granting a permit to a facility that would emit pollution in the same geographic area.

The neighborhood is already an arsenic superfund site, and surrounded by heavy traffic and industrial pollutants, said Berglin, and this project would bring more pollutants that are not present in the atmosphere there today. Ian Grieves, occupational environmental medicine specialist, said that minority and economically disadvantaged populations should not bear a disproportionate share of environmental risk.

Testifiers from the neighborhood said that the health of the community's children is already at risk, citing high asthma rates. Carol Pass of the East Phillips Neighborhood Improvement Association, J. Thomas Badheart Bull and Bill Zeigler of the Little Earth housing complex said that the Minnesota Pollution Control Agency's (MPCA) technical support document revealing the plant's pollution potential was not released until after permitting was already underway. Many neighborhood and environmental groups have taken away their support in light of the information, explained Pass.

Kim Havey of Kandiyohi Development Partners, which is developing Midtown Eco Energy, said that renewable energy projects are the future, and that the panel should not create hurdles for renewable energy and economic development in the state. Libby Henderson, the environmental consultant engineer, said the proposed unit is state-of-the-art, and has the best controls possible.

Another representative of the project said local energy production would create more efficient distribution of energy. The project is considered carbon neutral and meets all current MPCA permitting standards, he said.

Sen. Dennis Frederickson (R- New Ulm) offered an amendment to allow for renewal of existing permits without the review, which was approved by the committee. David Thornton, assistant

commissioner of the MPCA, said that the environmental assessment is still underway, including a cumulative assessment of emissions in the area, an environmental assessment worksheet and possibly an environmental impact study.

The bill was laid over for possible inclusion in the omnibus environment bill.

Sen. Tom Saxhaug (DFL-Grand Rapids) sponsored S.F. 2651, the product of the forest land consolidation working group held over the interim. The bill provides three more additions to a "toolbox" being developed to address forest fragmentation, said Saxhaug.

The bill establishes the Forests for the Future Program to protect private working forest lands, including a revolving loan fund for purchase of land to implement easements before reselling into the private sector; expedition of land exchanges intended to aid swaps between the Boise Cascade Paper Company and the state; and a \$50,000 grant to fund the Forest Fragmentation Study.

The bill was approved and re-referred to the Committee on State and Local Government Operations and Oversight.

A second Saxhaug proposal, S.F. 2976, modifies requirements for alternative recording for state forest roads. The bill defines a state forest road map as one adopted by the commissioner, and ensures that the map is compliant with county recorder standards. The bill also outlines an appeal process for property owners directly affected by a proposed map designation. The bill was laid over for possible inclusion in the omnibus environment and natural resources bill.

S.F. 2985, sponsored by Sen. Dan Skogen (DFL-Hewitt), is the DNR lands bill. The bill makes technical changes, adds and subtracts recreation areas, parks and forest lands, modifies a critical habitat private sector matching account, provides for the sale and exchange of various land parcels, and expands the outdoor recreation system state aquatic management areas.

An amendment was added to designate a Northern Minnesota veteran's cemetery in Jay Cook State Park. About 46,000 veterans live within a 75 mile radius of Duluth, according to Cortland Nelson of the DNR. The amendment puts the state in good position to receive a federal grant for the project, said Nelson, in addition to encouraging state park visitation. The committee also approved an

# Committee update

amendment to modify the rate of increase on a lease held by a non-profit on Gull Lake.

The bill was laid over for possible inclusion in the omnibus environment and natural resources bill.

S.F. 2757, sponsored by Sen. Kathy Sheran (DFL-Mankato) provides that an environmental impact statement (EIS) is not required for expansion on an existing permitted ethanol plant that expands by no more than 60 million gallons per year, uses three gallons of water or less to produce one gallon of ethanol, and is located outside the Metropolitan Area. Peder Larson, representing Heartland Corn Products, said an EIS is an odd request for a production increase on a facility that has been operating in compliance. The expansion would still trigger an environmental assessment worksheet, and the MPCA could still request an EIS, according to a committee analyst.

By requiring expanding plants across the state to submit an EIS, authorities and communities can gather information on greenhouse gas emissions and water depletion, said Jeff Broberg, a geologist. It's a protective factor for the community and investors who want to identify potential water depletion and the sustainability of a water supply, he said.

Myrna Halbach of the MPCA answered questions about water depletion policy and permitting that affects ethanol plants, in addition to the rule making process.

Chaudhary said he was not comfortable moving the bill without further discussion, and the bill was laid over for further discussion.

## California emissions bill okayed

The Environment and Natural Resources Committee, chaired by Sen. Satveer Chaudhary (DFL-Fridley), met Wed., Mar. 12, to continue discussion on a bill requiring Minnesota to adopt California vehicle emission standards.

S.F. 481, sponsored by Sen. John Marty (DFL-Roseville), also provides for updates to the standards as necessary to comply with the federal Clean Air Act. Marty offered an amendment clarifying that if the California standards expand to include other types of vehicles, Minnesota would not follow suit. The amendment was adopted. Marty said by adopting the standards, the transportation sector will begin doing its part in reducing the emis-

sion of greenhouse gases. The bill will also benefit consumers because low emission vehicles are more efficient and less costly to operate, he said. Sen. LeRoy Stumpf (DFL-Plummer) said there are many unanswered questions, particularly because of the types of vehicles used in Minnesota. He said he was uncomfortable adopting another state's standards. "Many of these environmental issues need to be worked on at a much larger scale, rather than individual states," Stumpf said. Sen. Bill Ingebrigtsen (R-Alexandria) said, "The bill is over-reaching, particularly in regard to ethanol production in the state." Sen. Scott Dibble (DFL-Mpls.) moved that the bill be referred to the State and Local Government Operations and Oversight Committee without recommendation. The motion was approved on a 6-5 roll call vote.

Members also discussed a bill relating to the size of docks on Minnesota lakes. S.F. 3237, authored by Sen. Mary Olson (DFL-Bemidji), requires the commissioner of natural resources to update rules on structures allowed in public waters and permit requirements for those structures. Members adopted an amendment specifying that the rulemaking process be done at the same time as the shoreland standards rulemaking process. Olson said the issue arose over the construction of large platforms on docks. She said, historically lakes are considered public waters for everyone's use, but many people are concerned about the building of large "party platforms." She said the DNR authorized the large structures in a January statement. Olson said individuals on both sides are passionate about the issue. Lakeshore owners feel they should be able to do what they want with their property, but others cite the public use of Minnesota lakes, she said.

Dann Siems, aquatic biologist, Beltrami Soil and Water Conservation District, said it is very important to have clear rules. He said the current practice of allowing oversize structures ignores the science behind preserving lakeshores. Siems said there is ambiguity about the current rules. Ecological integrity and public accessibility are two issues that must be considered, Siems said. Sam Stern, representing Protect Lakes, said lakeshore property owners do not want rules to deny the use and enjoyment of their own property.

Kent Lokkesmoe, Dept. of Natural Resources, said the department is strug-

gling with the balance between lakeshore owner rights and the protection of lakes.

Members approved the measure and advanced the bill to the State and Local Government Operations and Oversight Committee.

In other action, the committee considered a variety of bills. S.F. 3550, sponsored by Sen. Rod Skoe (DFL-Clearbrook), makes a number of changes to provisions relating to wild rice. Skoe said the bill changes the name of natural wild rice to lake and river wild rice. He said the bill is the first step in making changes to protect wild rice in Minnesota. The bill was laid over for possible inclusion in the omnibus policy bill. Skoe also sponsored S.F. 3061. The bill streamlines current practice relating to cost recovery and reimbursements from the Petrofund program, Skoe said. Another portion of the bill provides for reimbursement of up to \$400 to replace PVC pipe with metal pipes in residences that use heating oil. Skoe said some residences have PVC pipes instead of metal pipes, which are subject to leaks and failure. The bill was approved and advanced to the Commerce and Consumer Protection Committee.

Stumpf sponsored a bill, S.F. 3428, reinstating an exemption from the Wetland Conservation Act for an approved development. Stumpf said the development, near Warroad, had been exempted, but last year exemptions were repealed. Members laid the bill over for consideration at a later time.

Members reconvened for an evening hearing to consider several additional bills. The committee also heard presentations on Aquaculture and a Minnesota Fishing Hall of Fame.

Chaudhary sponsored a number of the bills. S.F. 3580 modifies toxic chemical release reporting requirements. Steve Giddings, Pollution Control Agency, said the bill restored thresholds to 2006 levels. The measure was laid over for inclusion in the omnibus bill. S.F. 3690 prohibit local restrictions of wildlife management areas, creates buffer areas for development and exempts certain areas from county approval requirements. Members heard extensive testimony on the issue before laying the bill over for further consideration.

S.F. 3666 establishes a walleye fishing stamp for the purpose of increased walleye stocking. Chaudhary said purchasing the stamp, for a \$5 fee, would be voluntary under the bill. The measure was approved

and re-referred to the Finance Committee. S.F. 3385 is the Dept. of Natural Resources technical bill. The measure deletes the word monuments from provisions relating to state parks and state recreation areas, changes the name Interstate Park to Interstate State Park, clarifies the subject of citizen oversight subcommittees and repeals obsolete provisions. Chaudhary said the measure will be the vehicle for the omnibus bill.

S.F. 3576, authored by Sen. Ann Rest (DFL-New Hope), establishes controls to prevent the spread of viral hemorrhagic septicemia to fish in Minnesota and sets forth procedures to deal with the disease should Minnesota waters become contaminated with the disease. The measure authorizes the commissioner of natural resources to promulgate rules to establish reasonable conditions on the buying and selling of fish that would prevent or slow the spread of certifiable diseases and invasive species. The bill was laid over for further discussion.

## Environment, Energy and Natural Resources Budget Division

### Governor's budget reviewed

The governor's supplemental budget proposal for the state's energy and environmental activities were the focus of the Tues., Mar. 11, meeting of the Environment, Energy and Natural Resources Budget Division. The panel, chaired by Sen. Ellen Anderson (DFL-St. Paul), heard from representatives of the agencies within the division's jurisdiction. Within the general fund operations of the Commerce Department under the division's oversight, the governor's proposal calls for canceling \$2.6 million of a one-time grant appropriation for a renewable hydrogen initiative. For the Dept. of Natural Resources, the net general fund impact is a \$2.727 million reduction in FY 09 and a reduction of slightly more than \$5 million in FY 10-11. The administrative operating budget of the Pollution Control Agency is reduced by \$473,000 annually, under the proposal. The Board of Water and Soil Resources' budget has no net change, but staff reductions and grant reductions total \$450,000 in general fund savings, offset by a \$450,000 expenditure to match federal funds related to last fall's flooding in Southeastern Minnesota. The general

fund budget for regional park grants administered by the Metropolitan Council is reduced by \$162,000 annually, under the proposal.

## Finance

### Bridge collapse fund gains

The Finance Committee, chaired by Sen. Richard Cohen (DFL-St. Paul), met Mon., Mar. 10, to consider a bill providing compensation to victims of the I-35W Bridge collapse and to hear an update from representatives of the Dept. of Finance on the governor's budget recommendations.

S.F. 2824, sponsored by Sen. Ron Latz (DFL-St. Louis Park), establishes a method of providing compensation for victims of the bridge collapse last August. Latz said the bill creates a special master panel to consider claims, make settlement offers and enter into settlement agreements. Under the bill, the \$300,000 cap on individual tort claims is increased to \$400,000 and made retroactive to Aug. 1, 2007. In addition, the \$1 million incident cap is waived. Latz said that under the bill, victims must file claims by Oct. 1, 2008 and that settlement offers must be made by Apr. 1, 2009. Latz said the bill limits offers to \$400,000 per victim and specifies that individuals who accept the settlement to release the state from all liability arising from the bridge collapse. However, Latz said victims would still be able to pursue a claim in District Court as an alternative to using the settlement process or accepting a settlement offer.

Latz said calculations made to determine the total amount needed to fund the compensation to victims were based on aggregated information supplied by two of the lead plaintiffs' attorneys and generalized to arrive at a potential claim amount. Latz said that a figure between \$19 and \$25 million should be enough to cover the claims submitted under the bill.

Members adopted several amendments. One amendment provides that if a victim accepts a settlement offer and releases the state from liability, any claim made by a spouse or other family member is extinguished. Another amendment specifies that the state may seek reimbursement from, or assert subrogation rights against, a victim only to the extent that total payments received by the victim and from third parties exceed the total

damages incurred by the victim as determined by the compensation panel.

The final substantive amendment, offered by Sen. Linda Berglin (DFL-Mpls.), provides for an appropriation of \$680,000, to be paid out over three years, for a grant to allow Waite House of Minneapolis to provide comprehensive services to youth and families of youth who were on the school bus involved in the bridge collapse. Francisco Segovia, director, said Waite House staff need additional support in dealing with the psychological and emotional harm done to the 52 young people and staff on the bus. He said many of the families are not familiar enough with the legal process and need advocates to help them navigate the compensation system. The amendment was adopted. Members also adopted an amendment providing for an appropriation of \$25 million for the compensation fund.

Members approved the bill and advanced the measure to the full Senate.

In other action, the panel heard the governor's proposal for resolving the budget shortfall. Under the February forecast, the state faces a \$938 million budget gap. The governor's proposal provides for spending cuts in the current fiscal year of \$187 million for health and human services, \$1 million in K-12 education, \$5 million in aids and credits, \$54 million in higher education, \$17 million in public safety and \$78 million in other budget categories. The proposal also taps the budget reserve for \$250 million, the health care access fund surplus for \$250 million and federal TANF funds for \$92 million. The proposal provides for additional revenue by conforming the definition of foreign operating corporations to raise \$102 million, adjusting June accelerated payments to raise \$22 million, repealing a mutual fund cap for \$21 million, increasing collections from tax debtors via bank matching for \$10 million and raising other revenue for \$3 million. The proposal also provides for tax reductions for benefits for military service, a one-eighth of one percent sales tax cut, federal tax conformity measures and SEED strategic economic tax cuts. New initiatives included in the proposal amount to \$62 million in new spending. The overall change is a reduction of \$939 million. The proposal also makes cuts in the FY 2010-2011 budget and provides for revenue increases to take care of the shortfall in the next biennium.

# Committee update

## Smaller bonding proposal okayed

A second package of bonding projects was approved by members of the Finance Committee, Thurs., Mar. 13. The panel, chaired by Sen. Richard Cohen (DFL-St. Paul), advanced the proposal to the full Senate.

S.F. 2538, carried by Sen. Gary Kubly (DFL-Granite Falls), appropriates \$125,000 for construction of a new fire station in Nassau. At the request of Sen. Keith Langseth (DFL-Glyndon), the panel adopted an amendment containing a \$925 million bonding package. If you combine the bonding bill passed by the Senate with the other body's proposal, Langseth said, the total is about \$1.17 billion. Just getting back into the neighborhood of the original proposals means cutting \$200 million, but the governor wants an even smaller bill, he said. Langseth said the governor has indicated he wants a package of about \$825 million. Putting a \$925 million proposal onto S.F. 2538 is intended to establish a Senate position on a slightly smaller bill for conference committee purposes, Langseth said.

Several Senators objected to the elimination of projects from the original Senate proposal and the addition of projects from the other body's proposal. Sen. Steve Murphy (DFL-Red Wing) said there are problems with setting priorities between the two bodies' packages. The conference committee is having a hard time getting everyone on the same page, said Sen. David Tomassoni (DFL-Chisholm), with the Senate at \$965 million, the House at \$960 million and the governor at \$825 million. Everyone is taking hits on their projects, he said. "If the governor gets his way, I don't know if we have the votes" to pass a bonding bill in the Senate, Langseth said.

The committee also approved a bill, S.F. 3564, correcting the rate of the special fuel excise tax on compressed natural gas. This is needed to correct a drafting error in the transportation bill enacted earlier this year, said Murphy, the bill's author. The measure was forwarded to the full Senate.

## Health, Housing and Family Security

### Agency bills heard

Members of the Health, Housing and Family Security Committee, chaired by

Sen. John Marty (DFL-Roseville), met Fri., Mar. 7, to consider a number of bills brought forward by the Dept. of Health and the Dept. of Human Services.

S.F. 3049, sponsored by Sen. Linda Berglin (DFL-Mpls.), requires children's mental health providers to develop a plan for and comply with requirements on the use of restrictive procedures. The measure also lists the allowable procedures, which include physical escort, physical holding and seclusion. The bill was approved and advanced to the full Senate.

Sen. Linda Higgins (DFL-Mpls.) authored two bills. S.F. 3213 makes a variety of technical changes in provisions relating to health care and continuing care. The bill also extends the existence of the Traumatic Brain Injury Advisory Committee until 2012. The measure was approved and re-referred to the State and Local Government Operations and Oversight Committee. S.F. 3323 changes a provision for federally qualified health centers by specifying the most recent calendar year be used in calculating each subsidy. The bill was approved and recommended for placement on the Consent Calendar.

S.F. 3166, carried by Sen. Patricia Torres Ray (DFL-Mpls.), adopts a new Interstate Compact for the Placement of Children, and regulates child and adult adoptions. The bill also makes numerous technical changes and clarifies language. The bill was approved and re-referred to the Committee Judiciary. Torres Ray also sponsored S.F. 3170, changing Minnesota family investment program (MFIP) child care assistance provisions and making technical changes. The bill was approved and advanced to the Finance Committee.

Sen. John Doll (DFL-Burnsville) sponsored a bill, S.F. 3286, changing the information required for filing a complaint with a health plan company by deleting the Office of Health Care Consumer Assistance, Advocacy and Information telephone number. The bill was approved and recommended for placement on the Consent Calendar.

S.F. 3138, sponsored by Sen. Ann Lynch (DFL-Rochester), makes modifications in the newborn screening program by requiring specific information to be provided to parents. The measure specifies that the information explains that the samples and results may be retained by the department, the benefit of retaining the sample, the alternatives available with respect to the testing, including the ability

to decline the tests, and the ways in which the samples and data collected be stored and used.

Debate on the bill centered on the information provided to parents, on the ability of parents to opt out of the testing and on the ability of the parents to request the samples be destroyed. The bill was approved and advanced to the Judiciary Committee.

Sen. David Hann (R-Eden Prairie), sponsored a bill, S.F. 3427, making house-keeping changes in provisions relating to licensing requirements for speech-hearing practitioners and occupational therapy practitioners. Hann offered, and members adopted, an amendment clarifying provisions relating to the transportation of human remains. The measure was approved and advanced to the Senate floor.

The final bill, S.F. 3245, authored by Sen. Tony Lourey (DFL-Kerrick), changes provisions for uniform billing forms and electronic claim filing. Lourey said the bill clarifies language enacted last year designed to reduce administrative costs. The bill was approved and re-referred to the Judiciary Committee.

### Cancer risk bill heard

A bill establishing a standard or protection for the risk of cancer from environmental carcinogens was approved at the Mon., Mar. 10, afternoon meeting of the Health, Housing and Family Security Committee.

S.F. 2944, authored by Sen. Sandy Rummel (DFL-White Bear Lake), establishes a lifetime risk level so that no more than one out of every 1 million people exposed to a substance or chemical over a lifetime would be estimated to develop cancer from known and proposal carcinogens in the air, water or soil. Rummel said that one of every two individuals will develop cancer and that it is necessary to assess the risk of individuals developing cancer. The measure was approved and advanced to the Finance Committee.

S.F. 2055, carried by Chair John Marty (DFL-Roseville), authorizes the Dept. of Health to review registrations and assess the public health risks of the carcinogenic and endocrine-disrupting pesticides and high-potency nervous system toxins. Marty said the bill does not diminish the role of the Dept. of Agriculture, but rather adds the Dept. of Health to the process. The measure was approved and re-referred to the Agriculture and Veterans Committee.

Sen. Yvonne Prettner Solon (DFL-Duluth) sponsored two measures. S.F. 3262 permits hospital records to be transferred to electronic image or other state-of-the-art electronic preservation technology. In addition, the measure provides that once records are transferred to electronic images, paper records may be destroyed. Prettner Solon said allowing the paper records to be destroyed after transfer to electronic format will save thousands of dollars in staff and storage costs. S.F. 3486 prohibits the Dept. of Human Services from providing the names of potential enrollees to health plans for the purpose of marketing Medicare-approved special needs plans. Prettner Solon said the plans are designed to provide Medical Assistance basic health care services to persons with disabilities. The bill also requires health plans to cover any costs incurred by the commissioner in mailing marketing materials. The bill was approved and sent to the Senate floor.

A bill establishing a Minnesota Responds Medical Reserve Corps was also approved. S.F. 3135, sponsored by Sen. Linda Higgins (DFL-Mpls.), establishes a registry in the Dept. of Health of volunteer medical professionals who may be deployed within or outside of the state to aid in the response and recovery from public health emergencies that exceed local capacity. In addition, the measure provides that the volunteers are defined as state employees for purposes of workers compensation and tort claim defense. Members adopted an amendment providing reciprocity with other states allowing health care volunteers to come to Minnesota in response to an emergency.

The measure was approved and referred to the Judiciary Committee.

### Interpreter services bill gains

The Health, Housing and Family Security Committee held an evening hearing Mon., Mar. 10, to hear a variety of bills. One of the measures, S.F. 3423, presented by Sen. Patricia Torres Ray (DFL-Mpls.) on behalf of Sen. Mee Moua (DFL-St. Paul), requires the commissioner of health to establish a registry of health care interpreter services. Under the bill, the commissioner of health is required to establish a statewide roster, registry and certification process for providers of high quality, spoken language health care interpreter services. The bill provides that the roster, registry and certification process

is to be based on the findings and recommendations set forth by the Interpreter Services Work Group established last year. The bill also appropriates funds to establish the registry. Members adopted an amendment deleting provisions outlining a process for refunding the costs incurred by hospitals for interpreter services. The bill was approved and re-referred to the Finance Committee.

The committee, chaired by Sen. John Marty (DFL-Roseville), heard an additional eleven bills on a number of different topics. S.F. 2024, carried by Sen. David Senjem (R-Rochester), requires counties to provide a six-month notice to families with regard to a redetermination of eligibility for a federal program for disabled children living at home. Senjem said the bill allows families time to gather necessary information to determine ongoing eligibility. The bill was approved and sent to the full Senate.

S.F. 3000, sponsored by Sen. Ron Latz (DFL-St. Louis Park), eliminates a prohibition on complementary and alternative health care practitioners from engaging in sexual relationships with former clients for a period of two years. Under the bill, the two year time period is eliminated. Latz said the bill arises from a situation in which a massage therapist was investigated because she married a former client before the two year time period had elapsed. The bill was approved and sent to the Senate floor.

Sen. Jim Carlson (DFL-Eagan) sponsored a bill, S.F. 3332, allowing a person to



*Mankato Riverbend High School students Shay Brady, left, and Courtney Riemann unfurl rolls of signed petitions in the Capitol Rotunda, Mon., Mar. 10, as part of an event sponsored by the Yellow Ribbon Suicide Prevention Program of Minnesota.*

Photo by David J. Oakes

give oral or written instructions about the type of conveyance to be used to transport that person's body to the place of final disposition. Carlson said the bill arose from a situation in which a fallen firefighter could not be transported to the cemetery by fire truck. He said the measure allows the use of a vehicle that is a dignified conveyance and was requested by the deceased or by the family of the deceased. The measure was approved and advanced to the Senate floor. Sen. Linda Scheid (DFL-Brooklyn Park) sponsored a bill, S.F. 2850, clarifying the effective date of child care absent day requirements. The measure was approved and re-referred to the Finance Committee. S.F. 3225, authored by Sen. Don Betzold (DFL-Fridley), allows the state Ombudsman for Mental Health and Developmental Disabilities to gather data

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about deceased clients. The measure was re-referred to the Judiciary Committee.

S.F. 3256, carried by Sen. Dan Skogen (DFL-Hewitt), provides that day training and habilitation programs do not need a separate license if part of the program is in a separate building adjacent to the central operation or if the program is a satellite of an existing program. The bill was approved and advanced to the floor.

Torres Ray carried two additional bills. S.F. 2847 establishes a Child Care Advisory Task Force to review and recommendations to the Legislature to remove barriers facing families applying for and receiving child care assistance. The bill details the membership and duties of the task force and requires a report by Jan. 15, 2009. The measure was approved and re-referred to the State and Local Government Operations and Oversight Committee. S.F. 3320 alters the shelter needy provisions for Minnesota supplemental aid to include persons moving out of corporate foster settings. In addition, the bill makes the shelter needy supplement amount the same as the current food stamp program amount. The bill was approved and advanced to the Finance Committee.

Sen. Tony Lourey (DFL-Kerrick) sponsored two bills dealing with foster care. S.F. 3145 extends foster care benefits to age 21. S.F. 3146 requires foster children for whom the Dept. of Human Services or counties have custody and financial responsibility be certified eligible for Medical Assistance. An amendment was adopted requiring the children to fill out the application for assistance. Both measures were approved and re-referred to the Finance Committee. Lourey also presented a bill, S.F. 3581, on behalf of Sen. Kathy Sheran (DFL-Mankato), relating to pharmacy practice. Under the bill, pharmacists may administer influenza vaccines to eligible individuals over 10 years of age and all other vaccines to patients 18 years and older. The bill was approved and sent to the full Senate.

## School insurance pool okayed

A bill proposing a statewide health insurance pool for school employees was approved by members of the Health, Housing and Family Security Committee, Wed., Mar. 12. The panel, chaired by Sen. John Marty (DFL-Roseville), advanced the bill to the Finance Committee.

S.F. 2747, authored by Sen. Don Betzold (DFL-Fridley), requires all school

districts to participate in the pool, which will offer six plans. The pool is to be governed by a board split evenly between employer and employee representatives, under the bill. Betzold said the proposal was passed last year by both bodies of the Legislature, but vetoed by the governor. The governor's veto message flagged several issues, Betzold said, including inadequate reserves, insufficient oversight by the commerce commissioner and too much specificity about the plans. This bill addresses the concerns raised in the veto message, he said. Insurance costs are driving people out of education, said Tom Dooher, president of Education Minnesota. Insurance cost increases are canceling out salary increases and eating up resources that could be directed to the classroom, he said. Lower wage school workers are struggling, and this bill is a solution, said Kristin Beckmann, SEIU.

This bill does not address the drivers of insurance costs, said Bill Strusinski, representing the Minnesota Service Cooperatives. The proposal does not add any benefits, it just adds costs, he said. Cost increases will not be solved by a statewide pool, said Grace Schwab, Minnesota School Boards Association. It offers no incentive, motivation or accountability for districts to implement strategies that reduce costs, she said. A statewide pool does protect districts against dramatic price spikes, she said, but it also prevents districts from feeling the positive effects of implementing cost control measures.

Patrick Sexton, Dept. of Commerce, said the bill does not address all the solvency and governance concerns the department had regarding the proposal. He said the department is continuing discussions with proponents about how to structure the proposal to address the concerns.

We do not know if this will work, said Sen. Paul Koering (R-Fort Ripley), but we will never know if we do not try. What we do know is that health care has been squeezing a lot of school districts' budgets, he said. Sen. Patricia Torres Ray (DFL-Mpls.) said school districts that oppose the plan because it might increase their insurance costs in the short term should take a longer term perspective. This is meant to control health care costs for all employees and for years to come, she said. Some districts want to be part of a larger pool and some do not, said Sen. Ann Lynch (DFL-Rochester). If the pool was

voluntary, I could support this proposal, she said, but a mandatory pool is not appropriate. Sen. David Hann (R-Eden Prairie) said it was inappropriate to punish school districts that have been working, sometimes for years, to control their premiums. Responsible districts will feel an immediate cost increase and no change in benefits under this proposal, he said.

A motion to refer the bill, without recommendation, to the Education Committee failed on a voice vote. Before the vote, Betzold said he opposed the motion because the bill has nothing to do with education policy, the jurisdiction of the Education Committee.

Sen. Betsy Wergin (R-Princeton) offered an amendment making the pool voluntary. She said the amendment protects against districts' frequently hopping in and out of the pool based on short-term considerations by requiring a decision to opt in or out to be effective for five years. Betzold opposed the amendment, saying the pool needs to be completely mandatory to be effective. The amendment failed, 4-5.

A motion to approve the bill and re-refer it to the Finance Committee prevailed on a voice vote.

In other action, the panel considered four additional measures. S.F. 3313, sponsored by Sen. Gary Kubly (DFL-Granite Falls), improves physician licensure standards based on reciprocity. Kubly said the bill is motivated by the desire of a hospital in Canby to attract from South Carolina a foreign-educated physician who is married to a physician already working at the Canby hospital. Robert Salmon, the hospital's CEO, noted that Canby is an underserved community that will lose one doctor this fall and potentially lose another doctor if the spouse cannot come to Minnesota. The measure was advanced to the full Senate.

Two bills requiring that employee pension costs at nursing facilities be treated as PERA costs for Medical Assistance reimbursement purposes were approved. S.F. 2884, authored by Sen. Steve Dille (R-Dassel), addresses nursing facilities in Jackson, McLeod, Meeker and Pennington Counties. S.F. 2470, carried by Sen. Kathy Sheran (DFL-Mankato), addresses a nursing facility in Sibley County. The nursing homes need the special legislation because the facilities recently transitioned from public ownership to private, non-profit status, said Mary Ellen Wells, presi-

dent of Hutchinson Area Health Care. Both bills were re-referred to the Finance Committee.

S.F. 2873 expands consumer choice in choosing adult foster care and family adult day services, said Sen. Ray Vanderveer (R-Forest Lake), chief sponsor. The bill clarifies that a separate license is not required to provide family adult day services in licensed adult foster care settings. A representative of the Dept. of Human Services raised concerns with the legislation, saying it was poorly tailored to address proponents' concerns. The bill was laid aside for further consideration.

## Health and Human Services Budget Division

### Gov's HHS recs reviewed

The governor's proposed supplemental budget recommendations for the state's health and human services programs were the focus of the Tues., Mar. 11, meeting of the Health and Human Services Budget Division.

Staff from the Dept. of Health and Dept. of Human Services walked the panel, chaired by Sen. Linda Berglin (DFL-Mpls.), through the recommendations. The proposal provides for reducing the Dept. of Health general fund budget by \$2.525 million in FY 09 through a four percent operating reduction, a \$500,000 cut in fetal alcohol syndrome prevention grants, a \$325,000 reduction in youth tobacco prevention grants, a \$388,000 cut in lead abatement grants, and elimination of the new Community-Based Health Care Demonstration Project.

The core elements of the proposal for the Dept. of Human Services involve refinancing general fund spending to tap other funds. It calls for a \$250 million transfer from the health care access fund to the general fund in FY 09. In addition, the proposal refinances \$91.518 million in FY 08-09 general fund spending with Temporary Assistance for Needy Families funds and shifts from the general fund to the health care access fund the responsibility for paying for General Assistance Medical Care for transitional MinnesotaCare enrollees. Other elements of the proposal include delaying by one year a cost of living adjustment for long-term care providers and eliminating quarterly payments for inpatient hospital admissions under Medical Assistance.

Several Senators objected the use of health care access fund dollars to plug a hole in the general fund. The health care access fund was established with a specific purpose, said Sen. Mary Olson (DFL-Bemidji). The benefits that were to flow from making health care available for low income Minnesotans, she said, were to offset the burden of the additional revenue that was being raised. The governor's proposal calls for upsetting that balance by substituting a general fund responsibility the state already had before the health care access fund was created, she said.

### Governor's budget discussed

Members of the Health and Human Services Budget Division, chaired by Sen. Linda Berglin (DFL-Mpls.), met Tues., Mar. 12, to hear comments on the governor's budget proposal. Representatives of various advocacy groups explained the effect of the proposal on their programs and operations. Speakers from Legal Services Advocacy, CareProviders of Minnesota, the Minnesota Health and Housing Alliance, the Sustainable Resource Center and the Affirmative Options Coalition described the needs of groups in need of services.

Members also heard an update from Assistant Commissioner Brian Osberg, Medical Director Jeff Schiff, and Adult Mental Health Director Sharon Autio, on the Dept. of Human Services compliance with various statutory provisions.

### Health care reform, dental hygiene practitioner bills heard

The Thurs., Mar. 13, evening meeting of the Health and Human Services Budget Division focused on two bills.

S.F. 2895, sponsored by Sen. Ann Lynch (DFL-Rochester), establishes an advanced dental hygiene practitioner (ADHP) level of practice. Lynch said the bill creates a midlevel dental practitioner to address access to dental care. She said the bill was recommended by the Transformation Task Force and endorsed by the Health Care Access Commission as part of the health care reform process.

Michael Scandrett, Safety Net Coalition, said patients are going to hospital emergency rooms because they do not have access to dental care. Scandrett said that over the next few years, dentists will be retiring, but there are not enough graduates of dental school to replace the

retirees. Scandrett said the midlevel practitioners would be supervised by dentists and dentists would delineate authorized activities in a written collaborative management agreement.

Lynch offered an amendment addressing many of the concerns of the Minnesota Dental Association. Scandrett detailed the compromises contained in the amendment. The amendment requires advanced dental hygiene practitioners to pass an independent examination separate from a master's degree educational program, provides for a temporary state accreditation process until a national accreditation system is adopted, allows non-narcotic pain medications, anti-infective therapies and preventive medications to be prescribed, allows extractions under supervisions and deletes references to evidence-based practice. The amendment was adopted.

Dr. Craig Amundson, HealthPartners, spoke in support of the measure. He said the amendment also ensures external review of the advanced dental hygienist practitioner curriculum. Lynch said the model represents more training than the Canadian model, but the scope of practice is more limited. Sharon Oswald, Greater Twin Cities United Way, also spoke in support of the measure and said very often low-income families are unable to follow through with additional visits.

Dr. Jamie Sledd, president of the Minnesota Dental Association, said there is no shortage of dentists in the state and that the actual number of practicing dentists in the state has increased by 10 percent since 1998. Sledd said the bill does not provide adequate public protection. She said the bill will require a change of Board of Dentistry rules which is very costly and time consuming. Sledd said the educational requirements are not adequate, particularly when the unexpected happens. Dr. Rochelle Avent-Hassen, North Point Health and Wellness Center, said the level of education and training required of ADHPs is not sufficient to prepare them for the emergencies that will arise.

Anthony DiAngelis, chief of dentistry, Hennepin County Medical Center, said the bill has focused attention on a worsening problem, but it would rend the two professions who serve a vulnerable population. There is too much at stake for the patients and the professionals involved, but the bill does not have suffi-

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cient traction to solve the problem. We do need alternatives to no care and delayed care, but the bill brings about divisiveness, he said.

Lynch also offered, and members adopted, an amendment outlining the fiscal implications of the bill. Sen. Yvonne Prettner Solon (DFL-Duluth) offered an amendment that sets out timelines by which steps are taken to create a mid-level practitioner. She said the amendment allows the participation of all parties, including the University of Minnesota Dental School, to study and plan the educational and training requirements. Prettner Solon said the amendment allows for a more orderly process for setting standards. Lynch opposed the amendment. She said the positive in the amendment is that the University of Minnesota seems to agree there is a need for a mid-level practitioner. Lynch said people have been working on the issue for many, many years, so arguments that the bill moves too fast are bewildering. Scandrett said years of research in other countries has shown that the care is as good as or better as that provided by dentists and the access problem is addressed. The amendment failed.

The bill was approved and advanced to the full Finance Committee.

Members then turned their attention to S.F. 3099, the health care reform package. The bill, sponsored by Division Chair Linda Berglin (DFL-Mpls.), establishes a statewide health improvement program, establishes a public health improvement assessment on hospitals and health plans, establishes health care homes, increases continuity of care and establishes primary care education initiatives. The bill also increases affordability of health care with public health care programs, creates a health insurance exchange, establishes Section 125 plans, restructures the health care payment system and establishes a savings recapture assessment. Berglin and co-authors explained the bill and then members heard proponent and opponent testimony on the bill. The bill was laid over for further discussion and testimony at the next hearing. At the panel's Fri., Mar. 14, meeting, S.F. 3099 was advanced to the full Finance Committee.

Earlier in the day, Thurs., Mar. 13, the morning portion of the hearing focused on hearing public testimony on the governor's budget proposal for health and human services programs.

## Higher Education Budget and Policy Division

### Electricians, Milliron heard

Members of the Senate Higher Education Budget and Policy Division met jointly with their counterparts on the House Higher Education and Workforce Development Division, Tues., Mar. 11. The panels, chaired by Sen. Sandra Pappas (DFL-St. Paul) and Rep. Tom Rukavina (DFL-Virginia), heard from members of the International Brotherhood of Electrical Workers on the number of unemployed electricians in Minnesota and the training of additional electricians at various MnSCU institutions. The panels also heard from Mark David Milliron, an author and consultant who explores leadership development and the human side of technology change.

### Omnibus policy bill okayed

Members of the Higher Education Budget and Policy Division completed their work on an omnibus policy bill, Thurs., Mar. 13. S.F. 2942, sponsored by Division Chair Sandra Pappas (DFL-St. Paul), was forwarded to the full Finance Committee. The measure includes a number of proposals heard by the panel over the course of the session, including two bills heard at the hearing. S.F. 3485, carried by Sen. Tarryl Clark (DFL-St. Cloud), clarifies the MnSCU board policy on credit requirements. S.F. 2370, authored by Sen. Charles Wiger (DFL-Maplewood), creates a P-20 education partnership.

In other action, the division considered a provision in the health care reform bill, S.F. 3099, providing additional dollars for primary care education initiatives. Un-



*Along with offering his insights into dealing with the current budget deficit, former Gov. Arne Carlson pleads with members of the Health and Human Services Budget Division on Thurs., Mar. 13, to maintain funding of a fetal alcohol syndrome treatment program started by his wife, Susan.*

Photo by David J. Oakes

der the bill, authored by Sen. Linda Berglin (DFL-Mpls.), the additional money is from the health savings reinvestment fund. The bill was approved and sent to the full Finance Committee for re-referral to the Health and Human Services Budget Division.

In its role as a free-standing policy committee, the panel advanced one bill without recommendation to the Judiciary Committee. S.F. 3623, authored by Sen. David Hann (R-Eden Prairie), provides for the disclosure of higher education data relating to crimes of violence and certain sexual offenses, as permitted by federal law. The bill also permits the disclosure to parents of educational data regarding a student's violation of alcohol or drug use or possession policies and laws.

## Judiciary

### Sexual abuse data privacy and statute of limitations heard

The Committee on Judiciary reviewed the health care exchange proposal and a bill to modify the statute of limitations for civil actions for injury based on sexual abuse, Fri., Mar. 7.

Chair Mee Moua (DFL-St. Paul) directed the committee to focus on provisions relevant to the committee in regard to the health care exchange bill, S.F. 3099, sponsored by Sen. Linda Berglin (DFL-Mpls.). Generally, the exchange would centralize information on insurance products for consumers, and coordinate information and treatment. Members scrutinized language affecting data privacy and information sharing, such as a provision for collection of body mass index data on children. For that particular section, Moua noted that the language requires use of existing youth monitoring systems, which already take measures for anonymity.

Most of the data collection and reporting provisions use aggregate or summary information, rather than identifiable individual data, said Berglin.

The bill was approved and re-referred to the State and Local Government Operations and Oversight Committee.

S.F. 1096, sponsored by Sen. Gary Kubly (DFL-Granite Falls), modifies when the statute of limitations for civil action begins after injuries caused by sexual assault.

Current law allows a six year statute of limitations starting at the age of

majority for minors and six years from the time of the assault for adults. The bill as introduced provides six years from age of majority or from the time a minor victim fully comprehends the link between injury and the sexual abuse, which would be determined by a jury.

Sen. Mary Olson (DFL-Bemidji) offered an amendment removing any statute of limitations on bringing action against a perpetrator. Action against a person who negligently permitted sexual abuse to occur to an adult must be commenced within six years of the abuse, and action against a person who negligently permitted sexual abuse to occur to a minor must be commenced before the victim reaches 35, under the amendment's language, which was adopted.

Ted Thompson, of the National Association to Prevent Sexual Abuse of Children, spoke in favor of the Olson amendment, saying it was a preventative measure for perpetrators that continue to be a threat their entire lives. The panel also heard testimony from the mother of a victim and victims of sexual abuse, who explained how long it took to come forward with the abuse.

The bill would make it nearly impossible for a licensed childcare provider to defend itself after years of staffing changes and spotty record keeping, said Valarie Dosland of the Minnesota Child Care Association.

Dan Connolly spoke on behalf of the Religious Council, and said the best preventative measure and recourse is quick reporting of abuse, and the bill would create a disincentive for that. Connolly said that vicarious liability for organizations would become a problem without any statute of limitations.

A representative of Education Minnesota said the union has questions about how the Olson amendment would affect school districts, which may have to pay penalties for negligence out of school budgets.

In response to these concerns, an amendment to ensure the modifications are not applicable to vicarious liability or respondeat superior claims was accepted by the committee.

The issue of a window for claims that have been time barred since 1992 was also debated. A NAPSAC representative spoke in favor of a window as did Kubly, who included a two year window for revisiting those claims in his original

language. Connolly opposed it, arguing that it reaches too far back in time. Sen. Julianne Ortman (R-Chanhassen) said it would damage closure for victims on past cases and burden the system. The language providing a window was not carried over to the amended bill.

Betzold said that the current statute is sufficient, and made a motion to table the bill, which did not prevail.

The bill was recommended to pass and re-referred to the Senate floor.

### Insurer good faith bills heard

Two bills relating to insurers' practices in denying claims were the principal focus of the Tues., Mar. 11, meeting of the Judiciary Committee.

S.F. 2822 establishes a remedy for insureds if insurance companies do not act in good faith, said Sen. Tarryl Clark (DFL-St. Cloud), chief author. By and large, our insurers act in good faith, she said, but insurance is one area of law where we lack a deterrent against not acting in good faith. Clark reviewed the key elements of the bill, which include a limitation to first-party claims, placement of the burden for showing a lack of good faith on the insured, and a two-part test for finding if an insurer has acted without good faith. The bill also limits an insured's recovery to economic damages. Under the bill, attorney fees are available, but only at the judge's discretion and subject to specific factors. We recognized early on that getting consensus was not going to happen, Clark said, but we set a goal of getting somewhere that almost everyone could live with the proposal. Wil Fluegel, a member of the Minnesota Association for Justice, also walked committee members through the detailed provisions of the bill and fielded questions.

Representatives of the insurance industry and the civil defense bar spoke against the bill. We support having some law on good faith, but not this bill, said Bob Johnson of the Insurance Federation of Minnesota. Consumers need a remedy for the limited, alleged instances of bad conduct by property-casualty insurers, he said, but the bill is ambiguous and unsound. Dale Thornsjo, an attorney with Johnson & Condon, said the bill creates a trial within a trial. Parties will have to argue whether there was good faith, Thornsjo said, which will trump arguments about whether or not there was coverage and if so, how much. He said

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Florida adopted a similar law and consumers suffered serious premium increases and a reduction in the number of insurers writing policies.

There is no evidence that this legislation is needed, said Sen. Linda Scheid (DFL-Brooklyn Park). Consumers are not beating down our doors for this bill, she said. This is a solution looking a problem, Scheid said.

The bill was advanced to the full Senate.

The second insurer good faith bill was S.F. 3116, sponsored by Scheid. I do not believe that you always need to compromise, especially when the core proposal is unsound or not necessary, she said. However, if we need to have a law on the issue of insurer good faith, she said, then we need a law that will reduce lawsuits. The proposals from the plaintiffs' bar will not reduce litigation, Scheid said. S.F. 3116 offers an administrative remedy, rather than a trial remedy, she said.

Thornsjo said the bill avoids the trial-within-a-trial problems of the alternative proposal. This bill provides an effective remedy for the types of fact patterns that have been presented to Legislators as example of ills needing to be cured, he said. The bill addresses both the denial and the delay of paying proceeds to an insured, Thornsjo said. He reviewed the process established under the bill and the remedies available to consumers.

This is a very conservative bill, in terms of the standard needed to find an insurer did not act in good faith and the damages allowed, said Sen. Mary Olson (DFL-Bemidji). Fluegel said the Minnesota Association for Justice opposes the bill. He said a principal concern is the very onerous standard the bill requires of consumers. It would be among the most stringent in the nation, Fluegel said. It is important to put everything in context, and other states offer fewer remedies to consumers, said Johnson, of the Insurance Federation, which supports the bill. For example, he said, many other states do not offer attorney fees within their good faith laws.

Scheid asked the committee to send both bills forward. The authors of both bills have agreed to work together more, she said. While normally we do not want competing approaches on the floor, Scheid said, Senate leadership has indicated a willingness on some subjects to have a variety of approaches in play. We should

keep both ideas alive and part of the discussion, she said.

A motion to advance the bill to the full Senate failed, 4-5.

In other action, committee members advanced five additional bills to the full Senate. S.F. 2533, sponsored by Sen. Ann Rest (DFL-New Hope), amends the definition of "gambling device" in the criminal code to clarify that an object is a gambling device whether or not it is actually played and repeals a statute permitting the manufacture of gambling devices in Minnesota that are not legal here, but are legal in the state of shipment. S.F. 3377, carried by Sen. Betsy Wergin (R-Princeton), repeals the Furniture Fire Safety Act. State Fire Marshal Jerry Rosendahl said the provisions are unnecessary, because the current Fire Code addresses furniture flammability and widespread prohibitions on smoking have eliminated the hazard commonly attributed to careless smoking.

S.F. 3138, authored by Sen. Ann Lynch (DFL-Rochester), clarifies the statutory interactions between the newborn screening statute and the genetic privacy statute. Members adopted an amendment, offered by Sen. Warren Limmer (R-Maple Grove), requiring parents to be provided with a Tennessee warning before the newborn screening is conducted. S.F. 3342, sponsored by Sen. Leo Foley (DFL-Coon Rapids), permits the BCA to provide electronic transmission of charging data and documents, also known as e-charging, from law enforcement to prosecutors to the courts. The bill also requires that fingerprints be obtained from any adults or juveniles admitted to jails or detention facilities. S.F. 3130, authored by Chair Mee Moua (DFL-St. Paul), makes a number of technical and clean-up changes in statutes relating to the Dept. of Corrections.

## Surrogate contracts debated

The Judiciary Committee met Wed., Mar. 12, to hear a variety of bills, including a proposal to regulate surrogate carrier arrangements.

Sen. Linda Higgins (DFL-Mpls.) sponsored the bill, S.F. 2965, to regulate gestational carrier arrangements. The measure was amended with the contents of S.F. 2662, a bill modifying regulations governing assisted reproduction. Higgins said the bill is updating law to reflect the current state of technology and set standards and protections for all parties

to a surrogacy agreement. Steven Snyder, representing the American Bar Association and the Minnesota Bar Association, outlined the provisions of the bill. Snyder said the state is already on record as supporting assisted reproduction through sperm donation. However, Snyder said because of technological advances it is now possible to assist reproduction through egg or embryo donations. He said the use of surrogates is also a new technology. The bill simply treats the two types of assisted reproduction equally under the law, Snyder said. He said the provisions relating to surrogacy also seek to ensure equitable treatment in the law. The bill also outlines the requirements for gestational carrier contracts and specifies that the intended parents are the child's parents for purposes of state law. Snyder said the bill will also help streamline the judicial process. Snyder said a court case in Minnesota has already held that surrogacy contracts are enforceable and that the surrogate is neither a biological or legal parent.

Baonna Depoister, Resolve, an organization that supports and educates families experiencing infertility, spoke in support of the bill. She said the organization outlines alternatives available to couples, including adoption, assisted reproduction and surrogacy. She said the bill aims at protecting all participants in the process and building healthy families.

Curtis Herbert, attorney, said surrogacy arrangements are a way to sidestep adoption and result in the commoditization of babies. Tom Prichard, Minnesota Family Council, also spoke in opposition to the bill. Prichard said it is an issue that needs to be addressed in law, but that the bill is extreme. "Our concern is that the bill will create a market for surrogates to the detriment of the state," Prichard said. He said the bill also does not require two parents, which encourages single parents to enter into assisted reproduction. "We are opening a Pandora's box that leads to baby selling," Prichard said. He said nothing in the bill speaks to what is best for the child.

Sen. Warren Limmer (R-Maple Grove) said the bill seems to try to set parameters and whether or not the bill does so in the best manner possible is the question we need to decide. Committee Chair Mee Moua (DFL-St. Paul) said the exploitation of women in other parts of the world has come about because of the

lack of complete discussion about the issue. Sen. Mary Olson (DFL-Bemidji) said that the best interest of the child is having legal certainty. The bill was approved and advanced to the Senate floor.

In other action, the panel heard bills ranging in subject matter from mortgage foreclosure redemption to permitting hospital records to be transferred to electronic images.

S.F. 3259, carried by Sen. Linda Berglin (DFL-Mpls.), allows prisoners facing civil commitment to, in certain cases, elect to remain confined in state correctional facilities beyond their scheduled release date. Berglin said it is more cost effective to have offenders stay in the corrections systems rather than move into the sex offender treatment program. Members also adopted an amendment streamlining the process for reviewing the provisional release of a person in a sexual offender treatment program. Commissioner Joan Fabian, Dept. of Corrections, said that though she supports the lower per diem realized with keeping sex offenders in the correctional system, she does have concerns about the numbers of beds that will be needed. The measure was approved and advanced to the Committee on Finance.

Sen. Yvonne Prettner Solon (DFL-Duluth), sponsored a measure, S.F. 3263, permitting hospital records to be transferred to electronic image or other state-of-the-art electronic preservation technology. Solon said the current law was written in 1941 and references photographic images. Prettner Solon said the bill also provides for the destruction of paper records after being transferred to an electronic format. The measure was approved and sent to the full Senate.

S.F. 3245, carried by Sen. Tony Lourey (DFL-Kerrick), changes provisions for uniform billing forms and electronic claim filing. Lourey said last year the Legislature adopted uniform procedures for three common billing processes. Lourey said nonstandard billing forms lead to high administrative costs and the switch to uniform billing and electronic claim filing will save millions of dollars. He said the bill was before the panel because of provisions relating to compliance and investigation. The bill sparked considerable discussion about insurance billing before being approved and advanced to the Commerce and Consumer Protection Committee.

A bill prohibiting health care providers from disclosing a patient's medical debt information to another entity was also discussed. In addition, S.F. 3132, sponsored by Sen. Linda Scheid (DFL-Brooklyn Park), prohibits a health care provider from obtaining or using information from any entity that provides individual patient financial or debt information until after health care services have been provided. Scheid said the bill was brought to her by the Office of the Attorney General. The bill was approved and sent to the Senate floor.

S.F. 2775, sponsored by Sen. Leo Foley (DFL-Fridley), requires a notice to the city when a customer's heat source is disconnected. Foley said the bill deals with the issue of abandoned houses and cases where city water departments have not been informed that the heat has been disconnected and the houses have sustained considerable damage. The bill was before the panel because of a provision specifying that utility data provided to cities must be treated as private data on individuals or nonpublic data. The measure was approved and advanced to the State and Local Government Operations and Oversight Committee.

S.F. 2984, authored by Sen. Julianne Ortman (R-Chanhassen), modifies the right of reinstatement and other provisions relating to mortgage foreclosure. Ortman said the bill is aimed at strengthening borrowers' rights. The bill specifies that a person being foreclosed on has the right to reinstatement of the mortgage for the same period the person has a right to redeem. Ortman said the bill provides an incentive for both banks and homeowners to work toward reinstatement. In addition, the bill requires the party bringing forth the foreclosure proceedings to pay any outstanding taxes or assessments. Members heard testimony on the measure, but held the bill over for the next hearing.

### **Cell consumers' bill okayed**

Members of the Judiciary Committee met Thurs., Mar. 13, to consider bills on a range of topics. Among the measures considered was a bill designed to offer consumers greater protection and information in their dealings with wireless phone service providers.

S.F. 833, authored by Sen. Mary Olson (DFL-Bemidji), regulates consumer contracts for wireless phone service. This is just an information bill, Olson said. It

requires consumers to be informed about basic, but major, elements of their contracts, she said, such as when a contract is being extended, what the service area is, and whether there is an early termination fee. Deputy Attorney General Karen Olson said wireless phone service is one of the biggest complaint categories the Attorney General's Office receives. Mike Bennett, AT&T, said complaints have been trending downward for the last several years, in part because consumer satisfaction and disclosure have become a matter of competition between providers.

At the author's request, members deleted a provision prohibiting wireless contracts from including mandatory arbitration clauses. Members also adopted an amendment, offered by Sen. Linda Scheid (DFL-Brooklyn Park), removing required font sizes for written disclosures.

Sen. Julianne Ortman (R-Chanhassen) offered an amendment modifying the enforcement powers of the attorney general, private remedies and the applicable statute of limitations. The amendment also provides an opportunity for wireless providers to request opinions from the attorney general on whether their practices conform to the law. Under the amendment, the opinion is binding on the attorney general. Olson, the bill's author, spoke against the amendment, saying it provides the wireless industry with more protections than any other regulated industry. Members divided the amendment and voted on it in four portions. The attorney general's enforcement and binding opinion provisions were not adopted; the two-year statute of limitations provision and a limitation on the availability of private remedies were adopted.

The measure was approved and referred to the Business, Industry and Jobs Committee.

S.F. 3129, authored by Chair Mee Moua (DFL-St. Paul), expands the scope of the Commission on Judicial Selection process to include vacancies on the Supreme Court and Court of Appeals. Under current law, if a vacancy occurs on the District Court or Workers' Compensation Court of Appeals, the Commission on Judicial Selection solicits candidates, evaluates applicants and recommends three to five nominees. Senate Counsel Kathleen Pontius said the process is merely advisory, to avoid infringing on the governor's constitutional prerogative. In practice, however, most governors have

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not named a judge who was not recommended by the commission, Pontius said. Additionally, most governors have used an ad hoc committee very similar to the commission for filling appellate vacancies, she said. The bill was approved and forwarded to the full Senate.

Moua sponsored three additional bills. S.F. 3608 reinstates a 36-month mandatory minimum sentence for subsequent criminal sexual conduct offenses that was repealed in 2005. Isabel Gomez, executive director of the Sentencing Guidelines Commission, said the repeal was inadvertent and occurred when the Legislature recodified sentencing enhancement statutes for sex offenders. Under the bill, the mandatory minimum sentence applies to offenders sentenced for first- through fourth-degree criminal sexual conduct offenses who have a conviction in the previous 15 years for a first- through fourth-degree criminal sexual conduct offense. The bill was approved and re-referred to the Finance Committee.

S.F. 3350 changes the standard of evidence the Dept. of Human Services must meet to disqualify a person based upon non-conviction records. The bill raises the standard from a preponderance of the evidence to clear and convincing. DHS conducts background checks of persons working in licensed facilities serving children and vulnerable adults, in unlicensed personal care agencies paid through Medical Assistance, and in programs supervised by the Departments of Corrections and Health. S.F. 3441 provides that domestic abuse advocates cannot be compelled to disclose opinions or information received from or about victims without the victims' consent. The bill requires courts determining whether to compel disclosure to weigh the public interest and need for disclosure against the effect on the victim and the victim-advocate relationship. Baseless attempts to get advocacy records have a chilling effect on the willingness of victims to seek help and confide in advocates, said Connie Moore, executive director of Alexandra House Women's Shelter in Blaine. Both measures were advanced to the Senate floor.

S.F. 3182, sponsored by Sen. Yvonne Prettner Solon (DFL-Duluth), imposes a duty to warn of violent patient behavior on marriage and family therapists. Under the bill, the therapist has an obligation to warn the potential victim and the appropriate law enforcement agency, and is

protected from liability for breach of confidence. If a therapist has no duty to warn, under the bill, the therapist is not liable for failing to provide any warning about a client's violent behavior. Prettner Solon said the bill creates parity among the mental health professions, because similar language has existed for psychologists and licensed social workers for years. The bill was advanced to the full Senate.

S.F. 3322, also carried by Prettner Solon, adopts many of the recommendations from a legislative auditor's report on the financial management of the state's public health care programs. The bill came within the committee's jurisdiction because three provisions related to data privacy. The bill was forwarded to the Finance Committee. S.F. 3002, authored by Sen. Linda Scheid (DFL-Brooklyn Park), extends civil immunity to municipalities that donate public safety equipment. The bill was forwarded to the State and Local Government Operations and Oversight Committee. Scheid also carried a bill, S.F. 2930, updating and clarifying debt management regulation provisions adopted last year. The bill was advanced to the Senate floor.

## Data, open meeting bills gain

Members of the Judiciary Committee held a morning meeting, Fri., Mar. 14, to consider legislation on a number of topics as the first committee deadline loomed. The panel, chaired by Sen. Mee Moua (DFL-Fridley), heard bills on data privacy, open meetings, and business screening services.

Sen. Don Betzold (DFL-Fridley) sponsored four bills. S.F. 3225 authorizes the Office of the Ombudsman for Mental Health and the Medical Review Subcommittee to gather data about deceased clients. The bill was advanced to the full Senate. S.F. 2754 permits schools to contract with third parties to conduct required criminal history background checks. Because members had several questions about how the data would be handled, the bill was laid over for future consideration. S.F. 3120 requires closed meetings to be recorded and requires the recordings to be preserved for three years. The bill also authorizes reasonable attorney fees to a prevailing plaintiff who brings an action for failure to comply with the open meeting law if the defending public body was the subject of a written opinion from the commissioner of

administration. The bill was forwarded to the full Senate. S.F. 914 regulates business screening services and provides civil penalties and remedies for violations. The bill was approved by the committee last year, but returned from the floor under Senate rules governing bills not passed before the annual adjournment. Members adopted an amendment, offered by Betzold, clarifying that businesses are in compliance with the bill's provisions if they are in compliance with federal law. The bill was again forwarded to the full Senate.

S.F. 3716, authored by Sen. Mary Olson (DFL-Bemidji), provides privacy protection to data provided to local governments by the state auditor for review and verification during the audit. State Auditor Rebecca Otto said the bill mirrors a provision relating to data provided by the legislative auditor to audit subjects. The bill was approved and sent to the Senate floor. S.F. 2645, sponsored by Moua, eliminates the requirement that Social Security numbers be included in marriage dissolution petitions. At the author's request, the panel adopted an amendment governing the handling of Social Security numbers in child support matters. The bill was advanced to the full Senate.

## Property Tax Division

### Green Acres changes reviewed

The Property Tax Division, chaired by Sen. Rod Skoe (DFL-Clearbrook), heard six bills, Thurs., Mar. 13. A few of the bills could be offered as amendments to a property tax article in the full Taxes Committee, Skoe said. In addition, the panel reviewed the working article for aids to local governments and the article for property taxes, including modifications to the Green Acres program.

Sen. Thomas Bakk (DFL-Cook) authored S.F. 3579, allowing the St. Louis County board to levy taxes on property located in unorganized territory to which the Morse-Fall Lake Rural First Responder and Fire Protection Association provides first responder services. Bakk said this is likely an issue across the state, and should be examined as a broader policy issue. The bill was laid over.

S.F. 3207 relaxes the penalty for individuals who fail to provide all of the information requested for contesting of a property tax valuation within 60 days. The bill, sponsored by Sen. Dan Larson (DFL-Bloomington), replaces automatic

dismissal of a petition with appropriate sanctions.

It's a "matter of essential fairness" for people who may not be tax savvy or misinformed about the requirements, said Ray Krause, former Tax Court judge and assistant commissioner of the Dept. of Revenue. Myron Franz representing the Bar Association said that protestation of taxes is a fundamental right, and the penalty is unusual.

Tom May, Hennepin County assessor said his office opposes the bill. In cases where there has been a dismissal, there is usually a good reason for the dismissal, said May. Larson said he was interested in discussing the issue further with stakeholders. The bill was laid over.

S.F. 3639, sponsored by Sen. Tony Lourey (DFL-Kerrick), provides a penalty for repeated delinquent property tax payers when the failure is not due to an inability to pay. Lourey said that some owners don't pay taxes as a float and hold payments until the end of a seven year window, which is a burden to other tax payers. If the county auditor finds that the delinquent payment is due to abuse of the system, an additional 25 percent penalty on the late tax could be assessed under the bill. Lourey said this is an issue mostly in rural areas with absentee owners.

The bill gives auditors a lot of discretion to judge ability to pay, said John Hagen assistant director of the Property Tax Division in the Dept. of Revenue. The bill was laid over for further work during the interim.

Two bills presented make changes to local government aid by addressing the needs of specific communities. An \$80,000 boost to the city aid base for Mendota, is proposed by S.F. 2455, in addition to an \$80,000 increase in total aid receivable for 2009. Bill sponsor James Metzen (DFL-South St. Paul) described Mendota as a small town, population 164, which is not receiving fair treatment by LGA formulas. City Clerk Joan Olin said that comparably small cities in rural areas receive a larger proportion of LGA support, but because they are part of the Metropolitan Area, that is not the case.

Sen. Gen Olson (R-Minnetrista) presented a proposal for the community of Excelsior. S.F. 3744 provides a city aid base increase of \$250,000 and a \$250,000 increase of total 2009 aid. Excelsior Mayor Nick Ruehl explained that the community is a regional center for parks and

trails, yet covers less than one square mile and is 60 percent tax exempt. In addition, the median income is lower than the state median, said Ruehl.

S.F. 3566, also sponsored by Larson, modifies the total amount of property taxes a political subdivision may abate. Under the bill, abatement may not exceed ten percent of the net tax capacity of the political subdivision, or \$200,000, whichever is greater. Current law limits abatement to 10 percent of the current levy, or \$200,000, whichever is greater. The bill helps medium-sized cities with economic development and standardizes treatment across the state, said Kevin Goodno.

The division then reviewed the property tax article, including changes to the Green Acres program. Skoe said the changes are in response to a legislative auditors report's findings of tax shifting and

non-agriculture land being sheltered from taxes under the program. One change made by the language restricts eligibility for the program to productive agricultural or pasture land.

## Public Safety Budget Division

### Governor's budget cuts discussed

Members of the Public Safety Budget Division, chaired by Sen. Linda Higgins (DFL-Mpls.), met Wed., Mar. 12, to review the governor's budget recommendations for the areas under the division's jurisdiction.

The governor recommended reductions of \$2.5 million per year in the short-term offender reimbursement program, \$600,000 per year in sentencing to service



*Wielding a Metro Transit bus schedule, Minneapolis Senior Citizens Advisory Committee member Charles Rosensteel informs members of the Transportation Budget and Policy Division, Tues., Mar. 11, of the current requirement that seniors show a Medicare card in order to ride the bus at discounted rates. The panel was considering legislation to waive, for senior citizens, the \$11 fee to obtain a Minnesota identification card.*

Photo by David J. Oakes

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funding, \$653,000 for Crime Victim Services, \$608,000 per year for CriM-Net, \$450,000 per year for the Financial Crimes Task Force and \$40,000 per year in CAT/HazMat team reimbursement. In addition, the proposal recommends a \$149,000 reduction of the Human Rights Department's operating budget. The proposal also includes appropriations of \$50,000 from a special revenue fund for POST Board training reimbursements in FY 2009 and \$340,000 for a disaster assistance state match.

Representatives from the Dept. of Corrections, the Dept. of Public Safety, the Dept. of Human Rights and crime victim service organizations detailed the effects of the cuts on their respective programs. Commissioner Joan Fabian, Dept. of Corrections, also spoke about the effects of the cuts on the department. "I sincerely believe that further cuts will put safety and security at risk," Fabian said.

The panel also discussed a bill, H.F. 3000, carried by Sen. Joe Gimse (R-Willmar), making a technical correction in provisions in statewide public safety radio financing. The measure was approved and advanced to the full Finance Committee.

## Rules and Administration

### Health care reform bill advanced

The Rules and Administration Committee met briefly Tues., Mar. 11, to consider a section in the health care reform bill providing for the appointment of Legislators to a Health Care Transformation Commission created under the bill. S.F. 3009, authored by Sen. Linda Berglin (DFL-Mpls.), specifies that one member of the House of Representatives and one member of the Senate be among the 10 members of the commission. The measure also requires the Senate and House of Representatives to each appoint two additional members and for four members to be appointed by the governor, two of whom must be commissioners of state agencies.

Berglin said the Health Care Transformation Commission is the group charged with implementing the payment reform provisions of the bill. She said the inclusion of Legislators on the commission is to provide direct accountability to the Legislature. Berglin said the membership was kept small because the group will implement the reform portions. She

said membership will require a great deal of commitment because of the time and effort that will be needed. Berglin said the commission also has oversight responsibilities for a Health Care Value Reporting Organization, a Health Benefit and Design Advisory Committee and a Technology Advisory Committee.

Members adopted an amendment deleting a provision prohibiting the payment of per diem to commission members. Sen. Dennis Frederickson (R-New Ulm) noted the limited number of Legislators prevents representation of all four legislative caucuses. Committee Chair Lawrence Pogemiller (DFL-Mpls.) suggested that Berglin and others consider the possibility of adding two additional legislative members. The bill was approved and advanced to the Finance Committee.

## State and Local Government Operations and Oversight

### Panoply of topics heard

Bills on a diverse range of topics confronted members of the State and Local Government Operations and Oversight Committee when they met Fri., Mar. 7. The subjects considered include elections, gambling, state boards, and blood donation.

S.F. 2818, authored by Sen. Ellen Anderson (DFL-St. Paul), creates a cap and trade program for greenhouse gas emissions. Members focused their examination of the bill on a provision relating to legislative participation in negotiations around a regional cap and trade program. The bill was approved and re-referred to the Business, Industry and Jobs Committee. S.F. 3120, sponsored by Sen. Don Betzold (DFL-Fridley), provides that all closed meetings must be recorded at the expense of the public body holding the closed meeting. Under the bill, the recordings must be preserved for at least three years after the meeting. The bill also authorizes reasonable attorney fees to a prevailing plaintiff who brings an action if the government entity was also the subject of a written opinion from the commissioner of administration. The bill was advanced to the Judiciary Committee.

Four bills were advanced to the full Senate. S.F. 1297, carried by Sen. Dan Larson (DFL-Bloomington), provides for automatic updating of a voter's registration when the voter files a permanent

change of address with the U.S. Postal Service. S.F. 2948, also carried by Larson, repeals a provision requiring final offer total package arbitration procedures for professional firefighters. Larson said the current procedures require the arbitrator to choose one of the two offers, rather than develop another solution. Laura Kushner, League of Minnesota Cities, spoke against the bill, saying final offer total package arbitration encourages the parties to seek resolution, rather than go to arbitration. We believe arbitrations are down because of the final offer total package default, she said. S.F. 2929, sponsored by Sen. Jim Vickerman (DFL-Tracy), authorizes cities, counties and townships to give money or make in-kind gifts to nonprofit organizations if the grant is for a public purpose and to support an education, social service, health, or other charitable purpose. S.F. 3378, authored by Sen. Tony Lourey (DFL-Kerrick), modifies provisions governing how vacancies on county boards and city councils are filled. The bill reduces from two years to one year the triggering point for a special election to fill the unexpired term of a county commissioner or city council member; the measure also requires a public hearing including public testimony before making an appointment to fill a vacancy.

Lourey sponsored two additional measures. S.F. 3364 changes the name of a commission serving people who are deaf, deaf-blind and hard of hearing to include those who are deaf-blind in the name of the commission. The bill was recommended for placement on the Consent Calendar. S.F. 3098 makes a number of changes to lawful gambling provisions. Lourey said the bill includes language agreed to by both regulators and the industry. The bill was re-referred to the Judiciary Committee.

S.F. 3190, carried by Chair Ann Rest (DFL-New Hope), requires the state to grant its employees leave from work with pay to donate blood and permits other public employers to grant paid leave for blood donation. The bill was advanced to the Finance Committee. S.F. 2533, also authored by Rest, amends the definition of "gambling device" in the criminal code to clarify that an object is a gambling device whether or not it is actually played and repeals a statute permitting the manufacture of gambling devices in Minnesota that are not legal here, but are legal in the state of shipment. The bill was re-referred

to the Judiciary Committee. S.F. 3180, another Rest measure, provides Legislators a method for appealing or challenging the conclusions of fiscal notes and revenue estimates. The bill was forwarded to the Taxes Committee.

Rest sponsored the remainder of the bills heard at the meeting, which were all advanced to the full Senate. S.F. 3202 cleans up a number of provisions relating to the abolishment of the Department of Employee Relations and the transfer of its duties to other state agencies. S.F. 3203 authorizes the Racing Commission to regulate by rule horse medications and their metabolites, provided their use does not exceed regulatory threshold concentrations set by commission rule. S.F. 2804 requires schools to use environmentally sensitive cleaning and maintenance products and creates an Environmentally Sensitive Product Task Force. S.F. 2914 governs data practices relating to foreclosure and requires the secretary of state to convene a working group to study and make recommendations regarding the development of a statewide foreclosure data collection and reporting system.

### Health reform package gains

A bill aimed at reforming the health care system in the state was the first item on the agenda for the Mon., Mar. 10, meeting of the State and Local Government Operations and Oversight Committee.

S.F. 3009, sponsored by Sen. Linda Berglin (DFL-Mpls.), creates a Minnesota Health Insurance Exchange, provides for Section 125 plan health insurance coverage, expands health care affordability and eligibility and provides for health care cost savings. The bill was before the panel, chaired by Sen. Ann Rest (DFL-New Hope), because the measure creates a number of boards, committees and commissions. Members adopted an amendment altering the due dates of several reports. Members approved the measure and advanced the bill to the Committee on Taxes.

Sen. Linda Scheid (DFL-Brooklyn Park) authored a bill, S.F. 2926, modifying provisions relating to electrical, plumbing, water conditioning, boiler and high-pressure piping provisions. Scheid said two years ago the various professional agencies were consolidated under the Dept. of Labor and Industry. Tom Joachim,

assistant commissioner, Dept. of Labor and Industry, said the bill was before the panel because of provisions relating to rule changes and administrative hearings. Members adopted an amendment requiring builders to have general liability insurance for both property damage and personal injury. The amendment was needed because of language adopted last year that omitted the provision. The bill was approved and sent to the Senate floor.

S.F. 3370, carried by Sen. Rick Olsen (DFL-Harris), provides for election complaint assessments and payment modifications. Dennis Freed, Minnesota Association of County Auditors, spoke in support of the measure and said the bill provides for assessments against the local jurisdiction where the election contest was the subject of the complaint. He said currently, counties bear the entire costs. The bill also provides that any fines assessed by the chief administrative law judge must first be used to offset the cost of considering complaints prior to assessing local jurisdictions. Freed said most complaints are beyond the control of the local jurisdiction. The bill was approved and sent to the full Senate.

A bill providing for the strategic entrepreneurial economic development (SEED) initiative was also heard. S.F. 3109, carried by Sen. Dan Sparks (DFL-Austin), establishes a rural enterprise microloan program to provide grants to encourage private investment, create jobs in rural areas and promote economic development. Sparks said the bill was before the panel because of three provisions authorizing expedited rulemaking. Sparks said the appropriations in the bill will be ongoing and be added to the base of the Dept. of Employment and Economic Development. The bill was approved and advanced to the Finance Committee.

S.F. 3140, carried by Sen. Kathy Sheran (DFL-Mankato), makes numerous changes to the licensing procedures for boiler operations. The bill was before the committee because of a provision requiring rulemaking to further define the education requirements for boiler operator licenses. The bill was also approved and advanced to the Finance Committee. S.F. 2820, sponsored by Sen. Dan Larson (DFL-Bloomington), provides that a park district may acquire property within a city in accordance with the adopted comprehensive plan of the city. Larson said the bill will help streamline the process. The

bill was approved and sent to the full Senate.

Larson also sponsored a bill to establish a non-binding presidential primary. S.F. 1527 also specifies that the party caucuses be held on the date of the presidential primary, except that the caucuses may be delayed in non-presidential election years. The measure also spells out the time frame for the presidential primary. The time of the primary was altered in the bill to allow Minnesota to participate in a regional primary, if a regional primary is ever established. The bill details the process for candidates to be placed on the ballot, provides for the conduct of the primary election and provides for the apportionment of delegates. The bill was approved and advanced to the Finance Committee.

Rest authored a bill, S.F. 2574, modifying special election dates. The bill adds one week to the special election calendar for seats in the Legislature and in Congress by requiring candidates to file two weeks before the special primary, rather than one.

Rest also offered an amendment containing a variety of other elections bills. The amendment exempts lobbying activities related to a ballot question from campaign finance reporting requirements, exempts lobbying activities related to qualifying a question for placement on the ballot from those that must be reported by a political committee or political fund and requires an unregistered political committee, political fund, principal campaign committee or party unit to register with the Board of Campaign Finance and Public Disclosure within 24 hours of receiving a loan or contribution. The amendment also advances the deadline for filing the affidavit of contributions that is required for a candidate to be eligible to receive a public subsidy from Sept. 1 to 22 days before the primary, provides for delivery of absentee ballots, and authorizes a voter who would have difficulty getting to the polls to designate an agent to deliver absentee ballots. The measure also makes a number of changes to school board election provisions and allow a principal campaign committee that dissolves within one year to make charitable contributions of more than \$100. Rest said the plan was to hold the bill on the Senate floor until the other body acts upon the companion bills. The bill was approved and advanced to the Senate floor.

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Sen. Don Betzold (DFL-Fridley) also sponsored two bills. S.F. 3137 provides for the operation and maintenance of commuter rail lines located in whole or in part within the Metropolitan Area. Under the bill, the Metropolitan Council is designated the agency to operate and maintain commuter rail. The measure also clarifies the duties of the commissioner of transportation. The bill was approved and referred to the full Senate. S.F. 2747 creates a statewide health insurance pool for school district employees. Betzold said the bill addresses issues raised by the governor's veto last year. The bill is before the panel, Betzold said, because of the creation of a governing board. The bill provides for membership of the governing board and outlines the board's responsibilities. Sen. Claire Robling (R-Prior Lake) offered an amendment deleting the language making the school districts' participation mandatory. The amendment failed. The bill was approved and re-referred to the Health, Housing and Family Security Committee.

The final bill considered by the committee, S.F. 3058, authorizes urban partnership agreements to provide for user fees for use of high-occupancy vehicle lanes and dynamic shoulder lanes. The bill, sponsored by Rest, exempts the commissioner of transportation from rulemaking regarding urban partnership agreements, toll facilities and final layouts for highways, which was what brought the bill to the committee. The bill was approved and advanced to the Committee on Finance.

## Boards, land use proposals heard

The State and Local Government Operations and Oversight Committee, chaired by Sen. Ann Rest (DFL-New Hope), heard 18 bills, Wed., Mar. 12. Nine bills were recommended to pass and sent to the floor.

S.F. 3084, sponsored by Sen. Yvonne Prettner Solon (DFL-Duluth), clarifies the definition of property for the Spirit Mountain recreation area. A technical error in statute misidentifies land, said Prettner Solon. The bill was recommended to pass.

Sen. Mary Olson (DFL-Bemidji) presented two bills to the committee. State Auditor Rebecca Otto explained S.F. 3444, which requires reporting of unlawful actions of local public pension plan members to local law enforcement and the State Auditor's Office. The bill

extends reporting requirements that already exist for public employees, public officers, political subdivisions and charter commissioners, said Otto. The bill was recommended to pass.

Olson also presented S.F. 2943, providing a star lake or river designation for lake or river associations. The bill provides an incentive for local water management associations. A non-profit Star Lake Board would be created to manage the program. The board meets the committee's guidelines for approval, according to committee staff. An amendment was approved to better define the composition of the board, alter dates, and remove a requirement for an annual audit. The bill was recommended to pass and re-referred to the Committee on Finance.

S.F. 3239, sponsored by Sen. Mee Moua (DFL-St. Paul), is a request of the Association of County Recorders. Joel Beckman of the Minnesota Association of County Officers said the bill makes technical changes and creates consistency throughout Minnesota counties in regard to application of certain fees. The bill was approved and re-referred to the Committee on Finance.

S.F. 3472, sponsored by Sen. Tarryl Clark (DFL-St. Cloud), forms a subcommittee on government accountability to review recommendations on how to improve the use of Minnesota Milestones and other statewide goals and indicators in state planning and budget documents. The bill was approved and re-referred to the Committee on Finance.

S.F. 960 was one of three bills presented by Sen. Linda Higgins (DFL-Mpls.). The bill allows local units of government to define "dependent" for the purpose of providing group benefits and not be required to use the definition in general law. The bill was recommended to pass.

S.F. 2967, also sponsored by Higgins, authorizes the Minneapolis Park and Recreation Board and the Minneapolis City Council to jointly impose park dedication fees for new commercial and industrial development. The bill also authorizes the use of the fee for trails in addition to other related grounds specified in current statute. The bill was recommended to pass.

S.F. 2790, also sponsored by Higgins, makes numerous proposals to aid the re-entry of criminals back into the community. Two of the provisions implement a working group on controlled substance

laws, and a task force on community reintegration of offenders. The bill was amended to meet the standards for working groups and recommended to pass.

S.F. 3268, sponsored by Sen. Betsy Wergin (R-Princeton), allows counties to issue interim use permits. City and township zoning laws already allow interim use permits. The bill was recommended to pass.

S.F. 3375, sponsored by Sen. Kevin Dahle (DFL-Northfield), requires collective bargaining over the number of tax sheltered annuity vendors a school district permits for payroll deductions. Jan Alswager of Education Minnesota said that generally, it's employees' money, and they should have a say.

Tom Deans of the Minnesota School Board Association said the bill limits district's ability to control costs, and the bill would make an already difficult process more complicated. The bill was recommended to pass.

S.F. 3363, sponsored by Sen. Richard Cohen (DFL-St. Paul), requires state agencies to provide more detailed budget information in consideration of budget development. The finance committees had much more information available to them in the past, said Cohen. The bill was recommended to pass and re-referred to the Committee on Finance.

S.F. 3567, sponsored by Sen. David Tomassoni (DFL-Chisholm), allows the St. Louis county civil service director to conduct employment related pilot projects which are otherwise exempt from the St. Louis County civil service law, if approved by the joint labor management committee. The human resource management system has been largely untouched since 1941, said Martha Watson, the county's personnel director. The bill was recommended to pass.

S.F. 3643, sponsored by Sen. Patricia Torres Ray (DFL-Mpls.), extends the duration of certain tax increment finance districts, provides that some of the additional increments be distributed to the neighborhood revitalization program and keeps the Minneapolis NRP program operations in place for those distributions. The bill was approved and sent to the Committee on Taxes.

S.F. 3119, sponsored by Sen. Rick Olseen (DFL-Harris), permits employees of political subdivisions to be considered employees of the state when providing emergency assistance, gives these individ-

uals good faith protections and allows for interstate assistance under an emergency management assistance compact. The bill was approved and re-referred to the Committee on Judiciary.

S.F. 3208 was also presented by Olseen. The bill is the product of a municipal boundary adjustment task force. Task force chair Bruce Johnson said the proposal encompasses the group's limited consensus on how municipal boundaries may be adjusted. Committee members amended the bill to extend the task force for an additional six months to see if more common ground can be found. The bill was recommended to pass.

S.F. 1402 preserves agriculture, forest, wildlife and open space land by creating guidelines for development. Bill sponsor Sen. Steve Dille (R-Dassel) said the bill has been stripped down to manage stakeholders' concerns. A taskforce directed by the bill meets committee guidelines. The bill was approved and re-referred to the Rules and Administration Committee.

S.F. 3131, sponsored by Sen. Kathy Sheran (DFL-Mankato), modifies statutes regulating financial transactions related to town annexation to a city. The bill allows reimbursement to the town for debts, special assessments and loss of taxes, and prevents additional demands by the townships. Nancy Larson of the Coalition of Greater Minnesota Cities said that the bill resembles neither the city nor the township proposals. Another stakeholder said the group was close to breaking through obstacles that have prevented further work. The bill was laid over.

## State Government Budget Division

### Gov's budget recs reviewed

Members of the State Government Budget Division met Mon., Mar. 10, to hear the governor's budget recommendations. The panel, chaired by Sen. Don Betzold (DFL-Fridley), reviewed the broad outlines of the governor's recommended solution for a projected \$938 million shortfall in FY 08-09 and explored in detail the recommendations for agencies within the panel's jurisdiction. Executive Budget Officers Britta Reitan, Abigail Read and Alexandra Broat, all of the Department of Finance, walked the panel through the recommendations. Net reductions in the proposal include \$1.169 million to the Dept. of Administration, \$1.24

million to the Dept. of Revenue, \$842,000 to the Dept. of Finance, \$313,000 to the Office of Enterprise Technology, \$750,000 to the Amateur Sports Commission, \$999,000 to the Attorney General's Office, \$151,000 to the Governor's Office, \$260,000 to the Secretary of State's Office, \$369,000 to the State Auditor's Office, and \$2.855 million to the Legislature. The reductions for the Legislature and constitutional offices represent four percent cuts in their general fund budgets.

## Taxes

### Health care reform bill gains

The Taxes Committee, chaired by Sen. Thomas Bakk (DFL-Cook), devoted much of the Tues., Mar. 11, meeting to discussion of S.F. 3099, the health care reform package. The bill, sponsored by Sen. Linda Berglin (DFL-Mpls.), establishes a health insurance exchange, provides for Section 125 plans, provides for medical homes, provides for health care savings, expands coverage and makes health care insurance more affordable.

Several issues sparked debate. Berglin said the bill provides for a major public health initiative by requiring an assessment on health plans' and hospitals' net patient revenue. The bill also establishes a health insurance exchange and provides for Section 125 plans to allow individuals to purchase health plans directly through the exchange or through an employer Section 125 plan that allows employees to purchase insurance with pre-tax dollars. The bill also includes a savings recapture off-set provision. Under the bill, if actual health care cost spending is less than projected, the commissioner must determine an aggregate savings offset amount to be paid by health plan companies and third-party administrators. The amount, which may not exceed four percent of annual paid claims, is to be deposited into the health savings reinvestment fund, under the bill.

Opponents to the measure said the savings recapture off-set provisions amount to another tax. Mary Krinkie, Minnesota Hospital Association, said the assessment on net patient revenue is inflationary. Julie Brunner, Minnesota Council of Health Plans, said the savings recapture off-set provisions are unsustainable. Individuals representing small insurance agencies expressed concern about the health insurance exchange.

Berglin said the savings recapture off-set does not come into play unless there are savings. The assessment for the health insurance exchange is just enough to run the exchange, she said. In addition, the assessment on hospitals is returned to the communities, Berglin said. Members adopted an amendment clarifying that revenue for both Medical Assistance and Medicaid is exempt from the net revenue calculations on the part of hospitals and health plans. Another amendment clarifies the number of employees an employer must have in order to be required to offer Section 125 plans.

The bill was approved and re-referred to the Rules and Administration Committee.

Members also heard a bill, S.F. 3390, providing a five year extension in two tax increment districts in Duluth. The measure, sponsored by Sen. Yvonne Pretzner Solon (DFL-Duluth), was laid over.

### Variety of bills heard

Members of the Taxes Committee met Wed., Mar. 12, to consider bills on a number of diverse topics. The panel, chaired by Sen. Thomas Bakk (DFL-Cook), laid all the proposals over for possible inclusion in the session's second omnibus tax bill.

S.F. 3162, carried by Sen. Mee Moua (DFL-St. Paul), provides sales tax exemptions for materials and supplies used in constructing the Central Corridor light rail line and the Northstar Corridor commuter rail line. Under the bill, the tax must be collected and later refunded. S.F. 2717, sponsored by Sen. Mary Olson (DFL-Bemidji), makes propane-fueled vehicles purchased by school districts exempt from sales tax. Sen. Satveer Chaudhary (DFL-Fridley) carried two bills, S.F. 3260 and S.F. 3512, relating to tax increment financing districts in Fridley and New Brighton.

Sen. Kevin Dahle (DFL-Northfield) sponsored a bill, S.F. 3533, authorizing towns to refund surplus revenues upon the removal of a subordinate service districts. S.F. 3534, authored by Sen. Scott Dibble (DFL-Mpls.), modifies Minneapolis's housing replacement district law. S.F. 2841, carried by Sen. Tarryl Clark (DFL-St. Cloud), clarifies the property tax exemption eligibility standards for public charities. The bill is a response to a recent Minnesota Supreme Court case upholding a county's denial of a property

# Committee update

tax exemption for a childcare provider. S.F. 3043, authored by Sen. Dan Larson (DFL-Bloomington), provides an income tax credit of \$10,000 for individuals and \$100,000 for corporations for donations to programs providing grants to enhance equity and opportunity in education. The bill limits the total statewide credit amount to \$10 million annually.

## Transportation Budget and Policy Division

### Snow removal bill heard

The Transportation Budget and Policy Division, acting as a free-standing policy committee, met Tues., Mar. 11, to consider a wide range of bills. The panel, chaired by Sen. Steve Murphy (DFL-Red Wing), considered bills ranging from snow removal standards on trunk highways to a transit implementation plan.

S.F. 2761, authored by Sen. Gary Kubly (DFL-Granite Falls), requires the commissioner of transportation to adhere to statewide snow removal standards on trunk highways. Kubly said the use of flashing lights to indicate a road is restricted or closed is a way to postpone the snow removal. He said the bill prohibits use of flashing lights and limits the commissioner's right to civil damages for rescuing motorists who have entered the highway. Kubly said the bill also requires all roads with the same functional classification to have the same target range for snow removal.

Betsy Parker, Minnesota Dept. of Transportation, said the problem seems to be that plowing in part of the state is not meeting the expectations of the community. She said road closures and the target for plowing are two different issues. Parker said the target for plowing is set after the snow ends, but the closures are determined when the snowfall is so heavy that safety is a question. She said the flashing lights were put in place in order to avoid having crews on the road placing barricades across the roads.

The measure was laid on the table temporarily.

S.F. 2539, sponsored by Sen. Scott Dibble (DFL-Mpls.), eliminates the fee for identification cards for seniors. Dibble said the idea is to eliminate the fee so that seniors who cannot afford the fee will be able to get the identification cards. He said the identification cards allow seniors

to pay discounted fees on Metro Transit buses because they show proof of age. Dibble said the alternative is for seniors to use their Medicare cards, which have Social Security numbers printed on them. He said the growing problem of identity theft makes many seniors reluctant to carry their Medicare cards. Members adopted an amendment providing for an appropriation of \$174,000 for FY 2009. The bill was approved and advanced to the Finance Committee.

Sen. Michelle Fischbach (R-Paynesville) sponsored a bill, S.F. 1008, clarifying that cities and counties may impose administrative penalties for speeding violations that are no more than ten miles per hour greater than the speed limit, for failing to obey a traffic control device or for failing to have properly functioning vehicle lights. The bill also specifies that alleged violators may contest the administrative penalty and elect to be charged under state law with adjudication of the charge in district court. Michel Wetzel, Morrison County sheriff, spoke in support of the measure.

Sen. Mee Moua (DFL-St. Paul) said current law prohibits local governments from imposing administrative penalties and the bill changes policy to authorize the penalties. She said there is a danger here of allowing local units of government to administer traffic laws to have differing administrative standards in various jurisdictions. Sen. Gen Olson (R-Minnetrista) said the state has imposed so many surcharges that local law enforcement officers feel the sanctions are so burdensome that administrative penalties are preferable. Sen. Julianne Ortman (R-Chanhassen) said it is the Legislature's role to change policy and, because the bill passed last year, we have made the decision to trust law enforcement officers' judgment. Sen. Rod Skoe (DFL-Clearbrook) said the policy is about equal treatment under the law.

State Auditor Rebecca Otto said explained an auditor's report detailing the use of administrative penalties. She said local units of government report using the administrative penalties for a variety of reasons including reduced local government aid and an attempt to reduce the burden on the courts.

A motion to approve the bill and re-refer the measure to the Judiciary Committee failed on a divided voice vote.

S.F. 2695, sponsored by Sen. Rick Olseen (DFL-Harris), requires a transit implementation plan to meet 80 percent of the transit needs in Greater Minnesota by 2015 and requires an annual assessment of ADA paratransit ridership needs in the Metro Area. Olseen said the bill also requires an annual transit report. The measure was approved and advanced to the Senate floor.

Sen. Patricia Torres Ray (DFL-Mpls.) carried S.F. 3669, which requires the commissioner of transportation to prepare a report proposing a program to mitigate the impact of transportation and transit construction projects on small businesses. Torres Ray said a construction project in her district lasted three years and had disastrous impacts on small businesses. The bill was approved and re-referred to the Business, Industry and Jobs Committee.

Moua authored a bill reducing or eliminating a number of fees and surcharges in the justice system. S.F. 2644 addresses the criminal offense surcharge, the DWI driver's license reinstatement fee, a number of court fees and the public defender co-pay. We have lived for the past decade in an environment where users of the criminal and civil justice systems have been expected to help pay for them, Moua said. The system is inequitable and creates noncompliance problems, she said. She noted that one reason cited for the emergence of administrative fines is the onerous nature of the state-imposed fees and surcharges. Members adopted an amendment, offered by Moua, incorporating the recently enacted payment plan provisions for DWI license reinstatement fees. The measure was laid over because of time constraints.

### Pupil transportation bills heard

Members of the Transportation Policy and Budget Division, acting as a stand alone policy committee, reconvened for an evening hearing Tues., Mar. 11. The panel, chaired by Sen. Steve Murphy (DFL-Red Wing), considered three measures relating to student transportation safety. Sen. Rick Olseen (DFL-Hewitt) carried all three measures.

S.F. 3535 creates an Office of Pupil Transportation Safety. Olseen said a legislative auditor's report recommended better inspection of school buses. The bill creates the office, under the Division of the State Patrol, and requires a minimum

of 15 school bus vehicle inspectors. The measure also requires the office to develop and maintain a consistent record-keeping system to document school bus inspections, out-of-service school transportation vehicles and driver files. The measure also requires periodic audits of selected school districts to determine compliance with statutory requirements concerning school bus driver employee background and license checks. The bill was approved and re-referred to the Finance Committee.

S.F. 2988 sets forth licensing requirements for drivers of type III school buses. Type III school buses include vans and vehicles used to transport students other than regular school buses. Olseen said the drivers of type III school buses do not need a full school bus driver's endorsement under the bill, but do need to meet more stringent requirements than a normal driver's license entails. The measure was approved and advanced to the full Senate.

S.F. 3561 modifies school bus definitions and driver's license requirements. Olseen said the measure is more of a technical bill. He said the primary change is specifying that a type A-I school bus may have a gross vehicle weight rating of 14,500 pounds, rather than the current 10,000 pounds. He said the type A bus is a van cab, with a bus body. A type A-II vehicle is heavier with a gross vehicle weight rating of 21,000 pounds, Olseen said. The bill was approved and sent to the Senate floor.

Olseen sponsored one additional bill, S.F. 3383, modifying provisions governing the requirement of USDOT carrier numbers. Olseen said the bill exempts farm trucks not used in interstate commerce, vehicles not used in intrastate commerce or interstate commerce or vehicles owned and used solely in the transaction of official business by the federal government, the state, or any political subdivision from the USDOT number requirement. The bill was approved and advanced to the full Senate.

In other action, the panel considered a variety of measures. S.F. 3224, sponsored by Sen. Scott Dibble (DFL-Mpls.), creates an Advisory Committee on Nonmotorized Transportation. The measure specifies the membership of the committee and requires the committee to make recommendations on items related to nonmotorized transportation, including safety, education and development programs. The measure

was approved and advanced to the State and Local Government Operations and Oversight Committee.

A bill, S.F. 3027, requiring the commissioner of transportation to post warning signs on trunk highway bridges generated considerable debate. The measure, sponsored by Sen. Mee Moua (DFL-St. Paul), requires three colors of warning signs to indicate the bridges' status. Representatives of the Dept. of Transportation spoke in opposition to the bill. The information is available on the department's web site and the warning signs would unnecessarily alarm drivers, they said. The measure was laid over.

S.F. 3564, carried by Murphy, corrects a typographical error in provisions relating to the compressed natural gas special fuel excess tax transitional rate. The measure was approved and re-referred to the Finance Committee. S.F. 3502, authored by Sen. Rod Skoe (DFL-Clearbrook), modifies provisions regulating farm vehicles on highways. The measure defines implement of husbandry as a self-propelled or towed vehicle designed or adapted to be used exclusively for timber-harvesting, agricultural, horticultural or livestock-raising operations.

S.F. 3419, carried by Sen. Dan Larson (DFL-Bloomington), authorizes each state hospital and institution for mentally ill persons to have one unmarked vehicle and allows county social service agencies to have unmarked vehicles for child and vulnerable adult protective services. In addition, the unmarked vehicles may have tax exempt license plates. The bill was approved and sent to the full Senate. S.F. 2938, carried by Sen. John Doll (DFL-Burnsville), exempts two wheel motorized vehicles from the wheelage tax. The measure was approved and re-referred to the Taxes Committee.

S.F. 3545, sponsored by Sen. Michael Jungbauer (R-East Bethel), changes a number of transportation related provisions. The bill requires the commissioner of transportation to factor in the insurance industry crash-cost ratings when setting project priorities for trunk highway and state-aid projects. The measure also includes pickup trucks and vans with a gross vehicle weight of 9,000 to 12,500 pounds, but not used for commercial enterprise, as a passenger automobile. The bill also defines special mobile equipment and specifies that special mobile equipment does not include dump trucks or

machinery that has been temporarily or permanently mounted on a commercial motor vehicle chassis. In addition, the bill exempts spotter trucks from the tax on motor vehicles and defines spotter trucks as a truck-tractor used exclusively for staging or shuttling trailers in the course of a truck freight operation or freight shipping operation. Finally, the bill requires the commissioner of transportation, in cooperation with the Met Council and representatives of counties, cities and towns, to study the benefits, feasibility and cost of adopting a complete streets policy.

Murphy said the panel would hear testimony on the bill, but that the bill would be laid over for further work and discussion.

### **Red Cross disaster vehicle registration tax exemption okayed**

Members of the Transportation Budget and Policy Division, acting as a stand alone policy committee, held an abbreviated afternoon meeting Thurs., Mar. 13, to hear four bills.

S.F. 3549, carried by Sen. LeRoy Stumpf (DFL-Plummer), authorizes vehicle combinations with gross vehicle weight up to 105,000 pounds hauling canola oil on specified routes in the state. The bill also provides for annual permits for the vehicles with a fee of \$850. The measure was approved and advanced to the Finance Committee. S.F. 2580, authored by Sen. Yvonne Prettner Solon (DFL-Duluth), exempts vehicles owned by nonprofit charities and used exclusively for disaster response and related activities from vehicle registration taxes and fees. The bill was approved and re-referred to the Committee on Taxes.

S.F. 3369, sponsored by Sen. Kathy Saltzman (DFL-Woodbury), requires a minimum of 30 minutes of instruction on pupil transportation laws and penalties for violations of those laws. In addition, the bill requires the inclusion of pupil transportation laws in the driver's license examination and in the driver's manual. Sen. Scott Dibble (DFL-Mpls.) offered an amendment requiring the driver's education to include instructions about the laws relating to bicycles and other non-motorized vehicles. The amendment was adopted. The bill was approved and advanced to the Education Committee. S.F. 2007, authored by Sen. Jim Carlson (DFL-Eagan), requires the seller of a motor vehicle

# Committee update

to disclose if a vehicle has sustained damage exceeding 60 percent of its value. The bill was approved and sent to the Judiciary Committee. S.F. 2990, authored by Sen. Kevin Dahle (DFL-Northfield), removes the prohibition on planning and development for the Dan Patch Commuter Rail Line. The measure allows the Metropolitan Council to consider the rail line in developing its 30-year transportation plan. The measure was approved and advanced to the Senate floor.

## Railroad Walkway bill gains

The Transportation Budget and Policy Division reconvened for an evening meeting Thurs., Mar. 13, to hear a variety of bills.

S.F. 3572, sponsored by Sen. Scott Dibble (DFL-Mpls.), is the Railroad Walkway Safety Act. The bill describes the general requirements for walkways by railroad tracks such as allowable types of surface material, the maximum elevation for cross slopes, and the requirement for a minimum width of two feet. The bill also specifies the locations of tracks where walkways must be constructed and provides an exemption from compliance during maintenance activities or any period of heavy rain, snow, or derailment. The measure also provides that a formal complaint may not be filed until the filing party has attempted to address the violations with the rail carrier. Finally, the bill exempts track that was placed in service before July 1, 2008, from many of the walkway requirements, until the track is repaired, replaced or resurfaced. The measure was approved and re-referred to the Business, Industry and Jobs Committee.

S.F. 2462, sponsored by Sen. Jim Vickerman (DFL-Tracy), provides about \$2.9 million in loan forgiveness to the Buffalo Ridge Regional Railroad Authority. Vickerman said that the rail has not been able to make payments on the loan issued for purchase and rehabilitation of the line, and debt has deterred new business. The rail provides a vital service transporting ethanol from the Laverne ethanol plant, said Rock County Administrator Kyle Oldre.

Bill Gardner of the Dept. of Transportation said the department opposes the bill because it sets a precedent, and basically turns the program into a grant program. However, he said, it is important to preserve the corridor. The bill was approved and re-referred to the Committee on Finance.

Sen. Sharon Erickson Ropes (DFL-Winona) presented S.F. 3412. The bill increases the allowable speed of neighborhood electric vehicles from 25 to 35 mph and identifies vehicles that can operate at 35 mph as medium-speed electric vehicles. Erickson Ropes said the bill is aimed at encouraging a growing industry and helping to meet a growing demand for zero-emission cars. A manufacturer of the cars said that the 25 mph limit hinders traffic and discourages use. The bill was approved and advanced to the Senate floor. The measure was also designated for inclusion in the omnibus transportation policy bill.

S.F. 2502 aligns MnDOT's transportation funding priorities with the Metropolitan Council's metropolitan development plan, transportation policy plan, and regional development framework. Sen. Ron Latz (DFL-St. Louis Park), chief author, said the Met Council has a thorough process for identifying projects to receive federal funding that is set out by the Transportation Advisory Board. The Met Council process is collective and the opposite of earmarking, said Latz.

Pat Bursaw of MnDOT, whose office is responsible for formulating the department's plan, said the department opposes the bill for financial and procedural reasons. The bill would redirect state highway funds to locally initiated projects, said Bursaw. That redirection would take funds away from preservation and safety projects.

Murphy said that it was important for MnDOT to be able to operate with the proposal, because it will be included in the omnibus policy bill.

An amendment was adopted to specify that projects are contingent on available funding. Murphy suggested Bursaw help craft language to make the bill workable for the department. The bill was re-referred to the Finance Committee.



*Shelly Lyon, Marshall, tells members of the Transportation Budget and Policy Division, Tues., Mar. 11, that she is “one of the lucky ones” because she is able to rely on public transit to get to her jobs and volunteer activities. Senators were hearing a bill dealing with a state transit implementation plan and needs assessment.*

Photo by David J. Oakes

S.F. 2755, sponsored by Sen. Kevin Dahle (DFL-Northfield), provides a variance so that the office of deputy registrar may move from Scott County to Le Sueur County—across the street. The bill was approved and recommended for the Consent Calendar. The measure was also designated for inclusion in the omnibus bill.

S.F. 3615, sponsored by Sen. Jim Carlson (DFL-Eagan), specifies that payment of vehicle taxes and fees by dishonored check results in suspension of the person's driver's license. Jim Hurst, representing the Minnesota Deputy Registrars Association, said the bill corrects a loophole in existing law. The bill was approved and advanced to the Committee on Finance.

S.F. 3402, presented by Division Chair Steve Murphy (DFL-Red Wing) on behalf of Sen. Dan Skogen (DFL-Hewitt), transfers a highway right-of-way in Otter Tail County to the state rail bank. The measure was approved and advanced to the Senate floor. The measure was also designated for inclusion in the omnibus bill.

S.F. 3439, presented by Murphy on behalf of Sen. Julianne Ortman (R-Chanhassen), exempts one qualified motor vehicle or motorcycle from the motor vehicle sales tax when purchased by a member of the armed forces. The measure was approved and re-referred to the Tax Committee. The bill was also recommended for inclusion in the omnibus bill.

Sen. Mee Moua (DFL-St. Paul) carried two bills. S.F. 2642 modifies the safe at home program. Moua said the safe at home program allows victims of domestic violence to establish a designated address, other than their residence, to be used for driver's licenses and other purposes. The bill was approved and advanced to the Senate floor. The measure was also designated for inclusion in the omnibus bill. S.F. 2644 rolls back all the criminal offense surcharges, the surcharge on the DWI license reinstatement fee, various court fees and public defender co-pays to 2003 levels.

Sen. Rick Olseen (DFL-Harris) said the state should continue to charge the surcharge for DWI license reinstatement to show strong disapproval of driving while intoxicated. Moua said it was a public safety issue because if the surcharge is too onerous, people drive without a license. Murphy said Moua made a good case, but the committee could make a better case for keeping the surcharge. He said the surcharge is punishment, period. Members adopted an amendment deleting the provision. Sen. Rod Skoe (DFL-Clearbrook) said that in light of the state's budget shortfall, he could not support the bill. Moua said the bill leaves a \$120 million hole in the budget, but that \$120 million is raised from people least able to afford it. "We are making justice unaffordable," Moua said. She moved the bill be sent to the Finance Committee without recommendation. The motion was approved.

### **Omnibus policy bill okayed**

Members of the Transportation Budget and Policy Division, acting as a stand alone policy panel, met Fri., Mar.

14, to consider the omnibus transportation policy bill. The measure, S.F. 3223, carried by Division Chair Steve Murphy (DFL-Red Wing), contains numerous bills heard throughout the session relating to transportation. The measure also contains provisions that were in last year's omnibus transportation bill.

Murphy said the bill classifies seatbelt violations as primary offenses, requires passenger restraint for children under the age of eight in motor vehicles and imposes curfew and passenger restrictions on provisional driver's license holders. Many of the provisions had been heard in the last few days, he said.

The measure also makes a number of changes to transportation development provisions enacted last year.

Murphy said the bill will not come back from conference committee without one important provision; the classification of seatbelt violations as a primary offense. He said the late Kathy Swanson, an employee of the Dept. of Public Safety, spent most of her career advocating for classifying seatbelt violations as a primary offense and that he was determined the provision become law.

Sen. Kathy Saltzman (DFL-Woodbury) offered an amendment requiring that MnDOT have one deputy commissioner who is a licensed professional engineer. Saltzman said the bill does not limit the number of assistant commissioners, but does restrict the department to one deputy commissioner. She said the language in the bill represents a compromise, but the amendment is the original bill. Murphy said the department does not support the amendment, but is willing to work toward a compromise. The amendment was adopted.

Murphy offered an amendment to allow planning for the Dan Patch Commuter Rail Line, but keeping in place a prohibition on engineering, design and construction. The amendment was adopted. Murphy also offered an amendment to study whether the future replacement of the Lafayette Bridge is compatible with a future transit line. The amendment was adopted. Another amendment, offered by Murphy, deletes provisions relating to the retrieval of belongings from impounded vehicles. Sen. Scott Dibble (DFL-Mpls.) opposed the amendment. He said the provisions allow very low income individuals to retrieve contents such as medicine, clothing, eyeglasses, educational materi-

als and legal documents. The amendment was not adopted.

Sen. John Doll (DFL-Burnsville) offered an amendment extending the transit taxing district to Farmington and Lakeville. The amendment was adopted.

The bill was approved and advanced to the Committee on Finance.

Before taking up the omnibus policy bill, members considered three measures. S.F. 3545, sponsored by Sen. Michael Jungbauer (R-East Bethel), requires the department to consider the most recent insurance industry standards when adopting highway and road design standards and reclassifies some trucks and vans for registration purposes. The bill was re-referred to the Taxes Committee.

S.F. 2991, authored by Murphy, amends provisions relating to design-build transportation projects. The bill changes provisions relating to disclosure of construction project cost estimates and proposal scoring. Betsy Parker, MnDOT, said there were some provisions the department opposed. She said the department could not record every meeting as required under the bill. In addition, a provision requiring rejection of nonresponse proposals is opposed by the department, Parker said. Murphy moved to lay the bill on the table. The motion was adopted.

Murphy also sponsored a bill, S.F. 2987, requiring the Department of Transportation to report on methods for determining product efficacy and safety. Murphy said the bill aims to develop standards for treated wood used in highway projects, such as sound barriers. Parker said the issue is the environmental effects of the substances used to treat the wood products, because the department is liable for environmental damage. Murphy moved that the bill be included in the omnibus transportation bill, S.F. 3223. The motion prevailed.

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### **MyBills system available**

The MyBills personalized bill tracking system is now available. Users can add House and Senate bills to their lists by bill number, subject, or author, and view the legislative status of their bills, with items with significant current floor action highlighted. Users can modify their lists at any time. The MyBills system is available from the Legislative website at: <http://www.house.mn/leg/billsblog.asp>

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# Senate Briefly

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*A memorial to PFC Moises A. Langhorst, Moose Lake, lies on the Capitol Rotunda floor Wed., Mar. 19, as part of an exhibit commemorating Iraq war casualties.*

*Photo by A.J. Olmscheid*



March 20, 2008

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# Senate Highlights

## Bridge collapse fund passed

Senators met Mon., Mar. 17, and granted final passage to a bill creating a compensation fund for victims and survivors of the I-35W bridge collapse. The measure, H.F. 2553, sets an individual compensation cap of \$400,000 and lifts the \$1 million per incident cap in current law. The bill, carried by Sen. Ron Latz (DFL-St. Louis Park), requires parties who accept a compensation offer to waive their right to sue the state or the city of Minneapolis. Latz said, during debate at the previous floor session, that the bill was an attempt to find a middle ground between the hearts and minds of members of the Joint Subcommittee on Claims in formulating a plan. The measure was granted final passage on a unanimous roll call vote.

In other action, members granted final passage to several additional bills on the Calendar.

H.F. 2827, sponsored by Sen. Ann Lynch (DFL-Rochester), allows cities of the first class to fund county historical societies. H.F. 2907, authored by Sen. Gary Kubly (DFL-Granite Falls), authorizes a process for making the offices of county recorder and county auditor-treasurer appointive, rather than elective, in Yellow Medicine County. H.F. 3368, carried by Sen. John Doll (DFL-Burnsville), sets filing deadlines for certain reports, regulates customer payment arrangements during the cold weather period and regulates

payment agreements for utility services. H.F. 2816, authored by Sen. Kathy Sheran (DFL-Mankato) establishes a process for making the county-auditor position appointive, rather than elective, in Nicollet County. S.F. 1918, sponsored by Sen. Yvonne Prettner Solon (DFL-Duluth), creates the Ultra High-Speed Broadband Task Force. H.F. 1219, carried by Sen. Betsy Wergin (R-Princeton), removes sunset dates for weight exemptions for milk trucks. S.F. 457, authored by Sen. Dan Larson (DFL-Bloomington), establishes single member school board districts in ISD # 271, Bloomington.

In addition, Senators granted final passage to several bills on the Consent Calendar. S.F. 3147, carried by Sen. James Metzen (DFL-South St. Paul), repeals a sunset date of the blind and disabled persons accessible electronic information service. S.F. 3443, authored by Sen. Paul Koering (R-Fort Ripley), designates July 27 of each year as Korean War Veterans Day. S.F. 2830, carried by Sen. Dan Sparks (DFL-Austin), repeals the expiration date for laws governing payroll card accounts and report requirements. S.F. 3084, carried by Prettner Solon, corrects an error in plating in the legal description of land administered by the Spirit Mountain Recreation Area Authority.

Members also considered bills on General Orders on topics ranging from plumbers' license requirements to education background checks.

S.F. 3564, carried by Sen. Steve Murphy (DFL-Red Wing), corrects a typographical error in the omnibus transportation finance bill. H.F. 1546, carried by Sen. Dan Larson (DFL-Bloomington), provides for automatic updates of address changes of voter registration. H.F. 3099, authored by Sen. Linda Higgins (DFL-Mpls.), requires emergency management training for executive branch employees involved in disaster response or homeland security. H.F. 2636, sponsored by Sen. Tom Saxhaug (DFL-Grand Rapids), authorizes recognition of service and park beautification expenditures by townships. S.F. 2369, sponsored by Sen. Ann Rest (DFL-New Hope), requires criminal background checks on individuals providing student athletic coaching services and other extracurricular and cocurricular services. S.F. 1965, sponsored by Sen. Linda Berglin (DFL-Mpls.), expands the situations in which the commissioner of human services must consider granting a

variance from a licensure disqualification for community based corrections. S.F. 2786, sponsored by Sen. Linda Scheid (DFL-Brooklyn Park), modifies the effective dates for restricted plumber's licenses. S.F. 2628, authored by Sen. David Tomasoni (DFL-Chisholm), requires audits of the trucking industry to determine whether there has been a persistent pattern of misclassifying independent contractors. S.F. 3158, carried by Sen. Dan Skogen (DFL-Hewitt), requires Explore MN Tourism to study vacation rental lodging.

Sen. Don Betzold (DFL-Fridley) carried two measures. S.F. 2390 clarifies the collection and use of Social Security numbers. S.F. 2653 establishes a conflict of interest exception for certain school contracts for professional and other services. S.F. 2941, carried by Sen. John Marty (DFL-Roseville), modifies provisions for prescribing and filling drugs, requires a physical examination of the patient by a physician for specific drugs and prohibits the exclusion of designated family members, caregivers or other individuals from handling legend drugs for the purpose of assisting a person in obtaining or administering the drugs.

## 'Good faith' bill approved

A bill governing insurers' claim handling practices with their policyholders was granted preliminary passage by Senators, Tues., Mar. 18.

S.F. 2822, authored by Sen. Tarryl Clark (DFL-St. Cloud), requires insurers to act in good faith when denying insureds' claims. Clark said the bill attempts to address a problem with insureds not getting what they paid for. This is one of the few places in law where we do not have a deterrent against acting without good faith, she said. Clark said the bill is limited to first-party claims—those between the insurer and insured—and adopts Wisconsin's standard for good faith. Under the standard, the insured must show, first, that the insurer lacked a reasonable basis for denying benefits and, second, that the insurer acted with knowledge or reckless disregard for the lack of a reasonable basis. The bill limits insureds' recovery to economic damages and permits, but does not require, courts to award attorney fees. The goal was not to get consensus, Clark said, but to find something that most parties could live with.

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*From left, Majority Leader Lawrence Pogemiller (DFL-Mpls.), Minority Leader David Senjem (R-Rochester) and Assistant Majority Leader Tarryl Clark (DFL-St. Cloud) enjoy a lighter moment in the Senate Chamber.* Photo by David J. Oakes

Members adopted an amendment, offered by Clark, requiring insureds to include the “good faith” claim in an existing lawsuit against the insurer to recover the policy benefits. This amendment seeks to avoid having two lawsuits, she said, and is based on provisions from our punitive damages statute.

Sen. Linda Scheid (DFL-Brooklyn Park) offered an amendment containing an alternate proposal. The amendment goes a long way toward accepting the basics of the proposal in the bill, she said, but it seeks to protect premiums from significant increases. The amendment and the bill share the same two-part standard for determining whether an insurer acted without good faith. The amendment retains the possibility of attorney fees being awarded, but caps the fees at \$40,000. In addition, the amendment provides for an additional award to the insured of half the difference between the insurer’s pre-trial

offer and the final award, up to \$100,000. A benefit to this approach is that insurers’ exposure is more easily quantifiable, Scheid said, permitting insurers to control and calculate premium increases. She noted that while all other states have some good faith provision in law, not all states offer attorney fees.

Clark and Sen. Mary Olson (DFL-Bemidji) spoke against the amendment, saying its definitions were not as clear as those in the bill. More cases will be forced to trial under this approach, Olson said, while the bill creates incentives for settlement. The amendment was adopted on a 37-30 roll call vote. The bill was granted preliminary passage on a voice vote.

### **Bills gain final passage**

Prior to leaving for an extended weekend break back home in their districts, Senators held a floor session, Wed., Mar. 19, to grant final passage to bills on

the Senate Calendar and the Consent Calendar.

H.F. 1546, carried by Sen. Dan Larson (DFL-Bloomington), provides for automatic updates of address changes of voter registration. S.F. 3564, authored by Sen. Steve Murphy (DFL-Red Wing), corrects a typographical error relating to the transitional rate of the special fuel excise tax on compressed natural gas. H.F. 3099, carried by Sen. Linda Higgins (DFL-Mpls.), requires emergency management training for executive branch employees involved in homeland security or disaster response. H.F. 2636, sponsored by Sen. Tom Saxhaug (DFL-Grand Rapids), authorizes recognition of service and park beautification expenditures by townships.

S.F. 2369, sponsored by Sen. Ann Rest (DFL-New Hope), requires criminal background checks on individuals providing student athletic coaching services and other extracurricular and cocurricular services. S.F. 1965, authored by Sen. Linda Berglin (DFL-Mpls.), expands the situations in which the commissioner of human services must consider granting a variance from a licensure disqualification for community based corrections. S.F. 2786, carried by Sen. Linda Scheid (DFL-Brooklyn Park), modifies effective dates for restricted plumber licenses.

S.F. 2628, authored by Sen. David Tomassoni (DFL-Chisholm), requires audits of the trucking industry to determine whether there has been a persistent pattern of misclassifying independent contractors. S.F. 3158, carried by Sen. Dan Skogen (DFL-Hewitt), requires Explore Minnesota Tourism to study vacation rental lodging.

S.F. 2390, sponsored by Sen. Don Betzold (DFL-Fridley), clarifies the collection and use of Social Security numbers. S.F. 2653, also carried by Betzold, establishes a conflict of interest exception for school contracts and professional services. S.F. 2941, carried by Sen. John Marty (DFL-Roseville), modifies provisions for prescribing and filling drugs, requires a physical examination of the patient by a physician for specific drugs and prohibits the exclusion of designated family members, caregivers or other individuals from handling legend drugs for the purpose of assisting a person in obtaining or administering the drugs. S.F. 2822, sponsored by Sen. Tarryl Clark (DFL-St. Cloud), provides for penalties and attorney fees for bad faith insurance claims practices.

# Senate Highlights

S.F. 3402, carried by Skogen, transfers a mile of highway right of way to the state rail bank. S.F. 2755, authored by Sen. John Doll (DFL-Burnsville), allows the Deputy Registrar's Office in New Prague to move across the street, from one county to another. S.F. 3674, carried by Sen. Mee Moua (DFL-St. Paul), corrects erroneous, ambiguous and obsolete references. S.F. 3555, authored by Sen. Julie Rosen (DFL-Fairmont), allows appointments to vacant positions on the Watonwan Soil and Water Conservation District Board. S.F. 3461, carried by Sen. Claire Robling (R-Jordan), changes the date by which counties must provide summary budget data.

One measure was granted preliminary passage on General Orders. S.F. 3313, sponsored by Sen. Gary Kubly (DFL-Granite Falls), modifies physician licensure standards based on reciprocity. Kubly offered an amendment making technical changes to conform with other laws. Members adopted the amendment and granted preliminary passage.

## Health care reform bill gains

A measure proposing a number of initiatives to increase the number of insured

Minnesotans while effecting cost savings was approved by members of the Finance Committee, Tues., Mar. 18.

S.F. 3099, authored by Sen. Linda Berglin (DFL-Mpls.), creates a statewide health improvement program, imposes a public health improvement assessment on hospitals and health plans, provides for health care homes, creates a health insurance exchange, provides for the establishment of Section 125 plans, restructures the health care payment system and establishes a savings recapture assessment. Berglin said the bill tackles health care availability and affordability on a number of fronts. It addresses public health issues that drive up the cost of health care, such as obesity and smoking, she said. Berglin said the bill also seeks to reduce administrative costs in the payment system and expand public health program availability.

We estimate the bill will increase the number of insured Minnesotans by 27,000, she said. One goal of the effort is to achieve near-universal coverage without enacting a health insurance mandate like Massachusetts did, Berglin said. In addition, the bill will reduce the amount of uncompensated care at hospitals, she said.

She addressed potential challenges under ERISA and other federal laws, saying initiatives similar to portions of the bill have been upheld in other states. We are willing to look at other options, she said, but the groups bringing objections have not suggested alternatives. The framework of the proposal has been negotiated successfully with the Governor's Office, she said, but a major difference is the use of health care access fund dollars to expand public health care program availability.

Much of the panel's discussion centered on the absence of final fiscal notes from the Dept. of Finance and affected agencies. Lisa Miller, Dept. of Finance, said the projections from three agencies—the Departments of Health, Human Services and Revenue—are final. Other agencies are working diligently, Miller said, and the Dept. of Finance is attempting to ensure that all agencies' assumptions are consistent. Sen. Michelle Fischbach (R-Paynesville) said she was concerned about the committee advancing a proposal to the floor without having final numbers. Chair Richard Cohen (DFL-St. Paul) said acting without complete, final numbers would not be unprecedented. We have the final figures from the major agencies affected by the bill, he said. Cohen said that if the final fiscal notes from the remaining agencies were significantly divergent from the preliminary estimates, the bill would likely return to the committee. Members advanced the bill to the full Senate on a voice vote.

## Historical database available

The Legislative Reference Library has developed a database, "Legislators Past and Present," containing information about Legislators who have served since territorial times.

The database's information was compiled from official legislative directories, obituaries, news clippings, family files and other sources. It contains information about terms of service, education, occupation, party or caucus affiliations, leadership positions, represented communities and more.

The database also includes information about Minnesota Legislators who served in other government functions, ranging from the local level to the national level. "Legislators Past and Present" is available online at <http://www.leg.state.mn.us/legdb/index.asp>



Sen. Debbie Johnson (R-Ham Lake), left, reacts to petting a South American chinchilla held by Minnesota Zoo volunteer Betty Goodman in the Capitol Rotunda during the Zoo's "Day at the Capitol," Tues., Mar. 18.

Photo by A.J. Olmscheid

# Committee update

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## Agriculture and Veterans Budget and Policy Division

### Animal chiropractic licenses ok'd

The Agriculture and Veterans Budget and Policy Division, chaired by Sen. Jim Vickerman (DFL-Tracy), heard four bills, Tues., Mar. 18. The panel was acting in its role as a free-standing policy committee.

S.F. 3165, sponsored by Sen. Gary Kubly (DFL-Granite Falls), establishes animal chiropractic care educational criteria and provides for licensure of chiropractic care on animals. Licensed chiropractors are not allowed to practice on animals under current law.

Jim Hulbert, a canine breeder, testified in favor of the bill, which would allow an animal chiropractor to treat an animal without a veterinarian referral.

John Howe, mixed animal practitioner, said many infectious diseases and critical conditions may masquerade as chiropractic problems, and animals should be checked by a veterinarian before being referred to a veterinary chiropractor.

Veterinarian Pierce Fleming said an animal husbandry working group that addressed the subject did not reach consensus on whether there should be direct access or a referral based system.

Kubly said he plans to offer an amendment to address hygienic standards or separate treatment areas for humans and animals in an upcoming committee.

Annie Seefeldt of the Minnesota Animal Chiropractic Care said that chiropractors are taught to recognize conditions that are outside their field of expertise, and the bill requires extensive training. The bill also requires a post chiropractic treatment report to a veterinarian, said Seefeldt. The bill was approved and re-referred to the Committee on Health, Housing and Family Security.

S. F 3755, sponsored by Sen. Amy Koch (R-Buffalo), repeals a Persian Gulf War ribbon authorization. The authorization was okayed after the war to provide recognition of federal service at the state level, however the federal government provided their own recognition shortly after and the Minnesota ribbon was never designed, according to Colonel Eric Ahlness, Department of Military Affairs. The bill was approved and recommended for placement on the Consent Calendar.

Koch also presented a proposal from the governor's Yellow Ribbon Task Force. S.F. 3756 presents an immediate brevet

promotion to anyone who dies in state or federal service. The process currently takes ten years, according to Koch. The bill was approved and recommended to pass.

S.F. 2449 makes it illegal to apply pesticides to the wrong site or to a site where an application has not been directed by the property owner or manager. Bill sponsor Katie Sieben (DFL-Newport) said that if the bill is amended to expand the scope of pesticide usage that she would pull the bill so that it does not become a rider to other pesticide related amendments. The bill was approved and sent to the floor.

## Business, Industry and Jobs

### Cap and trade bill gains

A measure providing for legislative involvement in the development of a regional cap and trade system for greenhouse gas emissions was approved by members of the Business, Industry and Jobs Committee, Mon., Mar. 17.

S.F. 2818, authored by Sen. Ellen Anderson (DFL-St. Paul), also calls for studies on the costs and benefits of a cap and trade system and how any revenue from a cap and trade system can be directed to efforts to mitigate the economic costs of the system. The bill is about collecting information and allowing the Legislature to monitor the process, which is being controlled by participating states' governors, Anderson said. Members adopted an amendment, at Anderson's request, representing a negotiated agreement on the scope of the studies. We need to understand the broader context before we implement a cap and trade system, said Diane Schmidt, Flint Hills Resources. It is important to know what cap and trade will do to jobs, fuel prices and the cost of electricity, she said.

Sen. Amy Koch (R-Buffalo) questioned the need for more studies. We have already asked for this information from the Climate Change Advisory Group, she said, and we haven't gotten the answers we asked for. Why do we think we will get answers if we just create a new group and ask for a new study, Koch said. Michael Robertson, representing the Minnesota Chamber of Commerce, said the advisory group was frustrated that much of the data it got was societal. We need breakdowns, such as by industry or sector, he said, to help us better understand the real impact of cap and trade. Robertson said the study

proposed in the bill will offer better, more detailed data for policymakers.

Studies are good, but implementation will be trickier, said Sen. Thomas Bakk (DFL-Cook). There is a cumulative impact to what we do, he said. If utility bills go up a few dollars a month because of what we do, Minnesotans might be able to pull through it, Bakk said. But if what we do causes people to lose their jobs, that is a more serious situation, he said.

Sen. Chris Gerlach (R-Apple Valley) said the bill moves the state further down the wrong path. We are on the path to energy rationing, he said, when what we need to do is embrace a free market that will increase our standard of living.

The bill was approved and advanced to the Finance Committee.

Committee members, chaired by Sen. James Metzen (DFL-South St. Paul), also considered a bill banning certain chemicals in children's products. S.F. 1858, sponsored by Sen. Sandy Rummel (DFL-White Bear Lake), bans bisphenol-A and phthalates in infant formula cans and children's toys, clothing, sleep items and feeding tools. Bisphenol-A and phthalates are toxic, hormone-disrupting chemicals, Rummel said, and the bill seeks to protect children under age three, who are most at risk from exposure. Lindsay Dahl, Healthy Legacy, said 11 other states are considering phasing out bisphenol-A, while phthalates have been banned in California, the nations of the European Union and 14 other countries.

Robert Rankin, International Formula Council, said the makers of infant formulas are committed to producing safe, nutritious formulas. The current scientific literature does not justify a prohibition, he said. We lack sufficient information on the safety and utility of alternatives, Rankin said. The U.S. Consumer Product Safety Commission and its European Union counterpart have said that consumers do not need to fear soft plastic toys, which may contain bisphenol-A or phthalates, said Rob Harriet of the Toy Industry Association. The safety agencies have not made similar statements about suggested alternatives for the chemicals, he said.

Members heard from scientists on both sides of the debate, discussing numerous studies that have reached opposing conclusions. We need accurate, conclusive science before we should adopt a ban, said Sen. Rod Skoe (DFL-Clearbrook). I

# Committee update

would rather err on the side of safety, said Sen. Linda Scheid (DFL-Brooklyn Park). We have been bombarded by chemicals, she said, and we need to be especially cautious when it comes to children. These products and the chemicals they contain do not know state borders, said Sen. Geoff Michel (R-Edina). If there is a problem, then the solution needs to come from the federal government, not from Minnesota acting alone, he said. The federal government has dropped the ball, leaving it for us to act, Scheid responded.

Sen. Ron Latz (DFL-St. Louis Park) offered an amendment removing the ban on bisphenol-A and replacing the provision with a study by the Dept. of Health. California has already acted to address the problems with phthalates and Minnesota should follow, Latz said. A study on bisphenol-A will give us a better comfort level before we consider a ban next year, he said. The amendment failed on a voice vote.

A motion to advance the bill also failed.

## High tech investment plans ok'd

The Committee on Business, Industry and Jobs, chaired by Sen. James Metzen (DFL-South St. Paul), heard nine bills, Wed., Mar. 19. Many of the proposals related to investment in venture technology.

S.F. 539, authored by Sen. David Tomassoni (DFL-Chisholm), defines how labor unions can communicate with workers in the workplace, and allows for the use of email. The bill was amended to allow businesses to determine the appropriateness of volume and political content, and directs complaints to the applicable grievance procedure.

Teresa Joppa of AFSCME Council 65 said communication through email is the only way to effectively contact members in businesses that may be dispersed in many locations.

Dave Dederichs of the Minnesota Chamber of Commerce said the bill is preempted by the National Labor Relations Board, which does not support use of business email systems to deal with non-work communications.

Craig Johnson of the League of Minnesota Cities said the issue could be dealt with through collective bargaining and common sense, but the bill satisfies the League's concerns.

Paul Larson, deputy commissioner of Dept. of Employee Relations, said a lot of labor communications are partisan or political in nature, and non-permanent employees wouldn't have access to the grievance procedure.

The bill was approved and re-referred to the Judiciary Committee.

Sen. Kathy Saltzman (DFL-Woodbury) presented S.F. 2609, appropriating \$3 million for a jobs skills partnership program that encourages collaboration between employers and higher education institutions. Richard Tweeten of MnSCU said the bill requires dissemination of products resulting from grants, such as curricula, across the state. The bill also requires the board to establish a marketing plan. The bill was approved and re-referred to the Committee on Finance.

S.F. 3083, also sponsored by Saltzman, appropriates \$3 million in tax credits for investments in qualified high technology. Minnesota is ranked 26th in the nation for academic research and development investments, said Saltzman, and the bill encourages investment in high technology companies looking for early stage investment.

Don Gerhardt of LifeScience Alley said large scale venture firms are not investing as much in early stage opportunities, and many angel investors have withdrawn their activity as they reach retirement age. The bill was approved and re-referred to the Committee on Taxes.

S.F. 3101 exempts interests in qualified high technology businesses as a factor for determination of eligibility for state individual or corporate franchise taxes. Bill sponsor Sen. Mee Moua (DFL-St. Paul) said the bill creates an opportunity to engage investors in high tech business. The bill was approved and re-referred to the Committee on Taxes.

S.F. 3476 establishes a regional emerging investment fund credit, and a seed capital investment credit for businesses in border cities. Funding for the regional emerging investment fund credit has already passed, said bill sponsor Sen. Keith Langseth (DFL-Glyndon). The bill was approved and re-referred to the Committee on Taxes.

S.F. 3341, sponsored by Sen. Michael Jungbauer (R-East Bethel), establishes a voluntary inventory of business energy use. Municipalities must make a standard inventory form available to businesses.

The program gets the state ready for 10 billion in federal grants for greenhouse gas inventory that will be available in 2009, said Jungbauer. Cities could also use it as a planning tool, said the author. The bill was approved and sent to the floor.

S.F. 3169, sponsored by Sen. Thomas Bakk (DFL-Cook), increases the amount of assistance not considered a business subsidy to \$200,000; increases the amount of a loan or guarantee not considered a subsidy to \$200,000; and increases the amount of a business subsidy that triggers the requirement for public notice and hearing from \$100,000 to \$200,000. The bill also maintains the original values for use in determining the criteria for awarding subsidies after a public hearing. The bill was approved and re-referred to the Committee on Taxes.

S.F. 3632, sponsored by Sen. Julie Rosen (R-Fairmont), appropriates \$250,000 for construction of a major economic design project to develop the state's nanotechnology industry. The bill assures participation from the academic community and the BioBusiness Alliance, said Bob Hoerr of Nanocopeia. The bill was approved and re-referred to the Committee on Finance.

S.F. 3471, sponsored by Sen. David Tomassoni (DFL-Chisholm), modifies language regarding unemployment benefits. The bill also extends unemployment benefits for an additional 13 weeks in counties where the unemployment rate is 1.8 times the state average for the previous 12 months, and extends benefits to workers laid off from the Ainsworth Lumber Company in the city of Cook for an additional 26 weeks.

The bill also extends benefits to individuals that did not receive benefits due to a computer program error, and makes some additional minor changes.

Lee Nelson of the Department of Employment and Economic Development said that the unemployment insurance fund may be operating in debt as soon as 2010, and of the three counties affected by the new formula, one of the counties has met those qualifications since at least 1999.

Tomassoni said that the benefits were actually recommended by state budget experts, because the funds are sure to be spent. The bill was approved and re-referred to the Committee on Finance.

## Commerce and Consumer Protection

### Gas, insurance bills heard

Members of the Commerce and Consumer Protection Committee met Tues., Mar. 18, to consider ten bills on a range of topics from gasoline retailing to flood insurance to real estate closing. All of the bills were advanced to the full Senate.

S.F. 3336, authored by Sen. Leo Foley (DFL-Coon Rapids), prohibits the sale or lease of a motor vehicle that does not meet glazing material requirements, clarifies exemptions to the glazing law and clarifies the requirements for a prescription justifying glazed windows. S.F. 3446, sponsored by Sen. Kathy Saltzman (DFL-Woodbury), requires small employers to be notified of the availability of flexible benefits plans. S.F. 2980, carried by Sen. Kevin Dahle (DFL-Northfield), requires homeowners insurance policies to include a notice of the availability of flood insurance.

H.F. 3411, sponsored by Sen. Debbie Johnson (R-Ham Lake), specifies that if a number is used to advertise a grade of gasoline, the number may not exceed the gasoline's octane. The bill also contains a number of technical weights and measures proposals from the Dept. of Commerce. S.F. 3594, authored by Chair Linda Scheid (DFL-Brooklyn Park), defines title insurance, clarifies the role of a notary in residential real estate closings and eliminates an exception for some lenders not to have qualified funds at a closing.

Sen. Dan Sparks (DFL-Austin) sponsored three bills. S.F. 3174 changes the name of the Uniform Securities Act to the Minnesota Securities Act and makes a number of technical changes to the state's securities laws. S.F. 1578 provides that consumers may pay fees related to freezing their credit records by non-credit card payment methods. S.F. 2765 prohibits health care providers from making direct contact with anyone injured in an auto accident for the purpose of influencing the injured person to receive treatment. Sparks said the last bill is part of the state's ongoing effort to combat insurance fraud through the use of runners.

S.F. 3328, carried by Sen. David Tomassoni (DFL-Chisholm), waives an oral disclosure requirement for pay-at-the-pump transactions. Under the bill, gasoline retailers must disclose, using a conspicuous sign, a price differential

between cash and credit transactions. The bill also permits retailers to set a minimum amount allowable for credit or debit card purchases. Sen. Mary Olson (DFL-Bemidji) sponsored a bill, S.F. 3508, regulating motor vehicle insurance adjustments. Members adopted an amendment, offered by Olson, addressing concerns raised in an earlier hearing on the bill.

## E-12 Education Budget Division

### Variety of bills heard

The E-12 Education Budget Division, chaired by Sen. LeRoy Stumpf (DFL-Plummer), met Tues., Mar. 18, to consider bills ranging from district borrowing authority to teachers' licensure.

S.F. 2409, carried by Sen. Jim Carlson (DFL-Eagan), authorizes an intermediate school district to borrow in anticipation of revenue payments. The measure specifies borrowing limitations and sets forth repayment conditions for the school districts. S.F. 3763, sponsored by Sen. Lawrence Pogemiller (DFL-Mpls.), modifies duties of school superintendents relating to reporting requirements for anticipated expenditures and student passage rates.

S.F. 3708, authored by Sen. Gen Olson (R-Minnetrista), provides for teacher licensure via portfolio and outlines the application content and fee requirements for candidates seeking licensure. Under the bill, a candidate for initial licensure must submit one portfolio demonstration pedagogical competence and one portfolio demonstrating content competence consistent with the applicable Board of Teaching licensure rules.

S.F. 2506, carried by Sen. David Senjem (R-Rochester), restores wind energy payments to school districts. S.F. 1976, authored by Sen. Ron Latz (DFL-St. Louis Park), establishes a grant program to help communities promote, practice and cultivate positive child and youth development.

All of the bills were laid over for possible inclusion in the division's omnibus bill.

### Policy bill heard

Members of the E-12 Education Budget Division met Wed., Mar. 19, to begin consideration of the omnibus education policy bill, S.F. 3001. Carried by Sen. Charles Wiger (DFL-Maplewood), the bill

touches on a variety of education topics, including education standards, teacher preparation, school transportation and special education. Members reviewed the proposal and heard from representatives of stakeholders on the bill's provisions. Division Chair LeRoy Stumpf (DFL-Plummer) said a decision had not been made on whether the bill would advance separately, in whole or in part, or would be subsumed into an omnibus budget proposal to be assembled next week.

## Economic Development Budget Division

### Budget recommendations heard

The governor's budget recommendations were the focus of the Mon., Mar. 17, meeting of the Economic Development Budget Division. The panel, chaired by Sen. David Tomassoni (DFL-Chisholm), heard from representatives of the various agencies under its jurisdiction.

The recommendations call for a net increase in general funding spending at the Dept. of Employment and Economic Development of \$3.162 million in FY 09 and \$10.14 million in FY 10-11. A significant portion of the new spending is for the SEED initiative, along with transfers from the workforce development fund and the special revenue fund. The proposal includes new general fund spending in FY 10-11, to the tune of \$4.8 million, to support additional bonds sold by the Housing Finance Agency to address long-term homelessness. For the Dept. of Labor and Industry, the recommendations provide for a four percent reduction in operating budget, or \$43,000 annually. Finally, in the Dept. of Commerce, the proposal raises \$20.5 million in FY 09 and \$22.5 million in FY 10-11 by removing the cap on securities registration fees and transfers \$2 million from the special revenue fund of money collected for the insurance fraud prevention unit.

### Mesothelioma funding okayed

The Economic Development Budget Division, chaired by Sen. David Tomassoni (DFL-Chisholm), heard six bills, Wed., Mar. 19, including the chair's own proposal to study mining related cancer incidences on the Iron Range.

S.F. 3603, sponsored by Sen. Rod Skoe (DFL-Clearbrook), clarifies when an Upper Red Lake business loan program

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Senators Julie Rosen (R-Fairmont), left, and Ellen Anderson (DFL-St. Paul) converse during a meeting of the Energy, Utilities, Technology and Communications Committee, Tues., Mar. 18.

Photo by David J. Oakes

must be repaid. Loans were made to small businesses in the area when fishing on Red Lake closed completely, said Skoe, with the condition that the loans must be repaid when the fisheries recovered. However, the fishing season still is not restored, said Skoe, and the bill changes the language to require repayment when the bag limit meets the regular statewide limit.

The bill was laid over for possible inclusion in the economic development omnibus bill.

Sen. Michael Jungbauer (R-East Bethel) presented S.F. 3692. The bill modifies a manufactured home relocation trust fund, which aids manufactured home owners in case of a park closure. The trust fund fee collection process is confusing and expensive, said Margaret Kaplan of All Parks Alliance for Change. The bill redirects the fee to manufactured homeowners property tax statements instead.

The bill was approved and re-referred to the Taxes Committee.

Tomassoni presented S.F. 3300, which sets criteria for a study of mesothelioma and appropriates \$4.9 million from the workers compensation special fund. The funding would cover all studies necessary to get to the bottom of these issues, said John Finnegan Jr. of the School of Public

Health at the University of Minnesota. Three intensive worker health studies and two exposure assessments are planned according to Professor Jeffrey Mandel of the U of M.

David Dederichs of the Minnesota Chamber of Commerce said they were not opposed to the policy, but were concerned that the appropriation would result in higher workers comp payments by employers and set a bad precedent.

The bill was approved and sent to the Committee on Finance.

S.F. 3140, sponsored by Sen. Kathy Sheran (DFL-Mankato), addresses training and recruitment of boiler operators. The bill reduced minimum ages for certain licenses but increases experience necessary to qualify, extends a temporary license for certain licensed employees to operate higher class machinery, authorizes the commissioner of labor and industry to establish educational requirements for applicants, and sets a provisional license fee.

The bill was approved and sent to the floor.

S.F. 2926 sponsored by Sen. Linda Scheid (DFL-Brooklyn Park) makes small changes and technical corrections to language addressing electrical, plumbing, water conditioning, boiler and high pressure piping professions provisions.

The bill was laid over for possible inclusion in the omnibus economic development bill.

Sen. Thomas Bakk (DFL-Cook) presented S.F. 3271, providing a tax credit to insurance companies that invest through a fund manager in small to medium sized Minnesota businesses. The investment must be directed to businesses in economically disadvantaged areas that need investment to expand. The program has a proven track record in other states, said Paul Cassidy of Leonard, Street and Deinard.

National insurance companies that pay Minnesota premium taxes could receive tax credits equal to 80 percent of the investment of designated capital after five years, and a \$100 million dollar aggregate investment is required, said Bakk.

The bill was approved and re-referred to the Taxes Committee.

## Energy, Utilities, Technology and Communications

### Renewable energy bills heard

Members of the Energy, Utilities, Technology and Communications Committee held their final hearing to process bills, Tues., Mar. 18. The panel, chaired

by Sen. Yvonne Prettner Solon (DFL-Duluth), considered three bills relating to renewable energy.

S.F. 3758, carried by Sen. John Doll (DFL-Burnsville), makes a number of changes to help reconcile Minnesota's renewable energy standard with federal law and updates provisions. Doll also authored a bill, S.F. 3698, permitting utilities to include solar energy projects in their conservation plan programs. The bill also directs the Office of Energy Security to convene a stakeholder group to develop criteria and characteristics for a Minnesota-based solar rating and certification laboratory. Both bills were forwarded to the full Senate.

S.F. 3528, sponsored by Sen. Sandy Rummel (DFL-White Bear Lake), requires that by the end of 2012 at least 0.0125 percent of the electricity required to be produced from renewable sources be generated by solar energy. The bill also provides that at least 60 percent of the requirement be distributed solar generation located at customers' sites. "This is like planting a small seed for the future," Rummel said. She noted that wind generation used to be very expensive, but is now competitive in the market. If we begin to invest in solar now, we will be a leader by 2025 when it is needed to supplement our production, she said. Minnesota has three great natural energy resources, biomass, wind and solar, Rummel said, but we have only developed the first two. We have more solar generation potential than Miami and Houston, she said.

There is so much interest in this around the state, said Sen. Ellen Anderson (DFL-St. Paul), but not many ways for people interested in solar to get into the market. This is a small, targeted effort that should not create a burden on our utilities, she said. I would hate to see us focus on just one technology or limit how utilities can meet the renewable standard, said Sen. Amy Koch (R-Buffalo). Even though the bill is small and targeted, it opens the door to many more proposals restricting utilities seeking to meet the standard, she said. If we do not act now, we will have nothing promoting solar here and we will lose, to other states, the jobs we know are coming in the solar industry, Rummel said.

A motion to advance the bill failed, 7-7.

## Environment and Natural Resources

### Omnibus policy bill completed

The Committee on Environment and Natural Resources, chaired by Sen. Satveer Chaudhary (DFL-Fridley) reviewed five bills, and approved the omnibus environment policy bill, Fri., Mar. 14.

S.F. 2811, sponsored by Sen. Ann Lynch (DFL-Rochester), makes changes to the Permanent School Trust Fund Advisory Committee, which has oversight of the trust lands. The bill is in response to a 1998 auditor's report concluding the state needs to pay more attention to school trust obligations, said Lynch. The bill changes the makeup of the committee to include individuals with expertise in forestry, minerals and mining, real estate development, renewable energy, finance and land management. The committee is directed to provide an annual report with recommendations on improving efficiency and maximizing the long term economic return of the lands.

The bill was approved and re-referred to the Committee on Rules.

Sen. Mary Olson (DFL-Bemidji) sponsored S.F. 3243, requesting \$35,000 to stock 25 million walleye fry in Leech Lake. Olson said that a fishery collapse in the early 2000s has devastated the resort and tourism industry in Walker. A stocking effort in 2005 was wildly successful, but not enough, said Olson. Larry Anderson of the Leach Lake Fishery Taskforce said that stocking efforts have been light compared to other lakes, and data indicates that reproduction rates have been low.

DNR biologist Dick Sternberg said that the DNR wants to give reproduction a chance to sustain the population, and is surprised it has not done so. The department is finishing up a study on a potential egg predator this summer, he said. The bill was approved and re-referred to the Finance Committee.

S.F. 3576, sponsored by Sen. Ann Rest (DFL-New Hope), provides for viral hemorrhagic septicemia control. The bill regulates permits and transportation of aquatic life that may spread the disease and establishes conditions for the buying and selling of fish to prevent or slow the spread of the disease. Chaudhary said that he, the DNR and a representative from the bait industry had discussed the bill

and allayed bait industry concerns. The bill was approved and re-referred to the State and Local Government Operations and Oversight Committee.

S.F. 3690, sponsored by Chaudhary, provides a 150 foot setback for construction adjacent to a wildlife management area. The bill was amended to address concerns expressed in previous committee testimony by preventing soil grade or preexisting vegetation from being altered within 50 feet of the area, rather than 100 feet. An amendment was also passed to exempt agriculture land from the 50 foot provision. Anoka County still opposed the bill. The League of Minnesota Cities said the amended bill was less problematic.

A section also exempts wildlife management areas from local restrictions on hunting, dogs, and noise. The bill was laid over for further work.

S.F. 3621 makes changes to walleye size limits and the fishing opener date. Bill sponsor Chaudhary said the "let my people fish bill" changes the fishing opener date from two weeks before Memorial Day, i.e. Mother's Day in many years, to the Saturday nearest May 8. The current date causes unnecessary family conflict, said Chaudhary. With spring arriving earlier, and fall lasting longer, moving the date will lengthen the season to benefit tourism and encourage more female and male anglers to participate, said Chaudhary. The bill also says anglers must release walleye smaller than 14 inches, which standardizes rules across the state, and requires the release of spawning size walleye in the first week.

A representative of the small resort industry said resorts barely have time to prepare for the current opener, and moving the opener just extends dead time between the opener and Memorial Day weekend.

Bob Meier of the DNR said that over a 20 year period, the May 8 date would actually increase the number of Mother's Day conflicts from 14 to 15 overlaps. The DNR is also concerned about interfering with the breeding season.

Chaudhary requested that in exchange for laying the bill on the table, the committee allow Chaudhary to offer an amended bill as an amendment to the omnibus bill later in the process.

The committee constructed and passed the omnibus environment policy bill, S.F. 3885, which includes the environmental policy, natural resources, game

# Committee update

and fish, and land articles. Most of the controversial bills heard over the session are traveling separate from the omnibus bill, including the cap and trade proposal, said Chaudhary. A provision that prohibits a wood biomass plant in Minneapolis, S.F. 3393, is included in the bill but was amended.

Sen. Rod Skoe (DFL-Clearbrook) initiated a discussion on expanding a deer feeding ban to address the spread of bovine tuberculosis. An amendment was passed to expand the ban from 15 miles to 30 miles of a cattle herd.

An amendment prohibiting issuance of additional aquatic farm licenses on certain bodies of water was agreed to by the committee. Sen. Dan Skogen (DFL-Hewitt) said that bait farmers in his district were no longer threatened by the proposal.

The committee adopted language from the other body prohibiting construction debris from being used as cover material at disposal facilities, except under certain specific conditions and procedures.

Former Sen. Bob Lessard spoke in favor of an amendment to put a citizen's council in charge of a natural heritage fund that would be established if the environment and arts legacy proposal passes in the next election. The amendment was not adopted.

The language of S.F. 3690, addressing wildlife management area set-offs, was removed by the committee. However, the committee reconsidered the deletion later in the meeting and voted to keep language allowing the DNR to purchase land adjacent to the Carlos Avery and Lamprey Pass Wildlife Management Areas located in the city of Columbus.

The game and fish article was amended to allow bear and turkey to be taken by crossbow. A law passed last year allows crossbows during the deer firearms season.

A moose biologist will be designated to study the declining moose population in northwestern Minnesota by an amendment that was also approved.

The committee okayed an amendment, by Sen. Scott Dibble (DFL-Mpls.), requiring the Minnesota Pollution Control Agency to report changes regarding underground petroleum tanks to community leaders and Legislators within 30 days.

The committee approved an amendment addressing the proposed Minne-

apolis biomass plant. The new language, offered by Kandiyohi Development Partners, allows permitting of the plant under the conditions that they hire at least 35 percent of permanent employees from the Little Earth community, all diesel trucks bringing fuel to the site are equipped with advanced emission filters, and actual emission levels are reported to the neighborhood on a quarterly basis. An additional amendment was adopted that bans the burning of refuse-derived fuel at the site.

The land article was the last to be considered. One amendment passed, deleting language capping a lease rate for a ski area on Gull Lake at two percent. Other language was kept to limit the lease adjustment in future years to the rate of inflation.

The articles were incorporated into S.F. 3885, approved, and re-referred to the Finance Committee.

## Environment, Energy and Natural Resources Budget Division

### Governor's budget proposal heard

The Environment, Energy and Natural Resources Budget Division met Tues., Mar. 18, to hear testimony on the governor's budget proposal and to consider two bills. The panel, chaired by Sen. Ellen Anderson (DFL-St. Paul), began by hearing about the budget reductions targeted at the Public Utilities Commission and metro parks under the purview of the Metropolitan Council.

The governor's proposal includes a 1.88 percent net reduction for Metro Parks operation and maintenance, said Arne Stefferud, Metropolitan Council. He said the metropolitan regional parks system includes 52,600 acres open for use with 33.2 million visits. The governor's budget recommendation reduces general fund appropriations by \$4.05 million in FY 2008 and \$3.888 million in FY 2009, Stefferud said. In addition, the proposal reduces lottery in lieu of sales tax funding by \$4.57 million in each fiscal year.

Burl Haar, executive secretary, Public Utilities Commission, said the proposal contains a one time transfer of \$4 million from the telephone access plan (TAP) to the commission and reduces the general fund appropriation by \$4 million. He said the TAP program revenue, which comes

from a monthly assessment on consumer telephone bills, amounts to about \$500,000 more each year than is needed. The TAP program provides assistance to hearing-impaired persons to communicate over the telephone.

Members also discussed two bills. S.F. 3096, authored by Sen. Scott Dibble (DFL-Mpls.), provides for an energy improvement financing program for state and local governments. S.F. 2949, sponsored by Sen. Julie Rosen (R-Fairmont), enacts a local renewable energy initiative to finance small-scale renewable energy projects and authorizes the sale of revenue bonds to fund the initiative. Both measures were laid over.

## Health, Housing and Family Security

### Community Care Act gains

In light of the first committee deadline, the Health, Housing and Family Security Committee met Fri., Mar. 14, to clear bills from the agenda.

Members, chaired by Sen. John Marty (DFL-Roseville), began by considering a proposal to expand home and community-based long-term care services for older adults and family caregivers. S.F. 1931, sponsored by Sen. Sharon Erickson Ropes (DFL-Winona), establishes a statewide priority to enhance the mobility of older adults, establishes demonstration projects and establishes a tax credit for family caregivers of adults of all ages. Erickson Ropes said the bill strives to allow older Minnesotans to stay in their homes longer. Dawn Simonson, Minnesota Council on Aging, spoke in support of the measure.

The bill requires the Minnesota Board on Aging, in cooperation with other agencies, to establish a home modification program for low-to-moderate income adults age 60 and older who do not qualify for other publicly funded programs. In addition, the bill requires the establishment of a volunteer transportation program and a caregiver support program for family caregivers. The bill also provides for a home care tax credit for taxpayers who care for a family member who would otherwise be eligible for placement in a nursing home or other long-term care facility.

The bill was approved and advanced to the Taxes Committee.

Sen. David Tomassoni (DFL-Chisholm) sponsored a measure, S.F. 3300,

directing the University of Minnesota to study workers' lung health. Tomassoni said mesothelioma, a type of cancer, was first thought to be caused by exposure to asbestos in industrial applications, but the recent disclosures of the occurrence of the disease in iron miners has created an urgent need to study the health of mine workers. Under the bill, the study must include industry-specific worker mortality and morbidity studies, clinical disease studies, exposure assessments, case-control screening of current and former workers and environmental studies that assess health impacts on workers and communities. The bill was approved and advanced to the Finance Committee.

S.F. 3699, authored by Sen. John Doll (DFL-Burnsville), requires prescription information be kept confidential. Doll said the bill is aimed at preventing data mining for commercial purposes. Under the bill, commercial purpose includes, but is not limited to advertising, marketing, promotion, or any activity that could be used to influence sales or market share of a pharmaceutical product, influence or evaluate the prescribing behavior of an individual health care professional, or evaluate the effectiveness of a professional pharmaceutical detailing sales force. Members engaged in a wide ranging discussion on the practice of pharmaceutical detailing and whether physicians are influenced by gifts from pharmaceutical representatives. The bill was advanced to the Judiciary Committee, without recommendation, with the understanding that the stakeholders would come together to work on provisions relating to information about certain rare diseases.

Sen. Ann Lynch (DFL-Rochester) sponsored a bill, S.F. 3315, expanding the list of tasks class B home care aids may perform to include assisting with toileting, transfers and ambulation if the client is ambulatory and has no serious illness or infectious disease. Lynch said the bill was brought to her by a constituent who suggested the changes as another method of reducing health care costs. Tom Stinson, representing a care provider, said the bill allows for the more efficient use of nurses. The measure was approved and advanced to the Senate floor.

S.F. 3573, authored by Sen. Kathy Sheran (DFL-Mankato), provides for the University of Minnesota School of Public Health to develop a model that assesses the impact of proposed health

care reforms or major health care related legislation on all sectors of the health care system. Sheran said the model is to include access to the full range of health care, public health, public and private health insurance coverage, long-term and continuing care, programs for persons with disabilities and social services. She said the model must be developed with safeguards to make sure that the model and its assumptions and formulas are based on valid and objective data, research and expert opinions. In addition, the model must be designed to identify risks of unpredictable or unintended consequences, cost-shifting between or within sectors of the health care system and opportunities to make changes in one sector that will produce a benefit to other sectors. Sheran cited the example of beneficial changes made in the public health sector having a later beneficial effect on long-term care. Michael Scandrett, Safety Net Coalition, said the proposal is one of the recommendations from a Health Care Access Commission working group.

Lynch offered an amendment to delete a section of the bill requiring the economic analysis of health care reform plans devised by the Legislative Health Care Access Commission, the governor's Transformation Task Force and a single statewide plan. She said by the time the analysis is available, the state will be already embarked on a reform process. Doll opposed the amendment and said the language is central to getting a grasp on the costs and benefits of the various proposals. The amendment failed.

The bill was approved and advanced to the full Senate.

S.F. 3673, authored by Sen. Tony Lourey (DFL-Kerrick), promotes community-based care for older adults through the establishment of community consortium demonstration projects. He said the bill is aimed at helping consumers have access to a full range of services, create an adequate supply of affordable home-based alternatives to nursing home care and help manage chronic and complex medical conditions through better service coordination. The bill was approved and re-referred to the Finance Committee.

S.F. 3701, carried by Marty, requires pharmacy benefits managers (PBM) to disclose all financial transactions related to prescription drug pricing. The measure requires PBMs to have a certificate of authority issued by the commissioner of

health and requires the PBMs to include information on all rebates, discounts, or other forms of economic incentives that apply between the PBM and any prescription drug manufacturer, in the disclosures. Supporters said there needs to be more transparency in the drug pricing process. Opponents said PBMs are an excellent example of the private market adding rationality to prescription drug pricing. A representative from a PBM said disclosing pricing information destroys competitiveness in the marketplace. Members laid the bill over.

## Department bills heard

The Health, Housing and Family Security Committee met Mon., Mar. 17, to hear several bills suggested by the Dept. of Health and the Dept. of Human Services.

S.F. 2232, carried by Sen. Betsy Wergin (R-Princeton), makes changes to nursing home moratorium provisions. Wergin offered an amendment combining three technical bills into one measure. The amendment was adopted. The bill modifies the Department of Health's regulatory authority over several aspects of nursing facility operations. The measure also modifies provisions relating to the administrative process for approving exceptions to the facility and construction moratorium. The measure was approved and advanced to the full Senate.

Sen. Tony Lourey (DFL-Kerrick) sponsored a bill, S.F. 3571, exempting state-operated services clients, who work in the day training and habilitation vocational programs for therapeutic and rehabilitative purposes, from the requirement of being state employees. The bill was approved and sent to the Senate floor. S.F. 3563, authored by Sen. Sharon Erickson Ropes (DFL-Winona), makes a number of changes to provisions relating to reimbursement to independent living skills services and other listed providers through Medical Assistance waiver programs to eliminate conflict with federal law. The measure was approved and sent to the full Senate.

S.F. 3168, carried by Sen. Linda Berglin (DFL-Mpls.), makes changes to General Assistance Medical Care, Medical Assistance and MinnesotaCare. The bill also modifies provisions relating to claims, liens and the treatment of assets and establishes a statewide information exchange. The measure was approved and sent to the Senate floor.

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The panel, chaired by Sen. John Marty (DFL-Roseville), also approved a bill allowing dogs to accompany persons patronizing outdoor cafes. The bill, S.F. 2232, allows municipalities to enact ordinances to authorize dogs to accompany patrons of outdoor food and beverage service establishments. Sen. Scott Dibble (DFL-Mpls.), chief author, said, because more people are moving to downtown areas with sidewalk cafes and coffee shops, a number of individuals and establishments would like to be able to have dogs accompany their owners at the cafes. The bill was re-referred to the State and Local Government Operations and Oversight Committee.

## Animal chiropractic bill gains

A measure permitting chiropractors to practice on animals was approved by members of the Health, Housing and Family Security Committee, Wed., Mar. 19.

S.F. 3165, authored by Sen. Gary Kubly (DFL-Granite Falls), permits licensed chiropractors to engage in animal chiropractic care after completing at least 210 hours of specialized education. Annie Seefeldt, a chiropractic student, and Jim Hulbert, a dog breeder, discussed the benefits of chiropractic care for animals and its low availability in Minnesota. Kubly said the bill is based on a similar provision from Oklahoma. He noted that Oklahoma has not had any reported problems under its system, where a veterinarian's referral is not needed before an animal can be taken to a chiropractor.

This proposal raises serious issues relating to the quality or standard of care, said Dr. Robert Washabau, a professor of veterinary medicine at the University of Minnesota. A five-week course on animals tacked on to a human-centered course of education is insufficient, he said, and does not compare to the time veterinarians spend learning about animals and animal diseases. We would never accept having veterinarians take a five-week course on humans and then practice medicine on humans, he said. It would be preferable to adopt a structure where the veterinarian makes a diagnosis and refers the animal to a chiropractor if that is the right course of treatment, Washabau said.

We need to keep in perspective the differences between animals and humans, said Sen. Betsy Wergin (R-Princeton). We

treat animals well, but they do not have the same status as humans, she said. For example, animals are checked into the cargo space of airplanes, she said. If owners believe their animals would benefit from chiropractic care, they should be able to obtain that care, Wergin said. It makes more sense to me for a veterinarian, who specializes in animals, to be offering this treatment, rather than a human-oriented chiropractor, said Sen. Debbie Johnson (R-Ham Lake). It should be a proposal for additional training for veterinarians to practice chiropractic care, she said.

Wergin offered an amendment providing that a chiropractor who practices on both animals and humans must have separate adjusting rooms, with the animal adjusting room non-carpeted. Wergin said the amendment seeks to help prevent the accidental transmission of disease from animals to humans. The amendment was adopted.

The measure was advanced to the full Senate.

Kubly also authored S.F. 2902, which provides that a supplemental health plan, purchased solely to cover hospitalization expenses in excess of the MinnesotaCare cap, does not make an enrollee ineligible for MinnesotaCare. A motion to advance the bill to the full Senate failed on a divided voice vote.

S.F. 2368, carried by Sen. Paul Koering (R-Fort Ripley), requires the Dept. of Human Services to notify the Legislature before the department relocates regional treatment centers or state-operated nursing homes. The bill was forwarded to the full Senate. S.F. 3353, authored by Chair John Marty (DFL-Roseville), provides rate increases for nursing facilities and other long-term care and community-based service providers. The bill was advanced to the Finance Committee. S.F. 3030, also carried by Marty, requires the commissioner of human services to convene a work group to study the feasibility and cost of establishing a toll-free telephone number for mental health crisis calls. The measure was re-referred to the State and Local Government Operations and Oversight Committee.

## Psychiatric hospital discussed

The Health, Housing and Family Security Committee reconvened for an evening hearing Wed., Mar. 19. The

panel, chaired by Sen. John Marty (DFL-Roseville), met to complete work on its agenda prior to the second committee deadline.

Members spent the lion's share of the hearing discussing a bill, S.F. 3429, providing for an exception to the hospital moratorium in order to allow for the construction of a new psychiatric hospital in Woodbury.

Jim Golden, Minnesota Dept. of Health Division of Health Policy, presented information about the department's review of the need for a new psychiatric hospital in Woodbury. Golden said the department is required to consider five factors in its analysis of a plan submitted for public interest review: whether the new hospital is needed to provide timely access to care or access to new or improved services; the financial impact of a new hospital on existing hospitals; how the new hospital will affect the ability of existing hospitals to maintain existing staff; the extent to which the new hospital will provide services to nonpaying or low-income patients; and the views of the affected parties.

Golden said the department received a request from Prairie St. John's, a North Dakota health care organization, for a public interest review of a proposal to build a new 144-bed specialty psychiatric hospital in Woodbury. He said the department's review concluded that it is not in the public interest that Prairie St. John's build a new psychiatric hospital in the Metro Area. Golden said, the conclusion does not mean that there aren't problems with the mental health system in Minnesota, but the scale of the proposed project is large relative to any documented need for additional mental health beds in the Twin Cities. Golden said that recent mental health initiatives are expected to reduce the need for hospitalizations and research indicates that with appropriate availability of intermediate resources, a significant number of hospitalizations could be avoided. Finally, Golden said the department also concluded that the proposal would likely have a negative financial impact on existing hospitals.

However, Golden said that during the course of the study, staff heard a number of individual stories that indicate the existing system does not serve mental health patients well.

Saltzman said there are other ways to look at the report from the Dept. of

Health. “We’ve all heard stories of care delayed and care denied and that’s the wrong way to deliver services to those who need them,” said Saltzman. She said we hear about a medical arms race in health care. It is not okay for thousands of patients to be shuttled around the Midwest, she said. The department’s report indicates 2,600 people must travel to obtain the mental health or chemical dependency treatment they need, Saltzman said.

Dr. Shaleen Kennedy, a psychiatrist, said, “We are desperate for psychiatric beds; often people, when faced with long waits in hospital emergency rooms, simply give up and go home.” Kennedy said Prairie St. John’s offers high quality care and has an excellent reputation. Prairie St. John’s has taken proactive steps to provide integrated care for mental health patients, she said.

John Ryan, Prairie St. John’s, said, one in ten patients in the Twin Cities must travel outside the Metro Area to find care and many others just go home. Ryan said the proposed facility won’t even meet one third of the need for available beds. He said alternatives to inpatient care are not appropriate for patients having acute mental health episodes. Our charity care rates rival the best in the Twin Cities, Ryan said.

Opponents said that everyone agrees there are problems with the mental health system, but we must be careful about thinking inpatient beds are the solution. In recent years, we have come to understand the need for integrated services for mental health patients that includes medical care, they said. Dr. Lisa Capell, Fairview, said the question comes down to a choice between high-cost treatment for the privileged few or spreading resources to benefit more people. Kathy Knight, Fairview, said the for-profit model does little to meet the needs of medically complex cases.

Members laid the bill on the table. Marty said the measure sparked a good discussion and that the issue will be worked on in the coming months.

In other action, the committee advanced one additional bill. Sen. Tony Lourey (DFL-Kerrick) sponsored a bill, S.F. 3780, allowing optometrists to dispense a legend drug at retail if the drug is administered to the eye through a contact lens that is intended to correct vision.

## Health and Human Services Budget Division

### Review of gov’s budget continues

Members of the Health and Human Services Budget Division met Wed., Mar. 19, to continue their examination of the governor’s budget proposal. The panel, chaired by Sen. Linda Berglin (DFL-Mpls.), heard from a variety of interested persons commenting on the effects of the proposal.

## Higher Education Budget and Policy Division

### Omnibus education bill gains

Members of the Higher Education Budget and Policy Division, chaired by Sen. Sandra Pappas (DFL-St. Paul), began their Tues., Mar. 18, hearing with a review of the governor’s budget proposal for higher education. Matt Mohning, Dept. of Finance, gave a high level summary of the cuts proposed for the University of Minnesota and the Minnesota State Colleges and University (MnSCU) system. Mohn-

ing said under the governor’s proposal, both the University and the MnSCU system receive a 3.85 percent cut. The reduction amounts to \$27.2 million for the University and \$26.6 million for the MnSCU system, Mohning said. The Office of Higher Education is cut \$111,000 under the proposal, Mohning said. He said the proposal represents about a four percent cut in administrative expenses. The budget proposal does appropriate \$2.1 million to the University for a study of the high incidence of mesothelioma among Iron Range taconite workers.

University of Minnesota President Bob Bruininks said last year’s funding bill had been a positive step forward, but the budget recommendations are a very real setback. Bruininks said higher education is one of Minnesota’s best investments. “If we want to grow jobs and improve the economy, we need to keep higher education accessible and affordable for all Minnesota students,” Bruininks said. We have an obligation to watch the bottom line and we have been successful at improving the efficiency and effectiveness, he said. “I’m not here to ask you to give the University of Minnesota a pass, but I must



Senators Patricia Torres Ray (DFL-Mpls.), left, and Linda Berglin (DFL-Mpls.) converse during the Senate’s Mon., Mar. 17, floor session.

Photo by David J. Oakes

# Committee update

tell you that \$27 million on the heels of what we have experienced in the last years is too deep," Bruininks said. He said the choices are rather grim, if we tried to solve this through cuts, about 400 people would lose their jobs; the other alternative is to raise tuition.

Jim McCormick, chancellor, MnSCU, echoed many of Bruininks concerns. McCormick said previous cuts led to several years of double digit tuition increases. Last year's appropriation brought us up to where we were before the cuts, but an additional cut of \$26 million will put us back in the hole, McCormick said. He said the budget developed by the MnSCU Board kept tuition increases at 2 percent and provided for salary increases. McCormick said the board has not approved a budget because of the governor's proposed cuts. He said MnSCU either must increase tuition or resort to lay-offs to resolve the proposed cuts.

S.F. 786, carried by Sen. Rod Skoe (DFL-Clearbrook), modifies the state grant program. The bill reduces the student share of grants stipends from 46 percent to 45 percent and provides for the calculation of the tuition and fee maximum for a student enrolled in a four-year program for the academic year of the grant. The measure was laid over for further consideration.

The panel also considered provisions of the omnibus E-12 education policy bill. S.F. 3001, sponsored by Sen. Charles Wiger (DFL-Maplewood), provides for education excellence, makes changes in special programs and provides for self-sufficiency and lifelong learning. Pappas said the measure also contains sections relating to teacher education and training. Members considered an amendment spelling out requirements for teaching effective reading strategies. The amendment also provides for a Minnesota reading instruction, competence assessment and pretest. Cyndi Crist, MnSCU, and David O'Brien, University of Minnesota, spoke in opposition to the amendment. O'Brien said the approach needs to be more collaborative. However, Senators said the continuing gap in reading proficiency indicates the need for more stringent training. The amendment was adopted. Members also adopted an amendment providing for comprehensive family life instruction. The measure was approved and will be heard next in the E-12 Education Budget Division.

## Judiciary

### Budget disclosure bills okayed

Two bills modifying the state's budget setting process were approved by members of the Judiciary Committee at the panel's afternoon meeting, Fri., Mar. 14. The committee, chaired by Sen. Mee Moua (DFL-St. Paul), considered several additional bills at its final meeting before the first committee deadline passed.

S.F. 2886, carried by Sen. Ann Rest (DFL-New Hope), provides that the governor's budget proposals are nonpublic data until they are released, except for legislative requests. The bill makes other changes to the requirements governing budget proposals. S.F. 3307, sponsored by Sen. Richard Cohen (DFL-St. Paul), seeks to improve legislative access to budget information and modifies budget-related deadlines. The bill contains many of the proposals also contained in S.F. 2886. Committee members limited their consideration to the data classification provisions in each measure. Both bills were advanced to the Finance Committee.

S.F. 3674, carried by Moua, is the annual Revisor's bill, making technical corrections to existing statutes and laws. The bill was recommended for placement on the Consent Calendar.

Five bills were advanced to the full Senate. S.F. 3574, authored by Sen. Charles Wiger (DFL-Maplewood), increases the compulsory school attendance age from 16 to 18. S.F. 3201, sponsored by Rest, updates commercial driver's license provisions to comply with federal laws and regulations. S.F. 2007, carried by Sen. Jim Carlson (DFL-Eagan), changes the percentage of damage, from 70 to 60 percent, of a vehicle's actual cash value, before the damage must be disclosed to a buyer. S.F. 3396, authored by Sen. Ellen Anderson (DFL-St. Paul), permits homeowners with subprime or negative amortization loans obtained from 2001 to 2007 to obtain a one-year deferment of foreclosure.

Sen. Mary Olson (DFL-Bemidji) carried S.F. 3235, which makes a number of technical changes in data practices provisions and provides for sharing non-identifiable data between the Dept. of Education and the Office of Higher Education for research purposes. Moua said the Senate had not planned to have an omnibus data practices bill, but she recently learned that the other body decided to have an omnibus bill. In order to have companion

bills, she said, the panel would amend S.F. 3235 to include a number of data practices bills already approved by the committee. After adopting a series of amendments, committee members advanced S.F. 3235 to the full Senate.

### DHS child welfare bill gains

The Judiciary Committee, chaired by Sen. Mee Moua (DFL-St. Paul), met Tues., Mar. 18, to consider bills ranging from child welfare to aviation liability, to public land exchanges.

The panel began with consideration of the child welfare bill, S.F. 3166, sponsored by Sen. Patricia Torres Ray (DFL-Mpls.). The bill adopts a new Interstate Compact for the Placement of Children, regulates child and adult adoptions and regulates children in voluntary foster care for treatment. Erin Sullivan-Sutton and Deb Swenson-Klatt, both of the Dept. of Human Services, reviewed the provisions in the bill under the committee's jurisdiction. Many of the provisions dealt with data practices and children in need of protective services (CHIPS) court proceedings. The bill clarifies that the social service agency must conduct a background study to assess whether it is safe for a child to be in the care of a custodial or noncustodial parent and adds requirements for an assessment in cases involving an emergency relative placement. The measure also expands the eligibility of adoption assistance to include circumstances when a child's relative desires to adopt a child.

Members adopted an amendment to align the language in the bill with another bill moving through the process. The amendment was adopted. The bill was approved and advanced to the Senate floor.

Torres Ray also sponsored a bill, S.F. 3397, streamlining business filings with the secretary of state by foreign investment cooperatives. She said the bill is technical in nature and has been worked on by the Secretary of State's Office, the Minnesota Bar Association and other interested parties. The measure was approved and sent to the full Senate.

Sen. Yvonne Prettner Solon (DFL-Duluth) sponsored two bills. S.F. 2866 requires the Dept. of Commerce to conduct a statewide inventory and mapping of broadband service. The measure was before the panel because of a provision specifying that the data provided by service providers is not public. The bill also provides that the map information

will be public information. The bill was approved and sent to the full Senate. S.F. 2491 regulates the conditions for denial of aviation liability insurance claims. Prettner Solon said the bill specifies that a claim may not be denied unless the insured's action or failure to act had a direct causal connection to the loss upon which the claim is based. The bill was approved and advanced to the Senate floor. At a later point in the hearing, the bill was reconsidered and the identical bill from the other body, H.F. 2898, was approved and sent to the Senate floor.

Sen. Tom Saxhaug (DFL-Grand Rapids) also authored two bills. S.F. 2651 provides for expedited exchanges of public land. Saxhaug said the measure is designed to deal with forest fragmentation. He said the expedited exchange portion of the bill provides for consolidation of public land, which reduces management costs and aids in the reduction of fragmentation. The bill was approved and re-referred to the Finance Committee. S.F. 2806 clarifies the conflict of interest rules for local economic development authorities. Members adopted an amendment reducing the penalty from a gross misdemeanor to a misdemeanor. The bill was approved and sent to the Senate floor.

S.F. 3098, authored by Sen. Tony Lourey (DFL-Kerrick), makes changes to a number of lawful gambling provisions. The portion of the bill before the committee was a revised civil penalty for exceeding expense limits. The measure also provides for an exemption in extraordinary circumstances. The measure was approved and sent to the full Senate.

S.F. 2576, carried by Sen. Steve Dille (R-Dassel), includes false police and fire emergency calls as a misdemeanor offense. The bill was approved and sent to the Senate floor. S.F. 2754, authored by Sen. Don Betzold (DFL-Fridley), modifies requirements for school background checks. Members heard the bill last week, but held the measure in committee in case a vehicle was needed for a second data practices bill. He said the bill is not needed as a vehicle and moved the bill be sent to the full Senate. The motion was approved.

Sen. Linda Higgins (DFL-Mpls.) authored two bills. S.F. 3135 establishes the Minnesota Responds Medical Reserve Corps. Members adopted an amendment authorizing interstate assistance by local governments. Higgins said the

amendment contains the language of S.F. 3119, authored by Sen. Rick Olseen (DFL-Harris), authorizing employees to provide assistance and to be considered as state employees for purposes of liability. The bill was approved and advanced to the Senate floor. S.F. 2399 modifies public nuisance law provisions relating to evidentiary thresholds and the number of triggering incidents required for specific offenses. Sen. Julianne Ortman (R-Chanhassen) offered an amendment to return the evidentiary standard to clear and convincing, rather than preponderance as contained in the bill. The amendment was adopted. The bill was recommended to pass and sent to the full Senate.

S.F. 2647, sponsored by Sen. Ann Lynch (DFL-Rochester), establishes the crime of disarming a peace officer of defensive weapons and provides a five-year felony penalty. The measure was approved and sent to the Senate floor. S.F. 2381, carried by Sen. Dan Skogen (DFL-Hewitt), provides for an exception from the prohibitions on tinted windows in vehicles used to transport police dogs. Members amended the language of the bill onto H.F. 2602, the companion bill from the other body. The bill was approved and advanced to the Senate floor.

S.F. 3647, authored by Sen. Pat Pariseau (R-Farmington), exempts emergency responders from permit requirements for emergency communications equipment. Pariseau offered an amendment to address the use of the 800 megahertz radio system. The amendment was adopted. The bill was approved and sent to the full Senate.

The committee advanced S.F. 3119 to the Senate floor. The bill, sponsored by Olseen, relating to interstate assistance had been incorporated into S.F. 3135, the bill establishing the Minnesota Responds Medical Reserve Corps. Olseen also sponsored S.F. 3082. The bill provides for disclosure of damage to older vehicles. The measure was approved and advanced to the Senate floor. Later, the bill was reconsidered and an amendment added. The amendment contains the language of a bill, S.F. 3223, sponsored by Sen. Scott Dibble (DFL-Mpls.), that allows individuals to retrieve their possessions from impounded vehicles. S.F. 3223 became the vehicle for the omnibus transportation bill, Dibble said, but the measure applies to the same portion of the law as S.F. 3082. The bill was then approved and advanced to the Senate floor.

S.F. 2828, carried by Moua, modifies provisions relating to trespassing on critical public service property. Under the bill, trespassing includes being on property containing a utility or pipeline in an underground structure, whether or not the structure is posted. Members adopted an amendment clarifying what is and is not included in the underground structure language. The measure was approved and sent to the full Senate.

Dibble also sponsored a bill, S.F. 2809, increasing the civil penalties for smoking violations in nonsmoking hotel rooms. The measure allows hotel owners to seek compensation for the cost of cleaning in small claims court and provides for a service charge. The bill was approved and sent to the Senate floor. S.F. 3362, carried by Sen. Leo Foley (DFL-Coon Rapids), allows police officers to be represented by an attorney or a union representative or both at a disciplinary hearing. The measure was approved and sent to the full Senate.

Sen. John Doll (DFL-Burnsville) authored two measures. S.F. 3775 establishes a pilot program to collect and process used paint. Doll said millions of gallons of left-over paint enter the waste stream and efforts have been underway to develop a process to reduce the costs and environmental impact of paint disposal. The measure was before the panel because of a part of the bill relating to conduct that is immune from liability relating to the pilot program. Under the bill, manufacturers of paint sold at retail in the state must develop a plan to collect, transport and process postconsumer paint. Doll said Minnesota was chosen as the site for the pilot project by the manufacturers. The measure was approved and advanced to the full Senate. S.F. 3494, providing additional whistleblower protection to state executive branch employees, was also discussed. Moua said the bill was not officially before the committee, but Doll had agreed to present the measure and makes changes if the committee felt it necessary. Members expressed concern about broadening the statute and about language including Legislators and staff as persons to whom an employee may communicate.

Betzold carried two additional measures. S.F. 2919 clarifies the time requirements for civil commitment hearings and provides an exception from prehearing discharge for commitment petitions involving persons alleged to be mentally

# Committee update



*From left, Senators Terri Bonoff (DFL-Minnetonka), Mary Olson (DFL-Bemidji) and Linda Scheid (DFL-Brooklyn Park) interact during floor debate in the Senate Chamber, Tues., Mar. 18.* Photo by A.J. Olmscheid

ill and dangerous or a sexual psychopathic personality or sexually dangerous person. The measure was approved and sent to the floor. S.F. 181 modifies personal jurisdiction over foreign corporations and nonresident individuals.

S.F. 3611, sponsored by Moua, sets forth a registration procedure for predatory offenders being released from a correctional facility and not going to a new primary address. The bill also clarifies that registration of predatory offenders applies to offenders who move to Minnesota from other states and requires predatory offender registration database checks for persons booked at jails. After considerable discussion, the bill was laid on the table.

## Dog bill okayed

Legislation regarding dangerous dogs was approved by members of the Judiciary Committee, Wed., Mar. 19.

With very few exceptions, dogs are not born dangerous, they are made that way by their owners, said Chief Author Ellen Anderson (DFL-St. Paul). S.F. 2876 focuses on owners, rather than on specific dog breeds, she said. It increases the consequences for irresponsible dog owners, while also giving owners procedural protections, such as hearings, Anderson

said. The bill addresses repeat offenders with enhanced consequences, requires the sterilization of dogs deemed dangerous, and transfers the responsibility for enforcing animal control laws from counties to animal control agencies.

Members adopted an amendment, offered by Sen. Don Betzold (DFL-Fridley), changing the standard for provocation to an act that could reasonably cause a dog to bite. Sen. Linda Higgins (DFL-Mpls.) offered, and members adopted, an amendment reducing from 30 days to seven days the time frame for a hearing on the declaration of a dangerous dog. The bill was forwarded to the full Senate.

Committee members, chaired by Sen. Mee Moua (DFL-St. Paul), considered several additional bills. H.F. 413, sponsored by Sen. Thomas Bakk (DFL-Cook), regulates outdoor sport equipment dealership agreements. Bakk said the companion measure was reported out of the committee last year, but returned under the Senate Rules at the end of the session. At Bakk's request, members adopted an amendment that he said reflected an attempt at further compromise on the part of dealers. The key point of contention revolves around what amounts to good cause under which a manufacturer may terminate, cancel or fail to renew a dealer-

ship agreement, Bakk said. Under the bill, if a manufacturer ends the relationship without good cause, it must repurchase the dealer's inventory.

The bill seeks to level the playing field between dealers, who tend to be smaller companies, and manufacturers, which are larger enterprises, said Buzz Anderson, Retailers Association. Anderson and several dealers discussed examples of bad practices by manufacturers and the need for the law, which they said is similar to laws in neighboring states and to Minnesota laws for implement and auto dealers. Michael Mitchell, Polaris Industries, said the dealers feel they have come a long way in the negotiations. We have and continue to push for flexibility in any legislation, because there are diverse stakeholders involved, he said. Dealers believe these are issues best handled by contract, not law, Mitchell said.

This bill goes too far and tries to determine what should be in the contract negotiated between the dealers and manufacturers, said Sen. Julianne Ortman (R-Chanhassen). She offered an amendment removing provisions relating to the good cause standard, inventory repurchase and warranty claims. Bakk opposed the amendment, saying it guts the bill. The amendment was not adopted. H.F. 413 was advanced to the full Senate.

S.F. 1520, carried by Sen. Patricia Torres Ray (DFL-Mpls.), provides for the registration of naturopathic doctors; the bill was re-referred to the Finance Committee. S.F. 2984, sponsored by Ortman, provides for reinstatement of a homeowner's mortgage after foreclosure. Ortman offered, and members adopted, an amendment she said reflected the most recent state of negotiations with interested parties. However, Ortman said, the bill still needs more work; the bill was laid over for further consideration.

The remaining bills were approved and advanced to the full Senate.

S.F. 3193, sponsored by Sen. Ann Rest (DFL-New Hope), modifies the conditions under which adult adoptees may access their original birth records. S.F. 3360, authored by Sen. Leo Foley (DFL-Coon Rapids), makes it a misdemeanor to possess any device intended to enhance an animal's ability to fight. S.F. 3139, carried by Sen. Ron Latz (DFL-St. Louis Park), makes it a misdemeanor to circumvent security measures in ticketing systems designed to ensure equitable availability of tickets. S.F. 3492, sponsored by Sen. Tarryl Clark (DFL-St. Cloud), permits courts to grant orders for protection for up to two years. The bill also provides for orders for protection of up to 50 years if a respondent has violated an existing order for protection at least twice or if at least two orders for protection have already been granted.

Sen. John Doll (DFL-Burnsville) sponsored a bill, S.F. 3494, providing whistleblower protection to an executive branch employee who communicates information that the employee, in good faith, believes to be truthful and accurate to a Legislator, legislative staff or elected officials in the executive branch. Sen. John Marty (DFL-Roseville) said he has observed several executive branch employees, over the years, who have been intimidated from communicating with Legislators. Members adopted two amendments, offered by Ortman, removing legislative employees from and adding constitutional officers to the list of persons with whom the executive branch employee may communicate. Members also adopted an amendment, offered by Sen. Linda Scheid (DFL-Brooklyn Park), expanding the scope of covered employees to include all state employees, regardless of which branch of government they serve.

## Judiciary Budget Division

### Governor's proposal examined

Members of the Judiciary Budget Division, chaired by Sen. Leo Foley (DFL-Fridley), met Tues., Mar. 18, to review the governor's proposed cuts to the state's courts, civil legal services and public defense services. The governor's proposal calls for reducing the appropriation for the Supreme Court by \$1.781 million, or 3.9 percent; the appropriation includes funding for civil legal services. The proposed cut to the Court of Appeals is \$282,000, or 2.7 percent. The proposed reduction for the District Courts is \$7.039 million, or 2.8 percent. The proposal calls for reducing funding for the Board of Public Defense by \$2.781 million, or 2.05 percent.

## State and Local Government Operations and Oversight

### Lengthy agenda cleared

The State and Local Government Operations and Oversight Committee met Fri., Mar. 14, and cleared a marathon agenda to meet the first committee deadline. The committee, chaired by Sen. Ann Rest (DFL-New Hope), hears all bills that contain provisions creating or altering the membership of commissions, boards, advisory committees or task forces or contain provisions related to rulemaking, in addition to bills that fall under the panel's jurisdiction. The committee is often the last stop before bills are referred to the floor or to the Committee on Taxes or the Committee on Finance.

The panel devoted considerable time to reviewing a bill, S.F. 3001, containing modifications to miscellaneous education provisions. The bill, sponsored by Sen. Charles Wiger (DFL-Maplewood), contains general education provisions, education excellence provisions, special program provisions, library and facility provisions, state agency provisions and provisions relating to self-sufficiency and lifelong learning. The bill was approved and re-referred to the Finance Committee.

Three bills dealing with the appointment of local officials were also heard. S.F. 3555, authored by Sen. Julie Rosen (R-Fairmont), authorizes the Watonwan County Board to make appointments to fill vacancies on the Watonwan County Soil and Water Conservation District.

The bill was approved and recommended for placement on the Consent Calendar. S.F. 3473, sponsored by Sen. Jim Vickerman (DFL-Tracy), allows the Jackson County Board to make the office of auditor-treasurer appointive. S.F. 2374, also carried by Vickerman, allows the Rock County Board to make the office of auditor-treasurer appointive. Both measures were advanced to the Senate floor.

S.F. 3281, authored by Sen. Sharon Erickson Ropes (DFL-Winona), creates the Veterans Health Care Advisory Council to provide the Dept. of Veterans Affairs with advice and recommendations on providing veterans with quality long-term care and the anticipated future needs of Minnesota veterans. Erickson Ropes said the bill is the result of actions eliminating the Veterans Home Board and turning the functions of the board over to the department. Erickson Ropes' second bill, S.F. 3283, formalizes the transfer of duties to the department and changes all statutory references to the Veterans Home Board to refer to the commissioner of veterans affairs. Both bills were approved and advanced to the full Senate.

S.F. 3331, sponsored by Sen. Scott Dibble (DFL-Mpls.), permits the Minneapolis Park and Recreation Board to retain proceeds from the condemnation of park lands necessary for the reconstruction and expansion of I-35W at the Mississippi River. The bill also requires the proceeds be used to acquire land for park purposes adjacent to the Mississippi River in Minneapolis. The measure was approved and re-referred to the Finance Committee. Dibble also sponsored a bill, S.F. 3224, authorizing the creation of an Advisory Committee on Nonmotorized Transportation. The bill was approved and sent to the full Senate.

S.F. 2775, carried by Sen. Leo Foley (DFL-Coon Rapids), requires notice to a city when a customer's heat source is disconnected. Foley said the bill is aimed at preventing burst pipes when homeowners abandon property and utilities are disconnected. The measure was approved and sent to the Senate floor.

Sen. John Doll (DFL-Burnsville) authored two bills, which were both approved and advanced to the full Senate. S.F. 3494 provides additional whistleblower protection to state executive branch employees. S.F. 3372 establishes minimum requirements for cities' permit program for long-term disability parking.

# Committee update

S.F. 2925, sponsored by Sen. Kathy Saltzman (DFL-Woodbury), requires the commissioner of transportation to appoint a deputy commissioner/chief engineer who is licensed as a professional engineer. The bill was approved and referred to the Senate floor. S.F. 3425, carried by Sen. Satveer Chaudhary (DFL-Fridley), modifies report requirements for the game and fish fund, modifies the disposition of the pheasant habitat improvement account, modifies the wild turkey management account, modifies hunting and fishing licensing provisions and authorizes rulemaking. The measure was approved and re-referred to the Finance Committee.

S.F. 3540, authored by Sen. Ellen Anderson (DFL-St. Paul), creates a task force to analyze and plan for an economy that advances the environmental and energy policies of the state. The measure was approved and re-referred to the Rules and Administration Committee. S.F. 3055, sponsored by Sen. Amy Koch (R-Buffalo), establishes a military reservist economic injury loan program. The bill specifies that the commissioner of employment and economic development may make one-time, interest-free loans of up to \$20,000 to eligible businesses that have sustained or are likely to sustain substantial economic injury as a result of the call to active military service for 180 days or more of an essential employee. The measure was approved and re-referred to the Finance Committee. S.F. 3691, carried by Sen. James Metzen (DFL-South St. Paul), requires the legislative auditor to establish a compensation plan for employees of the auditor, subject to legislative review and approval. The bill was approved and re-referred to the Finance Committee.

S.F. 2651, sponsored by Sen. Tom Saxhaug (DFL-Grand Rapids), creates a Minnesota forests for the future program and provides for expedited exchanges of public lands. The bill was approved and re-referred to the Finance Committee. S.F. 3213, authored by Sen. Linda Higgins (DFL-Mpls.), extends three advisory councils—the Traumatic Brain Injury Advisory Committee, the American Indian Advisory Council and the Citizens Advisory Council for Alcohol and Other Drug Abuse—until June 30, 2012. The bill was approved and advanced to the full Senate. S.F. 3227, carried by Sen. Mary Olson (DFL-Bemidji), requires the commissioner of natural resources to update rules regarding allowed structures in public waters and

permit requirements for those structures. The measure was approved and re-referred to the Finance Committee.

Vickerman sponsored a bill, S.F. 3050, extending the expiration date for the Minnesota Agriculture Education Leadership Council until June, 30, 2013. The bill was approved and recommended for placement on the Consent Calendar. S.F. 3461, carried by Sen. Claire Robling (R-Jordan), changes the date by which counties must provide summary budget data to the Office of the State Auditor from December 31 to January 31 of each budget year. The measure was approved and recommended for placement on the Consent Calendar.

Sen. Tony Lourey (DFL-Kerrick) authored three bills. S.F. 3671 provides a limited exemption from the requirement that towns provide voting methods accessible to individuals with disabilities. The bill was approved and advanced to the Senate floor. S.F. 3181 revises the requirements for county-based purchasing for state health care programs. S.F. 3245 modifies health care cost containment uniform billing forms and electronic claim filing provisions. The latter two bills were approved and re-referred to the Committee on Finance.

Two bills were sponsored by Rest. S.F. 3398 requires the Office of Enterprise Technology to report to the Legislature regarding its approval process for state agency technology requests and on the assistance the office provides to state agencies in developing agency information systems plans. The bill was approved and sent to the full Senate. S.F. 3709 authorizes the Crystal Economic Development Authority to create a housing development account. The measure was approved and advanced to the Taxes Committee.

Sen. Dick Day (R-Owatonna) sponsored a bill, S.F. 3715, authorizing Steele County to transfer a nursing home and assisted living facility and related assets to a nonprofit corporation. The measure also authorizes Steele County to acquire a membership interest in the nonprofit corporation. The bill was approved and advanced to the full Senate. S.F. 3685, authored by Sen. David Tomassoni (DFL-Chisholm), changes the name of the Minnesota Boxing Commission to the Combative Sports Commission and modifies provisions relating to the commission. The bill was approved and re-referred to the Finance Committee.

S.F. 3488, carried by Sen. Satveer Chaudhary (DFL-Fridley), establishes the outdoor heritage fund, creates accounts within the fund, creates the Lessard-Heritage Enhancement Council, requires the governor to appoint an Outdoor Heritage Fund Citizen Selection Committee and requires the council to adopt a strategic plan. The measure was re-referred to the Rules and Administration Committee without recommendation.

## California emission standards advanced without recommendation

The State and Local Government Operations and Oversight Committee, chaired by Sen. Ann Rest (DFL-New Hope), heard 10 bills Mon., Mar. 17, including a proposal to adopt California's vehicle emission standards.

S.F. 481, sponsored by Sen. John Marty (DFL-Roseville), requires new automobiles to meet emission standards established in California. The MPCA would adopt these rules as a whole, according to the bill. California already had standards before passage of the Clean Air Act, said Marty, and the government allows states to choose between the California standards or the standards set by the Environment Protection Agency. Twelve states have adopted the California standards, Marty said.

Eric Hyland of the Alliance of Automobile Manufacturers said the bill turns over the regulatory authority from a federal democratic process to a regulatory framework that is appointed by the governor of California.

The bill failed to gain approval on a tied voice vote. Sen. Don Betzold (DFL-Fridley) moved that the bill be sent to the Committee on Transportation without recommendation. The committee approved Betzold's motion.

S.F. 3362, sponsored by Sen. Leo Foley (DFL-Coon Rapids), clarifies that both a labor representative and attorney be made available to police officers facing a disciplinary hearing. The bill was recommended to pass and re-referred to the Committee on Judiciary.

S.F. 2876, sponsored by Sen. Ellen Anderson (DFL-St. Paul), transfers authority from the county to animal control agencies for standard regulation of all dangerous dogs and provides new and expanded procedures for administration of dangerous dog laws. The bill was approved and re-referred to the Committee on Judiciary.

S.F. 3622, sponsored by Sen. Rick Olseen (DFL-Harris), strikes the dollar amount over which a drainage authority may not levy an assessment for repairs or maintenance, strikes thresholds for repair and reconstruction bids for drainage systems after a disaster, increases the threshold amount for sealed bids in the UMCL, increases the contract amounts for direct negotiations, and raises the maximum amount for using quotations or open market solicitations. Olseen said that it is ultimately a cost saving measure. The bill was recommended to pass and sent to the floor.

S.F. 3157, sponsored by Sen. Gary Kubly (DFL-Granite Falls), transfers authority for duties relating to delinquent real property taxes to the Big Stone County treasurer. Kubly said the bill had no cost, and allows local government to operate a bit more efficiently. The bill was recommended to pass and sent to the floor.

S.F. 3353, sponsored by Marty, modifies long term care cost of living adjustments and rates related to long term care employees. Marty offered an amendment removing language convening a working group and inserting language requesting agencies to offer recommendations. The amendment was amended to remove purpose language. The bill was approved and re-referred to the Committee on Health, Housing and Family Security.

Sen. Thomas Bakk (DFL-Cook) presented two bills. S.F. 3291 ensures that the state building code is applicable across the state. The bill was approved and sent to the floor.

Bakk's second proposal, S.F. 3218, adopts recommendations approved by the Workers' Compensation Advisory Council. Relating to the committee's purview, the bill gives the commissioner added rulemaking to implement fee schedule changes related to the workers' compensation fund. Everything has been agreed to by a majority of the advisory council, composed of business and labor representatives, said Bakk. The bill was approved and sent to the floor.

Rest presented two bills as well. S.F. 3238 directs the executive committee of political parties to consult with the Secretary of State to determine the date for holding precinct caucuses. The bill was amended to require campaign material to include closed captioning for communication across electronic media. Efforts

to encourage voluntary captioning have not been successful, according to Cynthia Weitzel of the Minnesota Commission Serving Deaf and Hard of Hearing People, and a mandate is needed. The bill was recommended to pass and sent to the floor.

S.F. 3373 requires recounts to be conducted manually and provides for discretionary partial recounts. Joe Mansky, representing the Council of Auditors, said the bill has two main components. The first allows a candidate requesting a recount to indicate up to three precincts they would like reviewed first, after which the recount could be waived.

The bill allows an official conducting a recount to visually inspect ballots before recounting to examine if marks made by the voter cannot be counted by the voting system, and to determine the voter's intent. The bill was recommended to pass and sent to the floor.

### Special Session amendment gains

A number of bills were before the State and Local Government Operations and Oversight Committee, Wed., Mar. 19, to be heard before the second committee deadline. The panel heard those provisions under its jurisdiction in a wide variety of bills.

Committee Chair Ann Rest (DFL-New Hope) sponsored two bills. S.F. 3072 proposes a constitutional amendment to add a provision allowing the Legislature to call itself into Special Session for a limited amount of time. Under the bill, upon agreement of a majority of the members of both bodies or upon the order of the presiding officers of both bodies, the Legislature must convene in Special Session. The bill also limits a Special Session called by the Legislature to seven legislative days, Rest said. She said the measure levels the powers between the branches of government. Sen. Claire Robling (R-Jordan) offered an amendment removing language authorizing the presiding officers of both bodies to order a Special Session. The amendment was adopted. Members also adopted an amendment requiring that a two thirds majority of both bodies be in agreement before the Legislature can call itself into session. The bill was approved and advanced to the Rules and Administration Committee. S.F. 3576 provides controls for halting the spread of viral hemorrhagic septicemia to Minnesota fish populations. The measure was approved and sent to the Senate floor.

Rest also presented a bill, S.F. 3055, on behalf of Sen. Amy Koch (R-Buffalo). The measure establishes a loan program for small businesses that have been harmed by the military deployment of an essential employee. The bill was approved and re-referred to the Committee on Finance.

H.F. 2932, carried by Sen. Mary Olson (DFL-Bemidji), allows the principal, as well as the interest, in town cemetery funds to be used for cemetery purposes. The measure was approved and advanced to the full Senate.

Sen. Scott Dibble (DFL-Mpls.) carried two measures. S.F. 3093 extends and changes the terms of guaranteed energy savings contracts under the uniform municipal contracting law. S.F. 2232 authorizes municipalities to enact ordinances permitting dogs to accompany their owners in outdoor cafes and restaurants. Both bills were approved and advanced to the Senate floor.

H.F. 2788, carried by Sen. Tom Saxhaug (DFL-Grand Rapids), increases the membership of the Nashwauk Public Utilities Commission from three to five members. S.F. 2996, authored by Sen. Sandy Rummel (DFL-White Bear Lake), extends the definition of biomass with respect to renewable energy objectives, distributed energy resources and renewable energy resource planning. The bill also extends the expiration date for the Metropolitan Area Water Supply Advisory Committee until 2010. S.F. 3303, authored by Sen. Linda Higgins (DFL-Mpls.), authorizes the city of Minneapolis to establish a nonprofit corporation for riverfront revitalization. All three measures were approved and referred to the Senate floor.

H.F. 2599, carried by Sen. Jim Vickerman (DFL-Tracy), authorizes counties to spend up to \$3,500 for Memorial Day observances. The current limit is \$2,000, Vickerman said. S.F. 3451, authored by Sen. Julianne Ortman (R-Chanhassen), provides that the Carver County Board assume the financial and administrative responsibilities of the Carver County Library Board, while leaving the operations, policies, rules and development of long-range plans under the Carver County Library Board. S.F. 3571, carried by Sen. Tony Lourey (DFL-Kerrick), exempts employees of state-operated services, who are clients and who work within and benefit from the treatment and habilitation programs, from the requirement of being state

# Committee update

employees. All of the above bills were recommended for passage and advanced to the full Senate.

H.F. 2896, carried by Sen. Dan Larson (DFL-Bloomington), removes a requirement that a city hold a referendum before building, equipping, or maintaining a memorial for war veterans. S.F. 2403, sponsored by Sen. Don Betzold (DFL-Fridley), modifies provisions relating to duty disability eligibility for peace officers and firefighters. Both bills were approved and sent to the Senate floor.

## State Government Budget Division

### Budget cuts reviewed

The State Government Budget Division, chaired by Sen. Don Betzold (DFL-Fridley), heard the testimony of four departments regarding the governor's supplemental budget proposal, Mon., Mar. 17. The Amateur Sports Commission and the city of Minneapolis also testified on cuts affecting the Target Center.

Commissioner Ward Einess of the Dept. of Revenue reviewed three proposals. A \$1.24 million a year reduction in non-compliance activities will reduce about 20 full-time positions, many through limited hiring and attrition, said Einess. In addition, the department will scale back travel expenses and tuition reimbursement programs, said the commissioner.

Two proposals would raise revenue. The first is a bank data matching program that would increase tax compliance and more efficiently collect outstanding tax debts, according to Einess. The program is similar to a Department of Human Services program that matches information on child support delinquency with bank records to levy the account. The program would generate about \$10 million, Einess said.

Representatives of the Minnesota Bankers Association and the Credit Union Federation said the cost of implementation would be high for financial institutions, and the transfer of information raises privacy concerns.

The second revenue generating proposal establishes a stamping office non-profit organization. The office would register surplus insurance policies issued in the state and ensure payment of premium taxes. That could raise about \$3 million a year.

The Dept. of Administration is being asked to cut \$469,000. Commissioner Dana Badgerow said that unlike other agencies, the cuts would be relatively painful because the department must be careful not to shift costs onto other agencies. Badgerow outlined cuts that would limit support to statewide programs and result in layoffs.

A proposed program to give veteran owned businesses preference in state contracts is also incorporated into the budget. The governor requests \$356,000 for the department to fund certification of veteran owned businesses.

Another cut to the Department of Administration removes \$885,000 from FY2009 for relocation of the Department of Public Safety. There are no plans for relocation within the current biennium, said Badgerow.

Office of Enterprise Technology is facing a four percent reduction in under the governor's proposals, about \$313,000 in 2009 and \$253,000 in 2010. John Lally, planning director, said the cuts will prevent the hiring of new staff, scale back the IT security program and reduce capacity for statewide oversight and analysis of technology investments. Betzold said he was worried about security concerns and losing members of a relatively youthful staff. Lally said there is not adequate funding for security now.

The merging departments of Finance and Employee Relations are cut by \$842,000 a year. About ten positions would be eliminated through attrition or layoffs if necessary, said Stephanie Andrews, deputy commissioner of the Dept. of Finance. The cuts could also result in more scaled back information and support services to the Legislature and others.

The Amateur Sports Commission and the city of Minneapolis testified about elimination of Target Center payments by the state to the city, which are administered through the commission. One payment is left, according to Patrick Born, finance director of Minneapolis; however, those payments have transitioned into a standing appropriation to support operations. The tax yield to the state is many times the appropriation, said Born. The payments were initiated with the condition that the Timberwolves basketball team stay in the Target Center through 2025, said Born, and it was not clear if removing the subsidy would affect that.

### Governor's budget reviewed

The State Government Budget Division, chaired by Sen. Don Betzold (DFL-Fridley), met Wed., Mar. 19, to review the governor's budget proposal's effects on constitutional offices.

State Auditor Rebecca Otto said the governor's recommendation of a four percent reduction would be devastating on the office's operation. She said the State Auditor's Office gets 85 percent of its operating costs from fees charged to local governments, while only 15 percent is from the general fund. "A cut of \$336,000 would cause the loss of five positions—a whole division of the auditor's office," Otto said.

Rebecca Spartz, director of administration, Attorney General's Office, said 85 percent of the Attorney General's Office budget is for salaries. The governor's recommendation of a four percent reduction amounts to about \$1 million, she said. Spartz said in times of economic downturns, the work done by the office increases because of greater needs for legal services and increased numbers of fraud cases.

Assistant Secretary of State Tom Durand said the proposed four percent cut represents \$260,000. He said the main work done by the office is business services and conducting elections. Durand said there is not much flexibility in the office's budget and making the cuts will have a significant impact on operations.

Members also considered three bills. S.F. 3649, authored by Sen. Dan Larson (DFL-Bloomington), authorizes the secretary of state to transfer funds from the general fund appropriation to the Help America Vote Act account in order to meet federal requirements for interest payments and the additional state match. S.F. 3067, sponsored by Sen. Mary Olson (DFL-Bemidji), authorizes the secretary of state to waive a reinstatement fee when a Minnesota business has been administratively or statutorily dissolved, revoked, or terminated for failure to file an annual or periodic report when the individual was in the armed forces. Both measures were approved and referred to the full Finance Committee.

S.F. 3190, carried by Sen. Ann Rest (DFL-New Hope), provides up to three hours of paid leave for state employees to donate blood at a location other than their workplace. Members adopted an amendment clarifying that the measure

does not apply to Minnesota State Colleges and Universities employees and that the blood donation site is different than the work site. The bill was laid over.

## Taxes

### Governor's tax proposals laid over

The Taxes Committee, chaired by Sen. Thomas Bakk (DFL-Cook), heard the governor's tax proposal, Tues., Mar. 18. The committee also heard five additional bills, including a proposal to allow Legislators to appeal fiscal notes.

Bill sponsor Julianne Ortman (R-Chanhassen) and Ward Einess of the Dept. of Revenue presented the governor's tax bill. Provisions of note make changes to the definition of foreign operating corporations, and reduce the sales and use tax rate from 6.5 percent to 6.375 percent.

The bill implements a data matching system at financial institutions to recover

delinquent tax debt, and creates a non-profit stamping office to certify surplus insurance lines. The stamping office is intended to better track and collect premium taxes from these insurance lines.

The bill also cuts renters credit refunds from 19 percent to 16 percent, eliminates the political contribution refund program, and imposes property tax levy limits. JOBZ contracts are extended to ten years, or 12 in counties with declining population or higher than average unemployment, under the bill.

Other changes in the bill increase June accelerated payments from 80 percent to 85 percent, establish a regional emerging business investment tax credit, and change the definition of foreign operating corporations.

The bill was laid over for possible inclusion in the omnibus tax bill.

S.F. 3187, sponsored by Sen. Ann Lynch (DFL-Rochester), exempts steam power pollution control machinery and

equipment purchased by a health care facility from sales tax. The bill was laid over for possible inclusion in the omnibus tax bill.

S.F. 3617, sponsored by Sen. Scott Dibble (DFL-Mpls.), extends the construction date a proposed Minneapolis biomass facility must be started by from Jan. 1, 2008 to Jan. 1, 2010 to qualify for a property tax exemption already in statute. Dibble said the permitting process has been moved back and construction would start later than anticipated. The bill was laid over for possible inclusion in the omnibus tax bill.

Sen. Ann Rest (DFL-New Hope) presented two bills. The first, S.F. 3709, establishes a housing development account to be funded by TIF dollars for the city of Crystal. The bill gives the city more flexibility, said Rest. Mark Hoffman, president of the Crystal Development Authority, said the account would help rehab a large stock of aging single-family housing built shortly after WWII.



Senators Tony Lourey (DFL-Kerrick), left, and Geoff Michel (R-Edina) consult during a Senate floor session.

Photo by David J. Oakes

# Committee update

S.F. 3180 requests disclosure of certain dates in preparation of fiscal notes for the Legislative process, and establishes an appeals process to challenge those notes. The bill also establishes an appeals process for revenue estimates. Rest said that the bill does not challenge the credibility or work of the current system, but rather addresses the appropriate involvement of the Legislature in the budget process. Rest emphasized that a public process needs to be in place.

Einess said the proposed appeals process breaks a long tradition, and an open informal system already takes place to address concerns. Einess said another concern is a lack of parameters included in the bill. Members adopted an amendment deleting the revenue appeals process. The bill as amended was approved and re-referred to the Committee on Finance.

S.F. 1566, sponsored by Sen. Katie Sieben (DFL-Newport), exempts changes to a TIF plan from following the formal modification process when addressing acquisition of land for affordable housing. The bill was amended to require approval in a public hearing of the modification and for that process to be announced in advance by publication. The bill was laid over for possible inclusion in the omnibus tax bill.

## St. Paul Holman Field airport property tax proposal considered

The Taxes Committee, chaired by Sen. Thomas Bakk (DFL-Cook) heard two TIF extension proposals, Wed., Mar. 19, the last day of local bills scheduled to be heard. The committee also reviewed a repeal of the St. Paul airport's tax exemption, and a proposed increase in aggregate production taxes. All the bills were laid over for possible inclusion in the omnibus tax bill.

S.F. 3643, sponsored by Sen. Patricia Torres Ray (DFL-Mpls.), extends certain Minneapolis TIF districts until Dec. 31, 2019. Qualified TIF districts were certified before Aug. 1, 1979 and still valid on June 1, 2008. Under the bill, the revenue from the district would be distributed between the city's general fund and the Neighborhood Revitalization Program.

Betsy Hodges of the Minneapolis City Council, said they have a similar proposal, but asked the Legislature not to take action until the city process is complete.

Bakk said the bill shifts \$10 million of LGA and \$2 million of fiscal disparity money to the NRP.

The bill holds Minneapolis about constant, and without it NRP would receive nothing, said Doug Walter, associate director, Nokomis East Neighborhood Association. The NRP does not want to compete with city services for levy revenue, said Walter, and the program is looking for a stable and consistent source of funding separate from the political process.

S.F. 3731, sponsored by Sen. Sandra Pappas (DFL-St. Paul), reattaches the St. Paul Downtown Holman Field Airport and the Minneapolis St. Paul International Airport to city and school district tax bases. A law passed in 1996 exempted the Holman Field Airport businesses to help with start-up costs and infrastructure development.

A representative of the District 3 Planning Council said the tax benefits being forgone were about \$630,000 in 2007.

Bruce Hagerty of Hubbard Broadcasting, located at the St. Paul airport, said the companies already pay airport use fees, and Hubbard makes generous community contributions in the amount of \$135,000 annually.

S.F. 3773, sponsored by Sen. Mee Moua (DFL-St. Paul), extends the Downtown 7th Place TIF district encompassing the St. Paul event district to 2030. Moua said St. Paul is experiencing tremendous financial distress. Mayor Chris Coleman said the city doesn't have the money to reinvest in the district. Moua said the project has the support of all stakeholders, including the school districts. Bakk suggested that the extension is too long, and the bill needs further work.

S.F. 3722, sponsored by Sen. Keith Langseth (DFL-Glyndon), expands and increases the aggregate production tax, modifies the distribution, and provides tax incentives for preservation of land with commercial aggregate or gravel deposits. Langseth said the tax is really a user fee to address the road wear accumulated by transportation.

## Transportation Budget and Policy Division

### Emission standards approved

The Transportation Budget and Policy Division, chaired by Sen. Steve Murphy (DFL-Red Wing), sitting as a free-standing policy committee, heard three bills, Tues., Mar. 18. A proposal to

adopt California vehicle emission standards, S.F. 481, was advanced.

S.F. 2408, sponsored by Sen. Scott Dibble (DFL-Mpls.), would allow Minneapolis to enact an ordinance to prohibit use of engine breaking, or jake breaking, in a small section of Interstate Hwy. 394, roughly from Penn Avenue to the Lowry tunnel. The noise from the maneuver disrupts neighborhoods adjacent to the highway, said Dibble. The bill was approved and sent to the floor.

Sen. Michael Jungbauer (R-East Bethel) presented S.F. 3542. The bill requires trailers weighing over 3,000 pounds to have breakaway brakes; institutes a felony penalty for duplicating, altering or forging a commercial vehicle inspection decal; and puts a misdemeanor charge in place for possession of a fraudulent decal. The bill also reduces the minimum threshold weight for a commercial vehicle to be stopped for weighing and inspection, which Jungbauer said is a standardizing measure. The bill was laid over for possible inclusion in the omnibus transportation policy bill.

The committee considered Sen. John Marty's (DFL-Roseville) proposal to adopt California's low emission vehicle standards for cars manufactured in model year 2012 and after. The state has two emission standards to choose from according to federal law, either the California Emission Standards or the Environmental Protection Agency standards. Adopting the California standards will reduce greenhouse gasses emissions by twice the EPA levels by 2016, said Marty. If the California Air Resources Board were to change the program in a disagreeable way, the state would have a few years to back out before those changes went into effect, said Marty.

Eric Hyland, representing the Alliance of Automotive Manufacturers, said the standards match up with federal emission standards passed last year, but must be met four years earlier. The bill may harm production of E-85 vehicles, which do not meet the criteria, according to Hyland.

Murphy said that combustion engines will eventually be phased out anyway, and the automotive industry has fought against electric cars for years.

Alyssa Schlander, representing the Auto Dealers Association, said the bill would limit supply for franchise dealerships.

The bill was approved on a roll call vote, 12-5, and re-referred to the Business, Industry and Jobs Committee.

### Governor's cuts laid over

The Transportation Budget and Policy Division, chaired by Sen. Steve Murphy (DFL-Red Wing), heard a series of transportation bills with fiscal implications, Tues., Mar. 18. A few bills regarding license plates had already been reviewed by the panel and were sent to the Committee on Finance without discussion.

S.F. 3097, sponsored by Sen. Rick Olseen (DFL-Harris), appropriates \$701,000 to establish a Rush Line commuter corridor from St. Paul to North Branch. A commuter bus feasibility study has already been completed, and after the I-35W bridge collapse, a commuter line was implemented on a temporary basis. The bill was approved and re-referred to the Committee on Finance.

S.F. 2502, sponsored by Sen. Ron Latz (DFL-St. Louis Park), directs the Department of Transportation to align its process for prioritizing projects with the Metropolitan Council. The bill was amended to address previous concerns of the committee by providing off ramp language in case of emergency. The bill was also amended to recommend, rather than require, the department follow the priorities of the Metropolitan Council. Pat Bursaw of the Dept. of Transportation said the bill as amended was workable for the department. The bill was recommended to pass and re-referred to the Committee on Finance. Latz said he would like to see the bill included in the omnibus transportation policy bill.

Latz also presented S.F. 3189, providing a technical fix ensuring that juveniles whose driver's licenses were revoked for a controlled substance offense will face a reinstatement fee. The bill was approved and re-referred to the Committee on Finance.

S.F. 2539, sponsored by Sen. Scott Dibble (DFL-Mpls.), allows seniors to be issued Minnesota identification cards to ride Metro Transit at the senior discounted rate. The bill waives the fee for an ID card. Currently, seniors must carry their Medicare card, with their Social Security number printed on it, as identification. Doug Davis of AARP said that seniors are encouraged to not carry Social Security numbers because they are targets for identity theft; however, seniors are heavy users

of public transit. A representative of the Dept. of Vehicle Services said that the bill has a significant fiscal impact in the tails. The bill was approved and re-referred to the Committee on Finance.

S.F. 3080, sponsored by Sen. John Doll (DFL-Burnsville), extends the time a license plate permit may be displayed to 60 days. The bill accommodates the extra time needed for issuance of special license plates, said Doll. The bill was approved and re-referred to the Committee on Finance.

S.F. 3535 provides \$1.01 million for ongoing and one-time appropriations from the trunk highway funds to assign three troopers, one director of pupil transportation safety and three new inspectors to address school bus safety. The bill is sponsored by Olseen. The bill was approved and re-referred to the Committee on Finance.

The division reviewed a series of bills related to license plates. The members already heard testimony on these bills, according to Murphy, so they took brief comments and amendments to address prior concerns before moving the bills to the Committee on Finance. S.F. 2337, sponsored by Jim Carlson (DFL-Eagan); S.F. 3069, sponsored by Geoff Michel (R-Edina); and S.F. 3191, sponsored by Sen. Richard Cohen (DFL-St. Paul), were moved without discussion or amendment.

S.F. 2077, sponsored by Sen. David Tomassoni (DFL-Chisholm), establishes Bronze Star veterans' motor vehicle license plates. The bill was amended to allow for Silver Star plates as well.

S.F. 2365, sponsored by Sen. Ann Rest (DFL-New Hope), establishes Minnesota sesquicentennial special motor vehicle license plates. The bill was amended to allow for sale of novelty license plates by the DVS.

The committee also approved S.F. 3058, authored by Rest. The bill allows the commissioner of transportation to designate use of dynamic shoulder lanes, authorizes fees for high occupancy vehicle lanes and dynamic shoulder lanes, and establishes an I-35W high-occupancy vehicle and dynamic shoulder lane account. The bill was approved and re-referred to the Committee on Finance.

The committee approved S.F. 3462, sponsored by Doll. The bill repeals a surcharge on special veteran motor vehicle license plates. Doll said the surcharge was meant to be temporary, but no sunset was

in statute. A representative of the DVS said that all costs related to the program have been recovered. The bill was re-referred to the Committee on Finance.

Sen. Michael Jungbauer (R-East Bethel) sponsored the governor's transportation budget recommendations, S.F. 3686. Norman Foster of the Dept. of Finance outlined the proposals, including a \$2.5 million cut to Greater Minnesota transit, an increase in the state road construction budget to reflect increased funding from Congress, cuts to Met Council transportation programs, a reduction in the public safety budget for a Republican National Convention safety coordinator, and an appropriation to the DVS for a computer system rebuild.

Peter Bell, chair of the Met Council, said the worst case scenario of budget cuts would threaten the Central Corridor, reduce service by 10-15 percent, and increase fares by a dollar.

Tom Gottfried said the cuts to Greater Minnesota transit would result in service reductions of 10,000 - 40,000 hours.

The bill was laid on the table.

### MyBills system available

The MyBills personalized bill tracking system is now available. Users can add House and Senate bills to their lists by bill number, subject, or author, and view the legislative status of their bills, with items with significant current floor action highlighted. Users can modify their lists at any time. The MyBills system is available from the Legislative website at: <http://www.house.mn/leg/billslogin.asp>

### Schedule available online

Next week's schedule is available online at: <http://www.senate.mn/schedule/schedule.php?ls=85&date=03/24/2008&type=weekly>

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# Senate Briefly

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Three year old Spenser Menard, Maplewood, demonstrates his support for “Voices for Children Advocacy Day” in the Capitol Rotunda, Thurs., Mar. 27.  
Photo by A.J. Olmscheid

March 28, 2008

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# Senate Highlights

## Health care reform bill debated

Senators devoted the afternoon portion of the Thurs., Mar. 27, session to debating a major health care reform bill, S.F. 3099. The bill creates a statewide health improvement program, imposes a public health improvement assessment on hospitals and health plans, provides for health care homes, creates a health insurance exchange, provides for the establishment of Section 125 plans, restructures the health care payment system and establishes a savings recapture assessment. Sen. Linda Berglin (DFL-Mpls.), chief author, said the bill tackles health care availability and affordability on a number of fronts. It addresses public health issues that drive up the cost of health care, such as obesity and smoking, she said. Berglin said the bill also seeks to reduce administrative costs in the payment system and expand public health program availability.

Berglin began by offering an amendment making technical changes and clarifying that nothing in the bill requires a nonprofit health plan company to increase its total level of community benefit beyond its current level. A second amendment removes the health insurance exchange provisions in the bill and replaces them with language providing for health insurance access brokers to help employers set up Section 125 plans. The amendment also removes the \$8 million appropriation for the health insurance exchange. Berglin's third amendment changes the way a health care home is approved, removes some lan-

guage relating to pay for performance and moves the timeline for payment restructuring out one year and provides a mechanism to allow providers to have chronic care package pricing. The amendment also contains three different time periods for the Health Care Transformation Commission to report back to the Legislature to allow the Legislature to make mid-course corrections on the payment reform. A fourth amendment updates appropriations to reflect other amendments to the bill. Berglin's fifth amendment takes some of the funds designated for outreach and directs the funds to organizations skilled at doing outreach to communities of color and individuals who don't speak English. All five amendments were adopted.

Berglin said the bill is a product of many hours of work by many people. We are projecting that if we don't change the way we pay for health care, the state will be paying over \$57 billion by 2015, Berglin said. She said the bill is also designed to get coverage for most of the people without health care coverage. Berglin said the bill is also designed to improve health care outcomes. The measure aims at preventing people from needing health care, she said.

Sen. Tony Lourey (DFL-Kerrick) explained the provisions relating to health care homes. He said we need to get away from the tyranny of the office visit. Lourey said health care homes provide a continuum of care for patients with chronic conditions at a much lower cost. Lourey said health care homes are a rural model of health care, but applying the patient centered approach to those with chronic conditions will generate significant savings. Lourey said currently, if a provider tries to implement a health care home model, the provider is penalized financially. Under the bill, though, the providers are rewarded for using the health care home model, Lourey said.

Sen. Julie Rosen (R-Fairmont) explained the provisions in the bill relating to the requirements for small employers to establish Section 125 plans and using the insurance access brokers to help the employers. Sen. Patricia Torres Ray (DFL-Mpls.) described sections of the bill relating to public health outreach initiatives. Sen. Paul Koering (R-Fort Ripley) said the current health care system is not working. He urged members to support the bill.

Berglin said the bill will insure 47,000 more Minnesotans through both the private and public systems. She said the governor said we need to wring savings

from the health care system in order to expand eligibility.

Sen. Ann Lynch (DFL-Rochester) offered an amendment to create an advisory committee to make recommendations regarding the details of the payment restructuring system required in the bill. Berglin said the governor had requested support for the advisory committee from the health care access fund. The amendment was adopted.

An amendment, offered by Sen. John Marty (DFL-Roseville), removes the Health Care Transformation Commission provisions and provides for a study to make sure the reforms will be effective. The amendment removes some of the more controversial provisions, Marty said, until there is time to evaluate the costs and benefits of the payment reform provisions.

Marty said there were a lot of very positive initiatives in the bill and the amendment does not touch those provisions. He said there are troubling portions of the bill because of the creation of more bureaucracy in the hope of saving enough money to pay for the costs of the bureaucracy. He said the amendment removes the administrative portions of the bill that may actually increase costs.

Berglin said the amendment takes the heart of the payment reform out of the bill and will take the increased savings from the bill. She said the amendment also removes transparency, quality measurements and a more flexible payment system. In essence, there will be no payment reform with this amendment, Berglin said, and we can't afford to take it out of the bill.

Sen. Mary Olson (DFL-Bemidji) said she had a growing concern about the administrative costs in the health care system. "There isn't anyone in this room who doesn't want to bring about meaningful health care reform, but I would caution members to not just pass anything," Olson said. She compared the measure to the No Child Left Behind Act in that the bill tries to measure outcomes and will lead to unintended consequences. She said the end result is that consumers will pay more. Berglin responded that the early stages of the payment reform will encourage providers to improve outcomes. In addition, the charge to the commission is to provide technical assistance to hospitals and providers, Berglin said. The incentive in the bill is for providers to treat the most ill patients, Berglin said.

Sen. Sharon Erickson Ropes (DFL-Winona) said she was reluctant to put in

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From left, Senators Pat Pariseau (R-Farmington), Gen Olson (R-Minnetrista) and David Tomassoni (DFL-Chisholm) converse during the Senate's Thurs., Mar. 27, floor session.

Photo by David J. Oakes

place untested reforms without understanding all the ramifications. She urged members to support the amendment. "We should pass the provisions we all agree on," Erickson Ropes said. Rosen said the members need to endorse the entire bill, not a bill that delays the issue of health care reform. The amendment failed on a 32-33 roll call vote.

Sen. Ray Vandever (R-Forest Lake) offered an amendment removing provisions requiring hospitals and nonprofit health plans to contribute a percentage of net patient revenue to fund the public health provisions. Berglin opposed the amendment and said the public health initiatives will reduce costs in the long term. The amendment failed on a 17-44 roll call vote. Sen. David Hann (R-Eden Prairie) offered an amendment requiring data collected by the commissioner for purposes of evaluating health care homes remain private data. Berglin said the Dept. of Human Services has great concerns about the amendment and asked that the amendment not be included in the bill. The amendment failed on a 22-41 roll call vote. Vandever offered a second amendment deleting the Section 125 plans from the bill. Vandever said the plans have the potential to cost a lot of money for small businesses. Berglin

countered that the plans offer a cost effective way for employers to offer health insurance. The amendment failed on a 15-47 roll call vote. Hann offered a verbal amendment to remove a sunset on an employer exemption from offering Section 125 plans. The amendment failed on an 18-43 roll call vote.

Vandever offered an amendment deleting provision relating to the health reinvestment assessment contained in the bill. Berglin said the amendment takes out the portion of the bill that would allow the state to invest in other health care programs. The amendment failed on a 15-47 roll call vote.

Erickson Ropes offered an amendment renaming the assessment on hospitals and health plans as a tax on hospitals and health plans. The amendment failed on a voice vote.

Hann offered an amendment deleting a section of the bill providing for monitoring children's body mass index data. Hann said the provision is very intrusive and should be removed from the bill. Berglin said the provision does not mean measuring every child, but gathering existing data. The amendment also failed on a roll-call vote.

The bill was granted preliminary passage on a 41-22 roll call vote.

Earlier in the session, members considered two bills on General Orders and granted concurrence and repassage to one measure.

S.F. 2915, authored by Sen. Mee Moua (DFL-St. Paul), modifies civil and criminal penalties for predatory lending. Moua said the bill lifted the cap on punitive damages, but she said that after some consideration, she was offering an amendment to place a \$25,000 cap on punitive damages. The amendment was adopted and the bill was granted preliminary passage. S.F. 2706, carried by Sen. Yvonne Prettner Solon (DFL-Duluth), provides for the development and application of building energy usage performance standards. Prettner Solon said the bill helps attain Minnesota's goals for reducing greenhouse gases. Hann and Sen. Warren Limmer (R-Maple Grove) spoke in opposition to the measure. Hann said the measure will add expense to the construction of public buildings without assurances of later cost savings. Limmer cited energy standards enacted for residential buildings that led to problems with mold for many homeowners. Limmer offered an amendment deleting the performance standards in the bill. Prettner Solon opposed the

# Senate Highlights

amendment and said the standards are the heart of the bill. The amendment failed. The bill was also granted preliminary passage.

Senators concurred with an amendment by the other body to S.F. 2861. The bill, sponsored by Sen. Linda Higgins (DFL-Mpls.), changes the due date for a report by the Gang and Drug Oversight Council. Higgins said the other body changed the date to Mar. 1. The bill was re-passed on a unanimous roll call vote.

## Brief floor session held

Senators returned from the long weekend and held a routine floor session processing committee reports and granting final passage to four relatively noncontroversial bills.

S.F. 3313, sponsored by Sen. Gary Kubly (DFL-Granite Falls), was granted final passage on the Senate Calendar. The bill modifies physician licensure standards based on reciprocity.

Three measures were granted final passage on the Consent Calendar. H.F. 2582, carried by Sen. Dan Skogen (DFL-Hewitt), designates March 29th as Vietnam Veterans Day. S.F. 3050, sponsored by Sen. Jim Vickerman (DFL-Tracy), extends the sunset date of the Minnesota Agriculture Education Leadership Council until 2013. S.F. 3755, authored by Sen. Amy Koch (R-Buffalo), repeals the authorization for the state Persian Gulf War ribbon. Koch said the federal ribbon supersedes the state ribbon and the National Guard said the law was no longer necessary.

## Tax bill includes stadium study

The omnibus tax bill was approved by members of the Taxes Committee, Thurs., Mar. 27. The panel added provisions requiring recommendations for a professional football stadium to replace the Metrodome and subsidizing the expansion of the Mall of America.

S.F. 2869, sponsored by Chair Thomas Bakk (DFL-Cook), is the omnibus tax bill. It includes provisions relating to income, corporate, sales and use, property, minerals, aggregate and other taxes. The measure has a net general fund impact of \$150 million in additional revenue in FY 09. Members reviewed the bill's base provisions at an earlier meeting and devoted their final discussion to considering amendments.

Bakk offered an amendment providing tax support for a proposed expansion of the Mall of America. He said the provisions

were identical to the language in last year's tax bill, except for provisions relating to fiscal disparities, which were omitted from the amendment. The fiscal disparities pool language seemed to be where most of the heartburn was in this proposal, he said. Sen. John Marty (DFL-Roseville) argued against the amendment, saying it was improper to subsidize the expansion of a shopping mall. "I know it will create jobs, but we could create jobs by building schools and roads," Marty said. The amendment was adopted.

Sen. Dan Larson (DFL-Bloomington) offered an amendment requiring the Minnesota Vikings and the Minnesota Sports Facilities Commission to jointly study and prepare recommendations to the Legislature regarding replacing the Metrodome. The amendment requires the recommendations to be submitted by January 2009. This is a small step forward in the discussion about supporting professional football in Minnesota, Larson said. Marty said the amendment makes a lot of assumptions, especially that the Metrodome will be replaced and that there will be public financial support for a new stadium. We should debate whether subsidizing a new stadium is the right thing to do before we ask for a plan or recommendations, Marty said. Sen. Warren Limmer (R-Maple Grove) seconded Marty's concerns, saying the amendment assumes the state will buy into the idea of building a stadium with public dollars.

An amendment to the amendment, delaying the deadline for the recommendations until 2010, was offered by Sen. Julianne Ortman (R-Chanhassen). Giving the parties another year creates the opportunity for more discussion, more public input, and less pressure, she said. Roy Terwilliger, a former Senator and chair of the MSFC, said time is money. The longer we wait to have a plan and to start building, the more expensive any project will be, he said. Ortman said her proposal does not prevent the recommendations from coming back early, but simply "releases the pressure valve" in case there is not a clear recommendation in the next few months. The amendment to the amendment was not adopted. The main amendment was adopted on a 9-4 roll call vote.

Sen. Rod Skoe (DFL-Clearbrook) offered three amendments. The first includes smaller farms and animal production operations in the Green Acres program. The second permits cities to continue their previous levy if they fail to certify a

proposed levy in a timely manner. Kevin Corbid, representing the County Auditors Association, said the language mirrors current law regarding final levies. Both amendments were adopted. The third amendment, allowing school districts with sparsity revenue to levy for transportation costs, was not adopted.

An amendment increasing Anoka County's levy authority for its library system debt service was offered by Sen. Debbie Johnson (R-Ham Lake) and adopted. Sen. Lawrence Pogemiller (DFL-Mpls.) offered an amendment adjusting the area of a Minneapolis TIF district to reflect reality; the amendment was adopted. Sen. Scott Dibble (DFL-Mpls.) offered, and members adopted, an amendment including soccer fields in the open space tax deferral program. Dibble also offered an amendment extending the period of an existing personal property tax exemption for a renewable electric generation facility. Dibble said the facility is at the Lower St. Anthony Falls and construction was delayed by the collapse of the I-35W Bridge. The amendment was adopted.

Ortman offered several amendments. One removes provisions restricting the use of local government aid for Minneapolis and St. Paul. Cities should be able to set their own priorities, Ortman said. She noted that restrictions on the use of LGA have been proposed before and routinely rejected by the committee. Sen. Mee Moua (DFL-St. Paul) said that we are in extraordinary times and need to make exceptions. However, Pogemiller said cities and Legislators will rue the day even one city was restricted in its ability to set its own priorities. The amendment was adopted. Members later adopted an amendment, offered by Dibble, explicitly permitting the cities to use their LGA for specified priorities. Dibble said the amendment was to advance a discussion. Ortman opposed the amendment, saying it was inappropriate for the committee to "call the cities to the table" and force a discussion about priorities. Once we do it to one city, we open the door to dictating to other cities, she said. The amendment was adopted.

Another amendment offered by Ortman imposes a cap on property taxes for senior citizens who have lived in their homes for at least 25 years and have incomes below \$60,000. This is essentially revenue neutral, Ortman said, and permits local units of government to either raise their levies or spread the burden to other taxpayers to make up for the cap. She said esti-

mates from the Dept. of Revenue indicated about 100,000 seniors would benefit from the cap. The 25-year residency requirement, she said, is meant to recognize that these seniors have contributed significantly to their communities. They have built the schools and other infrastructure and should not feel like they need to move away because they cannot afford the property taxes, Ortman said. Sen. Keith Langseth (DFL-Glyndon) said the existing circuit breaker program is a better alternative. One generation should not be exempted from the burden of property taxes, even in part, he said. In some cases, young families need more help than seniors, he said. After some discussion, members lowered the threshold to include only seniors with incomes below \$40,000. The amendment was adopted.

Ortman also offered an amendment offering a tax credit for K-12 education expenses to taxpayers with incomes below \$37,500. These are low-income families who are already paying for our public schools, but believe their children would

benefit from private education, she said. At this income level, the proposal affects about 75,000 tax returns and costs about \$9 million, she said. That is not a lot of money at the state level, but the credit will be significant for the families that receive it, Ortman said. Bakk said every dollar in revenue raised in the bill is needed to reconcile the state's budget. If we adopt the amendment, other areas of the budget will need to take corresponding cuts, he said. The amendment was defeated. Another Ortman amendment phases in, over a four-year period, a subtraction for military pay and pensions. We can provide real tax relief to veterans and those on active military duty with this proposal, she said. Bakk noted that, though the first fiscal impact is not realized until the next biennium, it is significant. The amendment adds \$28 million to a shortfall already projected to be at least \$1 billion in the next biennium, he said. The amendment was not adopted.

S.F. 2869 was approved and forwarded to the full Senate.

### Omnibus budget bill gains

The Finance Committee, chaired by Sen. Richard Cohen (DFL-St. Paul), held a marathon hearing Fri., Mar. 28, to assemble all the components of the omnibus budget bill. The omnibus bill contains budget adjustments to alleviate a \$935 million shortfall. The shortfall equals about 2.7 percent of total general fund spending. The omnibus bill is comprised of articles developed by each budget division and amended into one large proposal. The measure contains general fund reductions amounting to \$382.66 million. Cohen said in balancing the budget, the Senate must also take into account about \$49 million in appropriations contained in bills passed by the Senate earlier in the session. In addition, the budget reconciliation includes \$100 million from the budget reserve, \$350 million from the cash flow account and an increase in revenue of \$150.144 million from the Senate tax bill.



The Senate Taxes Committee puts the finishing touches on its omnibus bill, Thurs., Mar. 27.

Photo by David J. Oakes

# Committee update

## Agriculture and Veterans Budget and Policy Division

### Budget cutting plan approved

A package of budget cuts totaling \$1.378 million was approved by members of the Agriculture and Veterans Budget and Policy Division, Tues., Mar. 25. The panel, chaired by Sen. Jim Vickerman (DFL-Tracy), advanced the proposal to the full Finance Committee.

The package includes net increases for the Dept. of Agriculture, Board of Animal Health and Dept. of Military Affairs. Within the Dept. of Agriculture, the proposal reduces the agency's general operating budget by \$652,000, but provides \$700,000 in additional funding for a new livestock investment grant program. The new money for the Board of Animal Health, \$2.724 million, is to combat bovine tuberculosis. The additional funding for the Dept. of Military Affairs, \$375,000, is to enhance employer support of the guard and reserve program, make bonus payments to recertified medics, add state navigator positions to assist in soldiers' reintegration, and study the National Guard youth challenge program.

The package also includes a net reduction in funding for the Dept. of Veterans Affairs, to the tune of \$4.625 million. The major cut is \$9 million from the Minnesota GI bill program. Fiscal Analyst Dan Mueller said the program was being underutilized and was therefore considered to be running a substantial surplus. The agency indicated eligible veterans are using federal resources and not tapping the state program as heavily as anticipated last year, he said. Some of the savings from the program are reallocated, under the proposal, to other veterans' initiatives, such as a \$2.5 million increase for the state soldiers assistance program.

### Ag, vets policy bill okayed

Members of the Agriculture and Veterans Budget and Policy Division met Thurs., Mar. 27, to approve an omnibus policy measure. The bill, S.F. 3683, was advanced to the full Finance Committee.

Carried by Chair Jim Vickerman (DFL-Tracy), the measure includes provisions from a number of bills heard by the panel over the course of the session. Among other things, it provides for livestock expansion grants, modifies prohibitions on pesticide use, provides for

the control of bovine tuberculosis, permits chiropractors to practice on animals, and provides for special motorcycle plates for veterans.

Before advancing the measure, members also considered amendments. Sen. Gary Kubly (DFL-Granite Falls) offered an amendment providing for the purchase of World War II medallions by veterans. The amendment was adopted. Sen. Steve Dille (R-Dassel) offered an amendment requiring a veterinarian's referral for an animal to be taken to a chiropractor. The amendment was defeated.

## E-12 Education Budget Division

### Hockey designation adopted

The E-12 Education Budget Division, chaired by Sen. LeRoy Stumpf (DFL-Plummer), worked through amendments to an E-12 education miscellaneous policy bill, Wed., Mar. 26. S.F. 3001 is sponsored by Sen. Charles Wiger (DFL-Maplewood).

Small changes to student assessment proposals were okayed in an amendment

sponsored by Sen. Sandy Rummel (DFL-White Bear Lake).

The division removed the fiscal impact of PSEO changes, and standardized enrollment for online education program, offered in an amendment by Sen. Tom Saxhaug (DFL-Grand Rapids).

The division debated an amendment, offered by Sen. Dan Skogen (DFL-Hewitt), removing transportation services contract requirements, including reporting requirements on the background and training of drivers, and a "right to refuse" proposal. Skogen said the section negatively affects rural districts with smaller fleets. Gaylon Lenz of the School Bus Association said the right to refuse proposal could put waiting children in danger, and the reporting language violates the privacy of private businesses. A representative of the Service Employees International Union said that the issue is about driver experience and the stability of the workforce. A representative of Education Minnesota said it opposes the amendment because the section helps districts get the best value and improves safety. The amendment failed on a divided voice vote.



Commissioner of Veterans Affairs Clark Dyrud, left, congratulates Sen. Dan Skogen (DFL-Hewitt) following a bill signing ceremony in the Governor's Office, Thurs., Mar. 27, as Rep. Kathy Tingelstad (R-Andover) looks on. Skogen was the chief author of legislation honoring Minnesota's Vietnam veterans by designating March 29 as an annual Vietnam Veterans Day.

Photo by David J. Oakes

Skogen came back later with compromise language that was adopted. The new amendment leaves in a recruitment and retention plan with fewer requirements, and puts the determination of whether a bus is safe to drive in the hands of a transportation supervisor.

The committee approved an amendment, offered by Sen. Terri Bonoff (DFL-Minnetonka), allowing rural school districts to create a cooperative board at their own discretion to coordinate transportation services.

Sen. Kathy Saltzman (DFL-Woodbury) offered an amendment that sets minimums for assessment of reading instruction for new teachers and removes any fiscal impact. The Board of Teaching supported the amendment, which was adopted.

An amendment to remove language requiring school districts to offer responsible family life and sexuality education that is age appropriate and medically accurate to 7th through 12th graders failed on a tied voice vote. Amendment sponsor Sen. David Hann (R-Eden Prairie) said the provision is a mandate. Teacher Barb Anderson said the most widely used curricula was inappropriate and did not discourage sexual behavior. Sen. Claire Robling (R-Jordan) commented that most districts already meet the standards laid out in the bill, and it is not necessary.

Sen. Patricia Torres Ray (DFL-Mpls.) said it is important to ensure medically accurate information is taught in schools to counter images and misinformation in the media. In addition, Torres Ray said it is difficult for parents to provide the same education, particularly when English is not the parent's first language. Sen. Tarryl Clark (DFL-St. Cloud) said the bill centers control in local districts, which can determine their own policies and curriculum.

An amendment offered by Sen. Gen Olson (R-Minnetrista) establishes hockey as the official state sport. While the proposal has advanced to the floor in the Senate, the other body did not advance any bills designating official state symbols, Olson said. The division adopted the amendment.

The division approved an amendment, offered by Bonoff, to add a school janitor to a task force addressing the use of environmentally sensitive cleaning and maintenance products.

An amendment making changes to a special education task force, offered by Sen. Linda Scheid (DFL-Brooklyn Park), was approved.

Sen. Betsy Wergin (R-Princeton) offered, and members approved, an amendment removing a world class schools working group from the legislation.

Members resumed their consideration of the proposal at an evening hearing. Wergin offered an amendment removing a world-class schools vision statement from the bill. The provision contains good goals, but they should not be in statute, Wergin said. Rummel, chief proponent of the world-class schools provisions, said she understood the hesitation to have a vision statement in statute and that a resolution would be more appropriate. The amendment was adopted. Saxhaug offered, and members adopted, an amendment providing for a working group on outdoor education.

Wiger offered an amendment repealing a required report on community education. Wiger said the data contained in the report has proven unusable. The amendment was adopted. Wiger also offered an amendment requiring schools to set aside, from their safe schools levy revenue, at least \$3 per student to pay costs for licensed school counselors, licensed school nurses, licensed school social workers, licensed school psychologists, and licensed alcohol and chemical dependency counselors to help provide early responses to problems. The amendment was not adopted.

Sen. Kevin Dahle (DFL-Northfield) offered an amendment adjusting staff development provisions in the bill. Several members expressed concern because the amendment addressed a purely policy matter. The amendment was defeated on a divided voice vote. Skogen offered an amendment deleting a provision permitting libraries that are not part of a regional library system to have access to the Electronic Library for Minnesota. Libraries should be encouraged to cooperate with each other and join a regional system, he said. Wiger said the policy committee had a full discussion of the proposal and decided to support allowing independent libraries to have access. The amendment failed on a divided voice vote.

After completing their consideration of amendments, members laid S.F. 3001 over. Stumpf said the bill would be stripped of all provisions with fiscal

consequences and advanced, at the next meeting, as a policy-only bill to the full Finance Committee. Provisions with fiscal consequences will be amended into the division's budget reconciliation recommendations, he said.

## Omnibus budget proposal ok'd

The E-12 Education Budget Division, chaired by Sen. LeRoy Stumpf (DFL-Plummer), met Thurs., Mar. 27, to begin work on the division's omnibus budget proposal. The members began by reviewing the spreadsheet detailing appropriations and reductions, then turned their attention to the proposal's language. The panel also heard testimony from a variety of groups.

Fiscal Analyst Eric Nauman said the division had a reduction target of \$892,000 and the proposal contains reductions of \$894,000 below base. He said the reduction amounts to a 4 percent cut to the Dept. of Education. The bill also provides reciprocity with adjoining states, modifies districts' transition revenue, reduces the state total basic alternative teacher compensation aid entitlement, increases the lease levy cap, alters general education aid, eliminates an unused disaster relief facilities grant for ISD #239, Rushford-Peterson, and limits the growth of Q comp until 2013.

In addition, the bill adopts ice hockey as the official sport of the state; establishes a virtual education program; provides for a growth-based value added system of assessments that measures the difference between an established baseline of growth and a student's growth over time; and provides for a coordinated comprehensive system of educational accountability and public reporting that promotes greater academic achievement, preparation for higher academic education, preparation for the world of work and citizenship. The measure also provides for teacher licensure via portfolio, requires school district plans to improve student's academic achievement, establishes an advisory task force on improving students' academic achievement, and provides grants for the virtual education program, the mathematics and science teacher centers and institutes, the Minnesota Humanities Commission, the Minnesota Historical Society and the Principal's Leadership Institute.

The bill increases aid for traditional school breakfast aid and kindergarten

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Senators Mee Moua (DFL-St. Paul), left and Ann Rest (DFL-New Hope) huddle around a laptop computer during the Senate floor session, Tues., Mar. 25.

Photo by David J. Oakes

milk, establishes an American Indian Education Committee, provides for an outdoor education working group, provides for developmental screening, establishes a State Advisory Board on Early Learning, makes E-12 education forecast adjustments and makes other funding adjustments.

Testimony on the measure focused primarily on limiting the growth of Q comp and student testing. Several speakers expressed gratitude that various programs received funding in the measure, especially the early childhood provisions. Jim Grathwol, representing the Minneapolis Public Schools, said, "The bill is lean, but not mean."

Members also reviewed provisions in the education policy bill assembled the previous evening. Stumpf said the panel would lay both measures over and resume deliberations at an evening hearing.

At the evening hearing, members considered one substantive amendment to the finance bill. Offered by Sen. David Hann (R-Eden Prairie), the amendment permits school boards to waive, by majority vote, a requirement that funds be set aside in a reserve account for staff development. Hann said the amendment

offers districts greater funding flexibility. Jan Alswager, Education Minnesota, spoke against the amendment, saying current law gives districts flexibility if the board negotiates with teachers. All the amendment does is cut out the teachers, she said. The amendment was not adopted. S.F. 3631, the education funding bill, carried by Stumpf, was then advanced to the full Finance Committee.

After completing the funding bill, members returned to the omnibus policy bill, S.F. 3001, sponsored by Sen. Charles Wiger (DFL-Maplewood). Hann offered an amendment relating to family and sex education, similar to an amendment he had previously and unsuccessfully offered to the bill. Sen. Patricia Torres Ray (DFL-Mpls.) opposed the amendment, saying considerable work had already gone into the sex education provisions and a last-minute amendment was inappropriate. The amendment was not adopted, on a divided voice vote.

Sen. Ellen Anderson (DFL-St. Paul) offered an amendment relating to school district responsibilities regarding students in treatment. She said the language had been in the bill before, but was removed because of concerns about a fiscal impact;

further examination revealed no fiscal impact, she said. The amendment was adopted. Anderson also offered an amendment providing that districts cannot take away recess from elementary students as a form of discipline. Recess is the simplest and cheapest way to make sure that students get daily exercise and physical activity, Anderson said. I support teachers having the ability to discipline students in meaningful ways, she said, but "taking away recess is like taking away lunch." Hann spoke against the amendment, saying deciding whether denying recess is an appropriate discipline is for school boards. The amendment was adopted.

An amendment removing a proposed physical education graduation requirement was offered by Sen. Kathy Saltzman (DFL-Woodbury). Schools are already stretched to the limit, she said, and parents and schools need the ability to make academic choices. It is very important that we encourage physical activity in schools, especially to prevent and combat childhood obesity, Torres Ray said. The amendment was not adopted. Saltzman offered an alternative amendment permitting school districts to grant a waiver of the physical education requirement, upon written request of a student's parents. The amendment was adopted. Members also adopted an amendment, offered by Sen. Gen Olson (R-Minnetrista), adding a provision designating hockey as the state sport.

S.F. 3001 was advanced to the Finance Committee.

## Economic Development Budget Division

### Econ. dev. omnibus bill assembled

The Economic Development Budget Division, chaired by Sen. David Tomassoni (DFL-Chisholm), reviewed the omnibus economic development bill and processed amendments, Wed., Mar. 26. The bill reduces impact on the general fund by \$2.15 million in 2009 through spending measures and account transfers.

Tomassoni said that every bill included in the article has been heard in the committee process. Some of the notable provisions include \$100,000 for a nanotechnology economic design project in the state, an increase in mortgage foreclosure prevention assistance allowed to a family or individual, and \$1.75 million for a BioBusiness Alliance grant.

Testimony was heard on S.F. 3055, sponsored by Sen. Amy Koch (R-Buffalo). The bill establishes a loan program for businesses that suffer substantial economic injury by the deployment of an owner or key employee, and makes changes to unemployment insurance to address the effects of returning employees. The bill is included in the omnibus bill, with an appropriation of \$250,000.

The panel deleted a land trust provision sponsored by Sen. Mee Moua (DFL-St. Paul) because it needs to be heard by State and Local Government Operations and Oversight Committee.

The division also approved an amendment addressing the Iron Range Resources and Rehabilitation Board, increasing taconite tax distributions to the Iron Range higher education account and the taconite environmental fund. The amendment also makes one-time increased distributions to the Hibbing Economic Development Authority to retire bonds and the St. Louis County School Board for a study on consolidation.

Sen. Pat Pariseau (R-Farmington) offered an amendment to designate hockey as the official state sport, which was adopted by the panel.

Sen. Richard Cohen (DFL-St. Paul) offered an amendment to adjust payments to the state by the city of St. Paul for the RiverCentre and Xcel Center. The plan, according to Matt Smith, finance director of St. Paul, would make loan repayments on schedule with two accelerated payments until 2012, at which time the loan would be forgiven. The proposal provides \$1.5 million in the current biennium, said Cohen. The amendment was adopted.

An amendment offered by Sen. Ray Vandever (R-Forest Lake) to prevent abuse of the unemployment insurance fund by family corporations was approved.

## Environment, Energy and Natural Resources Budget Division

### Forest fragmentation addressed

The Environment, Energy and Natural Resources Budget Division took action on four bills, including a proposal to designate star lakes, Tues. Mar., 25. The division, chaired by Sen. Ellen Anderson (DFL-St. Paul), also heard brief discussion on three more proposals.

S.F. 2651 is the product of the Forest Consolidation Working Group, said working group chair and bill author Sen. Tom Saxhaug (DFL-Grand Rapids). The bill enhances and protects forests from fragmentation through consolidation efforts, said Saxhaug. The bill establishes a forests for the future easement program for working forests, and a forests for the future account. The bill establishes an expedited land exchange program, predominantly for use by the Department of Natural Resources and counties.

The bill also appropriates \$50,000 to study parcelization across the state and assess possible policy recommendations. The \$50,000 in state money would leverage \$150,000 from the Blandin Foundation, according to Dave Zumeta of the Minnesota Forest Resource Council. The bill was laid over for possible inclusion in an omnibus bill.

Sen. Mary Olson (DFL-Bemidji) presented three bills to the division. The first, S.F. 2943, establishes a star lake and river designation to recognize local lake associations that establish plans for sustainable management of the water body. Olson called these organizations "the first line of defense." The bill appropriates \$100,000 to operate a Star Lake Board and establish the program. Sen. Thomas Bakk (DFL-Cook) offered an amendment, which was adopted, to ensure a member of the board be appointed by the Indian Affairs Council. The bill was laid over for possible inclusion in an omnibus bill.

S.F. 3237 directs the DNR to follow the rulemaking process to address the proliferation of dock patios, or "party platforms." Olson said the DNR has not taken adequate initiative to establish rules regarding large docks, and has been granting five-year permits instead. Kent Lokkesmoe of the DNR division of waters said the process would take one to two years and cost the department \$175,000. The bill was laid over for possible inclusion in an omnibus bill.

Olson's third bill, S.F. 3243, appropriates \$25 million to stock Leech Lake with 25 million walleye fry in 2009 and in 2010. The tourist industry around the lake has suffered from a fisheries collapse, and the DNR is not stocking the lake with numbers proportionate to other healthier lakes, according to Olson. A DNR representative said that not stocking the lake would help the DNR to determine what is wrong with the lake's current fish popu-

lation. Bakk offered an amendment to appropriate up to \$25 million to stock as many fry as possible, which was adopted. The bill was laid over for possible inclusion in an omnibus bill.

The first of the three bills laid over without action establishes a green economy task force. S.F. 3540, sponsored by Anderson, establishes a group to analyze how recent environmental legislation such as the Clean Water Legacy Act and the renewable energy standard can be utilized to develop economic opportunities. The bill can be done within existing dollars, said Anderson.

S.F. 3246, sponsored by Sen. Dennis Frederickson (R-New Ulm), establishes standard procedures for the DNR to use administrative penalties, or fines up to \$10,000, to correct violations regarding aquatic plants and waters in the state.

S.F. 3714, sponsored by Sen. Satveer Chaudhary (DFL-Fridley), directs \$1.37 million in increased Natural Resources Fund revenue from un-refunded gas tax income to recreational vehicle enforcement, water access programs, and grant-in-aid trail programs and development.

### Budget package okayed

Members of the Environment, Energy and Natural Resources Budget Division gathered Wed., Mar. 26, to approve a budget reconciliation package. The panel, chaired by Sen. Ellen Anderson (DFL-St. Paul), forwarded the proposal to the full Finance Committee. It is never easy trying to find where to make cuts to programs, Anderson said. She said the package seeks to make cuts without harming priorities.

In FY 08-09, the package reduces general fund spending by \$7.05 million and increases general fund revenue by \$6.001 million. The proposal's reductions include \$4.1 million for the Dept. of Commerce, \$2.777 million for the Dept. of Natural Resources and \$473,000 for the Pollution Control Agency. Under the package, the Board of Water and Soil Resources receives a \$300,000 net increase; funding reductions for the board are offset by an appropriation for the state's share of flood response activities in Southeastern Minnesota. There is no funding change for regional parks supported by the Metropolitan Council, under the proposal.

The additional revenue in the package is from a \$4 million transfer from a surplus in the telephone assistance plan account, a \$1.4 million cancellation of

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an unused stream protection revolving loan fund, a \$101,000 cancellation of the future resources fund, and a \$500,000 increase in water usage fees charged by the DNR. Fiscal Analyst Dan Mueller explained that the DNR's large-volume water permitting programs cost about \$7.8 million annually, but fees support only \$4.8 million. The proposal represents a step forward in slowly reducing the general fund subsidy for the permitting programs, he said.

The package also includes policy provisions related to the appropriations, reductions and transfers. It provides for the designation of star lakes and rivers, requires the DNR to update rules on structures allowed in public waters, creates an expedited process for land exchanges between the state and political subdivisions, and provides for coordinating the state's economic development and environmental policies.

Sen. Satveer Chaudhary (DFL-Fridley) offered an amendment creating the Lessard-Heritage Enhancement Council to oversee funds allocated to habitats in a proposed constitutional amendment dedicating new sales tax revenue to the state's natural and cultural resources. Several members raised concerns about placing the language in the omnibus budget reconciliation measure, especially when the provisions are traveling in other legislation. The amendment was not adopted.

## Finance

### Claims against the state okayed

The Committee on Finance reviewed the higher education policy recommendations, Tues., Mar. 25. The committee, chaired by Sen. Richard Cohen (DFL-St. Paul), also approved a bill settling \$86,657.15 in total claims against the state.

Sen. Sandra Pappas (DFL-St. Paul), sponsor of the higher ed proposal, S.F. 2942, said there had been some confusion between budget, policy, and policy about budget, which is why the bill was before the committee. Staff reported that the bill does not change any appropriations.

A section of the bill appointing four legislators to a Minnesota P-16 Education Partnership was removed because it had not been approved by the Rules and Administration Committee yet. The bill as amended was approved and sent to the floor.

Sen. Ron Latz (DFL-St. Louis Park) presented S.F. 3021, paying claims against the state. The bill pays claims to a worker within the Dept. of Corrections disabled by an accident while working, and an individual also within the corrections system whose medicine bag was lost. Another payment is made to a resident whose property was damaged by officials searching for an uncapped well. The largest claim pays \$67,005 for cleanup and mitigation of construction waste from an old bridge removal discovered on residential property.

Sen. Steve Murphy (DFL-Red Wing) offered an amendment clarifying that the Dept. of Transportation is not at fault for the waste disposal. Murphy said the bill may open up the department for future litigation when there are other parties that hold responsibility. The committee approved the amendment. Latz said that the Joint House-Senate Subcommittee on Claims, which determines what claims should be paid, is more a court of equity not necessarily liability.

## Health and Human Services Budget Division

### MFIP bills heard

The Health and Human Services Budget Division, chaired by Sen. Linda Berglin (DFL-Mpls.), held an evening hearing Tues., Mar. 25, to hear a series of bills relating to the Minnesota family investment program (MFIP).

S.F. 3170, authored by Sen. Patricia Torres Ray (DFL-Mpls.), modifies the MFIP work participation program, changes MFIP child care assistance provisions and makes technical changes. Members adopted a clarifying amendment and an amendment deleting portions of the bill in order to include those portions in the division's omnibus bill. The measure was approved and advanced to the full Finance Committee.

Sen. Julie Rosen (R-Fairmont) sponsored a bill, S.F. 3113, transferring funds from the temporary aid to needy families (TANF) to community action agencies for auto repair or auto purchase grants to individuals with children whose income makes them eligible to receive benefits under MFIP. The bill also requires each community action agency administering the funds to provide a ten percent match using either nonstate funds or in-kind ser-

VICES. Rosen said one of the most critical needs people who are trying to get back on their feet have is for reliable transportation, particularly in Greater Minnesota. Members laid the bill over for possible inclusion in the omnibus bill.

S.F. 3329, sponsored by Berglin, appropriates money for supported work and auto-related costs for MFIP participants. Berglin said the measure provides transitional employment for people in the program who are having difficulty finding private employment. She said by providing transitional employment, participants can work toward fulfilling their employment plans. Berglin said the appropriation for the second year of the biennium was vetoed last year and the bill restores the appropriation. The measure also specifies that any unused funds from the current year may be used in the second year. Deborah Schlick, Affirmative Options Coalition, said, "We believe transitional employment is crucial for welfare to work programs." She said it is also a good way to use limited safety-net funds in a soft economic environment. The measure was laid over for possible inclusion in the omnibus bill.

Berglin also carried S.F. 3290. The measure provides a ten percent cost of living increase to MFIP participants, prohibits unpaid work, modifies the MFIP hardship extensions, repeals the MFIP family cap and repeals the \$50 housing penalty. Linden Gawboy, Welfare Rights Committee, said the bill provides great relief for little cost. The measure was also laid over for possible inclusion in the omnibus bill.

S.F. 3242, sponsored by Berglin, is separate bill that repeals the MFIP family cap. The cap prohibits an increase in the MFIP grant when a child is born, Berglin said. Alexandra Fitzsimmons, policy director, Minnesota Catholic Conference, said the cap punishes families who are struggling to make it out of poverty. Members laid the bill over for possible inclusion in the omnibus bill.

### Spreadsheet adopted

Members of the Health and Human Services Budget Division met twice Wed., Mar. 26, to complete work on the division's omnibus bill. The first hearing was devoted to consideration of the spreadsheet detailing the budget changes and the second hearing was focused on the language of the omnibus bill.



*Senators Claire Robling (R-Jordan), left, and Kathy Sheran (DFL-Mankato) consult during a Higher Education Budget and Policy Division meeting, Tues., Mar. 25.*

Photo by David J. Oakes

At the outset, Chair Linda Berglin (DFL-Mpls.) said, "I feel totally inadequate to the job of making the cuts requested, but there are some items that we were able to preserve that the governor recommended cutting." She said we are not accepting the governor's recommendations for reductions for long term care, for decreasing eligibility, or for reducing pharmacy benefits. "We are not accepting the governor's proposal to use the health care access fund to balance the budget," Berglin said. "We are asking for increased administrative efficiency and economies," she said.

Fiscal Analyst David Godfrey gave a line-by-line explanation of the spreadsheet. Berglin said the division had a target of \$205.108 million in general fund reductions for FY 08-09 and the cuts detailed in the spreadsheet met the target. As detailed in the spreadsheet, FY 08-09 general fund spending is reduced \$205.108 million, state government special revenue fund spending is increased \$5.217 million, health care access fund spending is reduced \$3.641 million, federal temporary aid for needy families (TANF) spending is increased \$50.650 million and statutory fund spending is increased \$12.7 million.

Godfrey said general fund reductions for the Dept. of Human Services amount to \$133 million, for the Dept. of Health \$6.466 million, for veterans nursing homes \$1 million, the health related boards \$2 million and the Emergency Medical Services Board \$3 million. Other reductions come from a variety of cuts to individual programs, Godfrey said, including increasing the Minnesota health care plan managed care withholding from five percent to eight percent, delaying inpatient hospital payment, reducing fee for service outpatient hospital rates by three percent, delaying the effective date of the long-term care cost of living increase from July to October of this year, reducing Dept. of Human Services grants by 1.4 percent and reducing the base for the Minnesota sex offender program by four percent.

After reviewing the spreadsheet, Berglin said, "We have a responsibility to balance the budget; a responsibility to make the best decisions we can under the circumstances." Sen. Paul Koering (R-Fort Ripley) said a cut to the positive alternative grant program made it impossible for him to support a motion to adopt the spreadsheet. He asked for a roll call vote on the motion. Sen. Ann Lynch (DFL-

Rochester) said an affirmative vote on the motion did not indicate the cuts are warranted or wanted. "An affirmative vote on the motion means we have a job to do," Lynch said.

Koering moved to reduce the fee-for-service pharmacy rate and reinstate the funding for the positive alternative grant program. The motion failed on a 4-4 roll call vote. Sen. Kathy Sheran (DFL-Mankato) moved to accept one half of the reduction in the fee-for-service pharmacy rate and reinstate one half of the funding for the positive alternative grant program. The motion was adopted on a 5-3 roll call vote.

The motion to adopt the spreadsheet was approved on a 5-4 roll call vote.

Members reconvened in the evening and heard testimony on the omnibus proposal. Geoff Bartsh, HealthPartners, said the provisions relating to a refund of health plan reserves were not appropriate for organizations such as HealthPartners. Iris Freeman, representing long-term care employees, said she appreciated maintaining the cost of living increases for long-term care employees.

Linden Gawboy, Welfare Rights Committee, said it was shocking that the MFIP grant increase for poor families was

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not included in the proposal. She also said the use of TANF funds for purposes other than helping poor families was outrageous. Mary Krinkie, Minnesota Hospital Association, said the rate cuts for inpatient hospital supplemental payments comes on top of previous rate cuts and create hardship for hospitals.

Members then reviewed the language of the proposal. The language makes technical and policy changes, Berglin said. Members adopted the proposal and considered amendments.

Sen. Ann Lynch (DFL-Rochester) offered an amendment providing for a mid-level dental hygiene practitioner pilot program. Lynch said the amendment represents a scaling back of a bill she sponsored establishing the mid-level practitioner position. Dominic Sposeto, representing the Minnesota Dental Association, spoke in opposition and said the amendment put the cart before the horse. Lynch said there was a crisis in Greater Minnesota and the amendment would be a step forward. The amendment was adopted.

Members also adopted two amendments offered by Berglin. One amendment provides for an interdepartmental transfer. Another amendment relates to a provision passed last year dealing with mental health reform, she said. Berglin said the amendment allows more parts of the state to be included as pilot projects in county based purchasing.

Sen. Yvonne Prettner Solon (DFL-Duluth) offered, and members adopted, two amendments that were combined into one. The amendments restore the appropriation for the fee-for-service pharmacy program and eliminate the funding for the positive alternative grants program. The motion was not adopted. Koering moved to restore all the funding for the positive alternative grants program and reduce the health care access fund surplus. The motion failed.

The panel also discussed an amendment listing the appropriations and reductions in the proposal. Legislative Analyst Dave Giel said the amendment tracks the figures from the spreadsheet adopted earlier in the day. The amendment was adopted on a 6-4 roll call vote.

Members approved the proposal and advanced the measure to the full Finance Committee.

## Non-accredited dentist licensing provisions approved

The Health and Human Services Budget Division, chaired by Sen. Linda Berglin (DFL-Mpls.), heard five bills, Thurs., Mar. 27.

S.F. 3735, sponsored by Sen. Gary Kubly (DFL-Granite Falls), provides \$20,000 each to 12 living-at-home or block nurse programs that currently operate without base funding. The money is transferred from the community service grant program. A representative of the Elderberry Institute said these programs provided 108,000 volunteer hours last year for general elder care in neighborhoods. The amendment was approved, and the bill was re-referred to the Committee on Finance.

S.F. 3122 directs the Department of Human Services to conduct a study on alternative approaches to offering dental coverage to public program enrollees. Berglin said the division didn't have the \$100,000 appropriation at this time, and the bill was laid over. Bill sponsor Sen. John Doll (DFL-Burnsville) offered an amendment to execute the study to the extent that resources are available. The amendment was approved.

Sen. Ann Lynch (DFL-Rochester) then offered S.F. 249 as an amendment to the bill, addressing licensing of graduates of non-accredited dental programs. Dominick Sposeto of the Minnesota Dentists Association said licensing of foreign dentists has provided culturally appropriate treatment that addresses language barriers in many communities. The bill requires individuals to complete the clinical licensure examination, after which they are issued a provisional license to practice under the supervision of a Minnesota-licensed dentist. The committee approved an amendment to extend the supervised time frame from two to three years. After the three years, the licensed supervisors may recommend unlimited licensure. The amendment was approved, and S.F. 3122 was re-referred to the Committee on Finance.

S.F. 3245, sponsored by Sen. Tony Lourey (DFL-Kerrick), modifies health care provider and payer uniform billing requirements passed last year. The proposal provides administrative simplification and technical corrections, said Lourey. The Department of Human Services is also authorized to levy fines under the bill.

The bill was approved and re-referred to the Committee on Finance.

S.F. 2795 provides for use of transfer on death deeds. Bill sponsor Ron Latz (DFL-St. Louis Park) said the bill is the initiative of the Minnesota State Bar Association. The division approved an amendment to remove the fiscal impact on the Dept. of Human Services. The bill was approved and re-referred to the Committee on Finance.

S.F. 3005, sponsored by Sen. Yvonne Prettner Solon (DFL-Duluth), requests that schools distribute information on vaccines for meningococcal and human papillomavirus diseases to students and parents in grades 6, 9 and 12. The bill also requests districts to post access to the information on their websites. The Department of Human Services already has this information printed and on the internet, said Prettner Solon. An amendment was approved to address the concerns of school nurses by making it voluntary. The bill was approved and re-referred to the Committee on Finance.

## Higher Education Budget and Policy Division

### Supplemental budget okayed

A proposal reducing higher education funding by \$27.701 million in FY 08-09 was approved by members of the Higher Education Budget and Policy Division, Tues., Mar. 25. The panel, chaired by Sen. Sandra Pappas (DFL-St. Paul), advanced the proposal to the full Finance Committee for inclusion in a global omnibus supplemental budget bill.

The supplement budget proposal reduces funding within the Office of Higher Education by \$7.701 million. The bulk of the savings is from elimination of the ACHIEVE Program, amounting to \$7 million. Of the remaining cut, \$500,000 is from surpluses in the allocations for tuition reciprocity and the 529 college savings program, and \$201,000 is a reduction in agency administration. The proposal also includes a net-zero change within the state's financial aid programs. Senate Fiscal Analyst Dennis Albrecht said changes in the federal Pell Grant freed up \$15 million at the state level. The package reallocates the funds to reduce the student share, increase the four-year tuition maximum and reduce the assigned family responsibility.

The proposal reduces the annual base budget of the Minnesota State Colleges and Universities by \$5 million. It also reduces the annual base budget of the University of Minnesota by \$5 million. In addition, the U loses \$10 million in one-time funds in FY 08-09.

In other action, members considered proposals funding a study of mesothelioma in miners working on the Iron Range and directing MnSCU to direct its budget reductions in ways to avoid increasing tuition.

S.F. 3300, sponsored by Sen. David Tomassoni (DFL-Chisholm), appropriates \$4.9 million from the worker's compensation special fund to the University of Minnesota for a comprehensive science and evidence-based study of miners' lung health. Dean John Finnegan and Dr. Jeff Mandel, both of the U of M School of Public Health, discussed the University's preliminary work on the study and how the study envisioned in the bill will

proceed. John Rajkowski said the Dept. of Labor and Industry has concerns about using the worker's compensation fund to pay for the study. The fund is supported by an assessment against employers and used to pay benefits to injured employees, he said. Spending from the fund for other uses would likely mean an increase in the next annual assessment, Rajkowski said. Tomassoni said the worker's compensation fund is an appropriate source for support because the fund is used to deal with work-related health issues. The measure was advanced to the full Finance Committee.

Sen. Kathy Sheran (DFL-Mankato) carried S.F. 3795. The bill directs the MnSCU Board to allocate its budget reductions to activities that do not have a direct effect on instructional services and that do not result in reductions to amounts distributed to individual campuses. The bill also indicates the Legislature's intent to limit MnSCU tuition increases

in FY 09 to two percent at community colleges and three percent at universities. The measure was adopted as an amendment to the supplemental budget proposal.

### **Power of YOU program discussed**

A bill extending "Power of YOU" pilot programs to Greater Minnesota and suburban areas of the Metro Area was the sole focus of the Thurs., Mar. 27, meeting of the Higher Education Budget and Policy Division. S.F. 3490, carried by Chair Sandra Pappas (DFL-St. Paul), establishes the programs, sets forth the requirements for selecting education institutions in the pilot areas and provides funding for the program. Under the current program, Metropolitan State University, Minneapolis Community and Technical College and St. Paul College partner with Twin Cities high schools to prepare students for higher education. Pappas said the purpose of the program is to promote the preparation



*St. Paul College students Delisa Tims and Harrison Jones share with members of the Higher Education Budget and Policy Division, Thurs., Mar. 27, how they have benefited from the Power of YOU program.*

Photo by David J. Oakes

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and enrollment of students who otherwise would not participate in postsecondary education. The program covers the cost of tuition and fees for two years or up to 72 credits at the three higher education institutions, Pappas said

Dan Mueller, Wilder Research, began the hearing by detailing the results of the extra efforts made for students under the program. He said there is a significant increase in retention rates for participants in the program. The Power of YOU currently targets students in the urban core, Mueller said. However, academic achievement varied by institution, he said. Mueller said results after the first year find that there are challenges in preparing students adequately for higher education and challenges in the academic struggle to achieve. Mueller said successes of the program include a substantial boost in enrollment among under-represented groups and higher retention rates for the Power of YOU students.

Members also heard from Phillip Davis, president, Minneapolis Community and Technical College, and Donovan Schwichtenberg, president, St. Paul College, in support of the program. Davis said the average grant to students was \$1,200 for tuition and about \$850 for support services. He said the program focuses on students who think college is out of reach for financial or other reasons. Davis said MCTC is trying to reach students earlier to help them prepare for higher education.

Several students participating in the program said the program provides hope for students who otherwise would not consider college.

Members adopted an amendment specifying that the appropriation in the bill may only be used for tuition aid. The bill was laid over. Pappas said the measure was included in the other body's omnibus bill and that she wanted Senators to have a complete understanding of the program.

## Judiciary Budget Division

### Budget cuts gain

A package of \$5.84 million in budget cuts to the judicial system was approved by members of the Judiciary Budget Division, Wed., Mar. 26. The panel, chaired by Sen. Leo Foley (DFL-Coon Rapids), advanced the proposal to the full Finance Committee.

The cuts in the package are distributed \$652,000 to the Supreme Court, \$100,000 to civil legal services, \$213,000 to the Court of Appeals, \$3.484 million to the District Courts and \$1.391 million to the Board of Public Defense. Except for the cut to civil legal services, all the reductions are annual cuts to the entities' base budgets. In addition to trimming spending, the proposal also raises \$1.781 million in revenue by increasing the surcharge on criminal and traffic offenders by \$3, to \$75. The proposal also permits the judicial branch to accept credit cards,



Senators Sandra Pappas (DFL-St. Paul) and Rick Olseen (DFL-Harris) closely examine budget recommendations during a meeting of the State Government Budget Division, Wed., Mar. 26.

Photo by David J. Oakes

debit cards, charge cards and other forms of electronic funds transfer for fees and other payments. Under the proposal, the judiciary may impose a convenience fee for transactions. State Court Administrator Sue Dosal said the courts would only impose the convenience fee for online transactions.

## Public Safety Budget Division

### Budget proposal advanced

The Public Safety Budget Division, chaired by Sen. Linda Higgins (DFL-Mpls.), met Wed., Mar. 26, to review the division's omnibus budget reduction proposal. Fiscal Analyst Chris Turner outlined the spreadsheet accompanying the proposal. He said the division was asked to make \$11.88 million in general fund reductions. Turner said the governor's recommendation was for a net reduction of \$9.9 million. Under the proposal, reductions for the Department of Public Safety amount to \$1.946 million, reductions for the Dept. of Human Rights amount to \$112,000, and reductions for the Dept. of Corrections amount to \$7.88 million. The measure also includes a transfer of \$2 million from the fire safety account to the general fund, Turner said. He said the plan implements a two percent cut, rather than the four percent recommended by the governor.

Commissioner Joan Fabian, Dept. of Corrections, said she appreciated the division's support, but the department has taken substantial cuts in the past. She said the cuts in the proposal will compromise public safety. Fabian said the department has projected a \$10 million shortfall in the future, and combined with the cuts in the proposal, will result in significant layoffs. Higgins said all the division chairs advocated for the departments under their jurisdiction, but there is a \$1 billion shortfall that must be reconciled.

Members approved the proposal and advanced the measure to the full Finance Committee.

In other action, the division heard four additional bills and advanced the measures to the full Finance Committee.

S.F. 3608, authored by Sen. Mee Moua (DFL-St. Paul), provides for a minimum presumptive executed sentence for repeat sex offenders. S.F. 3294, sponsored by Sen. Sharon Erickson Ropes (DFL-Winona), clarifies repayment requirements for FEMA funds.

S.F. 3259, carried by Sen. Linda Berglin (DFL-Mpls.), allows persons facing civil commitment as sexually dangerous persons or sexual psychopathic personalities to choose to be confined in correctional facilities and addresses the cost of care for persons facing civil commitment. Berglin offered, and members adopted, an amendment removing all provisions relating to corrections from the bill. Members also adopted a series of amendments relating to Dept. of Human Services custody of sex offenders. One amendment requires a working group to review the licensing of sex offender facilities and determine if changes in licensing similar to the system in Wisconsin could reduce costs. Another amendment clarified that the definition of vulnerable adult does not include persons on hold orders or sex offenders. A final amendment provides for a review panel for sex offenders release.

S.F. 2790, sponsored by Higgins, originally contained a number of provisions aimed at enhancing the successful reentry of offenders. However, Higgins said the fiscal note on the bill made it prohibitively expensive. As a result Higgins offered an amendment deleting many of the sections with fiscal implications. She said the bill is the product of an informal reentry working group that met over the interim. Members adopted the amendment, which removed a required deferment of prosecution for first-time, low level drug possession offenders, a study of reentry facilities, a reentry court task force and a repeal of a sunset on provisions permitting conditional release of nonviolent drug offenders.

Higgins said most of the remaining portions of the bill relate to certificates of good conduct. Under the bill, a certificate of good conduct is sufficient evidence of rehabilitation for the purpose of public employment or occupational licensure. Higgins said the certificate of good conduct could be extremely helpful for people who have truly turned their lives around. The measure outlines the process for obtaining a certificate of good conduct and the eligibility requirements for the certificate. Members adopted an amendment deleting the provisions relating to the good conduct certificate. The remaining portions of the bill provide for a working group on controlled substance laws and provide for a review of guidelines for the revocation of parole and supervised release.

Higgins offered an amendment allowing a court to consider treatment options

for defendants convicted of a crime, but who are serving in or are veterans of the armed forces and have been diagnosed as having a mental illness. The amendment was adopted. An amendment, offered by Moua, dealing with collateral sanctions and reentry was also adopted. Moua said the amendment specifies that unless a criminal background check is required, an employer may not consider nonconviction criminal records in hiring. Moua said the amendment also contains an affirmative defense for employers.

## Rules and Administration

### Two measures advance

The Rules and Administration Committee, chaired by Sen. Lawrence Pogemiller (DFL-Mpls.), met briefly Fri., Mar. 28, to review two measures containing provisions calling for the appointment of Legislators to advisory committees.

S.F. 3540, sponsored by Sen. Ellen Anderson (DFL-St. Paul), creates a task force to analyze and plan for an economy that advances the environmental and energy policies of the state. Anderson said the bill is aimed at helping the state attain the ambitious energy goals set last year. Members adopted an amendment specifying that the legislative members of the task force be appointed by the Rules and Administration Subcommittee on Committees, rather than by the Majority and Minority Leaders as set forth in the bill. Sen. Thomas Bakk (DFL-Cook) also offered, and members adopted, an amendment providing that the public members of the task force be paid a per diem of \$55.

S.F. 2811, carried by Sen. Ann Lynch (DFL-Rochester), redefines the mission of the Permanent School Fund Advisory Committee and adds legislative members to the committee. Lynch said the bill is part of an overall strategy to improve the management of school trust fund lands.

Both measures were advanced to the Committee on Finance to be incorporated into the omnibus budget bill.

## State Government Budget Division

### State gov. omnibus proposal gains

The State Government Budget Division unveiled its omnibus budget reduction proposal at the Wed., Mar. 26, meeting. Chair Don Betzold (DFL-Frid-

# Committee update

ley) said that after the November budget forecast, budget division chairs were asked to submit ideas for reducing expenditures. After the February forecast, Betzold said, discussions were held on how to obtain further reductions. The result, for the areas under division's jurisdiction, was contained in the article and spreadsheet before the panel, he said.

He said the governor's proposal contained cuts of four percent for the Legislature and the constitutional offices, but that the Senate proposal limited the cuts to three percent. The proposal reduces the operating budgets of the Office of Enterprise Technology, Dept. of Administration, Department of Finance, and what is left of the Department of Employee Relations by four percent. The proposal reduces the operating budget of the Dept. of Revenue by 3.1 percent, but provides an additional \$4 million for increased audit staff in the Tax Compliance Division. The measure does not fund the Republican National Convention guarantee of \$14 million as recommended by the governor. Betzold said the guarantee was going to be reimbursed to the state anyway, so it was decided to eliminate the transaction. In addition, the proposal does not reduce the Target Center payments as recommended by the governor. The measure also reduces the number of deputy and assistant commissioners throughout all state agencies for a savings of \$3.69 million and reduces the number of professional and technical contracts for a savings of \$5 million.

Betzold said there are some revenue increases in the proposal, including \$3.3 million from a temporary surcharge fee to offset e-licensing implementation costs, \$16 million from increased tax compliance efforts, and \$10 million from Dept. of Revenue bank data matches. The proposal reduces general fund expenditures by \$12.29 million and increases revenue by \$34.2 million.

Sen. Ann Rest (DFL-New Hope) said the cuts to the Office of Enterprise Technology were penny wise and pound foolish. She also said that she would prefer to see more targeted reductions, rather than across the board cuts. Sen. Claire Robling (R-Jordan) said she was unsure about the impact of not providing the state guarantee for the Republican National Convention.

Members adopted one amendment, offered by Rest, that incorporated language from a bill requiring leave to be granted to state employees who volunteer to make blood donations. The proposal was advanced to the full Finance Committee for incorporation into an omnibus budget bill.

The division also heard four bills and advanced all four measures to the full Finance Committee. S.F. 3768, carried by Sen. Tom Saxhaug (DFL-Grand Rapids), appropriates \$10,000 in FY 08 and \$10,000 in FY 09 for an International Legislators Forum. Saxhaug said the forum was started in reaction to the floods in the Red River Valley, but has grown to include border issues, transportation issues and other issues of concern to the participating states and the province of Manitoba. S.F. 3239, carried by Sen. Mee Moua (DFL-St. Paul), clarifies the procedures and fees charged by county registrars of title for registering supplemental declarations of common interest communities. S.F. 2001, presented by Moua on behalf of Sen. Michael Jungbauer (R-East Bethel), streamlines the Dept. of Administration's process for the disposition of surplus real property. S.F. 1527, carried by Sen. Dan Larson (DFL-Bloomington), establishes a presidential primary in the state. Under the bill, party caucuses would be held on the same date as the presidential primary. Larson said the bill will allow Minnesota to be more of a player in the selection of presidential candidates. He said there was increased interest on the part of the public this year and that a presidential primary will serve to maintain public participation.

## Taxes

### Omnibus tax bill heard

Consideration of the omnibus tax bill began, Wed., Mar. 26, with a staff walk-through of the base proposal's provisions. Chair Thomas Bakk (DFL-Cook) said the panel would consider amendments at its next meeting.

In FY 09, the proposal has a net general fund impact of \$150.155 million in additional revenue. The two largest contributors are provisions adjusting the treatment of foreign operating corporations, \$109 million, and increasing the June accelerated sales tax payment from 80 percent to 90 percent, \$31.75 million.

In the next biennium, the proposal also increases a number of aids to local units of government, including local government aid, county program aid and aid to townships. The measure includes a moratorium on changes in assessment practices for properties of institutions of purely public charity, in order to allow the Legislature time to respond to a Minnesota Supreme Court case restricting eligibility for favorable tax treatment.

In other action, members considered three bills, which were all laid over for possible inclusion in the omnibus bill. S.F. 1950, sponsored by Bakk, provides tax benefits for the Mall of America's proposed expansion. The bill expands the mall's TIF district, extends the district's duration, and provides a sales tax exemption for construction materials and equipment used in the expansion. Representatives of the mall and labor groups spoke in support of the proposal and stressed the many jobs the expansion will create, both in construction and on-going occupations. Concerns about excluding the expansion from the fiscal disparities pool were raised by representatives of the Minnesota Chamber of Commerce, Minneapolis Downtown Council, City of Minneapolis and National Association of Industrial and Office Properties.

Bakk also carried a bill, S.F. 3271, allowing a nonrefundable credit against the gross premium tax for investments in small business investment companies. S.F. 3476, authored by Sen. Keith Langseth (DFL-Glyndon), allows a nonrefundable credit against the corporate franchise or individual income tax for investment in qualified regional investment funds. The bill also allows a nonrefundable credit against the individual income tax for investment in businesses that are located in border city development zones and that rely on innovation, research or the development of new products and processes.

## Transportation Budget and Policy Division

### DVS surcharge approved

The Transportation Budget and Policy Division, chaired by Sen. Steve Murphy (DFL-Red Wing), heard two proposals, Thurs., Mar. 27. The first proposal heard, S.F. 3787, imposes a surcharge on motor vehicle fees to fund

a new Division of Driver and Vehicle Services information system. The second, S.F. 500, provides for funding of state transit projects with transportation certificates.

Sen. Rick Olseen (DFL-Harris), author of S.F. 3787, said his bill funds a system upgrade that the Department of Public Safety has requested. The \$1.75 surcharge would be applied to tab renewals, issuance of certificates of title, driver's licenses, permits and identifications cards. Pat McCormack, director of Driver and Vehicle Services, said implementing a new system would cost \$12 million a year for four years.

Sen. Mee Moua (DFL-St. Paul) said that a major infrastructure upgrade should be funded outright, rather than paid for with a fee.

Sen. Michael Jungbauer (R-East Bethel) said fees already pay for things like producing license plates, and computers are part of those costs.

Alyssa Schlander representing the Minnesota Auto Dealers Association, said dealerships are a major user of the DVS system, and her organization supports the additional fee as long as 100 percent is used for the system upgrade.

The bill was amended to require a sunset of the fee in 2012. The bill, as amended, was recommended to pass and re-referred to the Committee on Finance.

Sponsor of S.F. 500, Sen. David Tomassoni (DFL-Chisholm), said the proposal is a different way of looking at transportation funding. Byron Dale, Citizens for Better Transportation, said the proposal bypasses a borrowing system that increases debt.

The bill proposes that state banks issue money to the state transportation account as an asset in the form of transportation certificates carrying the value of the projects bid cost. Auditors are directed to view the certificates to be assets of the bank, rather than debt.

Dale said that the current system creates money only through borrowing and debt, and the proposed system creates money through investment.

David Skilbred of the Independent Community Bankers of Minnesota opposed the bill. He said banks do not have the ability to make money and the bill is not workable.

The committee approved a motion to table the bill.

## Historical database available

The Legislative Reference Library has developed a database, "Legislators Past and Present," containing information about Legislators who have served since territorial times. The database's information was compiled from official legislative directories, obituaries, news clippings, family files and other sources. It contains information about terms of service, education, occupation, party or caucus affiliations, leadership positions, represented communities and more.

The database also includes information about Minnesota Legislators who served in other government functions, ranging from the local level to the national level. For example, almost two dozen Legislators have served on the University of Minnesota Board of Regents; the most recent is current Regent and former Senate Majority and Minority Leader Dean E. Johnson. The database even indicates which Minnesota Legislators also served in another state's legislature; there have been at least 15, and the number may climb as more information is compiled.

"Legislators Past and Present" is available online at <http://www.leg.state.mn.us/legdb/index.asp>

## Capitol Report: on air, online

Explore current policy issues and hear lawmakers discuss current legislative proposals by watching "Capitol Report," a weekly public affairs program produced by Senate Media Services. The program includes interviews with Legislators, agency heads and prominent policy experts advising lawmakers. It also features historical and informational features about the Senate, the Capitol and Minnesota.

"Capitol Report" airs weekly on public television affiliates in the Metropolitan Area and on cable access channels across Greater Minnesota. It is also available online, with archives going back to 2000: <http://www.senate.mn/media>

## Educational Videos Available

Three videos, "Discover the Capitol," "Power in the Process: The Anti-Hazing Law," and "Rules, Laws and the Process," can now be accessed through the Legislature's website at <http://www.leg.mn/leg/youth/video.htm> (Requires Real Player.)

These videos are excellent sources of information on the history of the State Capitol, how laws are made in Minnesota

and how even the state's youngest citizens can get involved in the legislative process.

For more information contact Senate Media Services at (651) 296-0264.

## MyBills system available

The MyBills personalized bill tracking system is now available. Users can add House and Senate bills to their lists by bill number, subject, or author, and view the legislative status of their bills, with items with significant current floor action highlighted. Users can modify their lists at any time. The MyBills system is available from the Legislative website at: <http://www.house.mn/leg/billsblogin.asp>

## Senate on the World Wide Web

The Minnesota Legislature's Web site has been updated. A joint effort of the Senate, House of Representatives, Legislative Reference Library, Legislative Commissions, and the Office of the Revisor of Statutes, the site offers easier access to a variety of legislative and government information.

The Legislature's page (<http://www.leg.mn>) includes links to other government agencies and departments, as well as copies of Minnesota Statutes, Session Laws, and Rules. The page also allows one to track legislation and get general information about the legislative process. The site includes a district finder service for those who need to contact their House member or Senator. Other information—about visiting the Capitol, state history and symbols, and employment opportunities with the Legislature—is also available.

Information about joint legislative departments, the various legislative commissions, and task forces is available at <http://www.commissions.leg.state.mn.us>.

The House of Representatives Web page (<http://www.house.mn>) includes membership and committee information. It also has daily news, information, and the daily House schedule. House journals and legislative information are also available.

The Senate Web site (<http://www.senate.mn>) has information about members, committees and Senate staff. The page also has daily and weekly schedules for the Senate, as well as copies of the Journal and Senate Briefly. The status of legislation and confirmation of executive appointments by the Senate is also available.

Both the Senate and House Web sites offer streaming video access to floor and selected committees.

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# Senate Briefly

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Hannah Stoll, an eighth grader at Forestville Middle School in Brainerd, joins other Brainerd residents in the Capitol Rotunda, Tues., Apr. 1, to express concerns over public school funding. Photo by A.J. Olmscheid

April 4, 2008

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# Senate Highlights

## Omnibus tax bill approved

The Wed., Apr. 2, floor session was devoted primarily to discussion of the omnibus tax bill, S.F. 2869. The bill, sponsored by Sen. Thomas Bakk (DFL-Cook), makes changes in the local government aid (LGA) formula to address some of the inequities enacted in 2003. The bill provides an additional \$70 million in LGA, provides for an LGA study group and provides an inflation adjustment for LGA. The bill also extends the property tax exemption for various innovative electrical generating facilities, makes changes in Green Acres provisions and lowers property taxes on land containing aggregate. In addition, the bill provides a tax break for farmers whose herds have been damaged by bovine tuberculosis, eliminates the separate property tax classification seasonal recreational property, and provides a one year moratorium on changes of classification for charitable organizations. The bill provides a property tax cap for senior citizens, closes a loophole for foreign operating corporations, provides a one time sales tax exemption for the Central Corridor construction, and provides several local sales tax options. The measure also allows taxpayers to subtract from Minnesota taxable income the amount awarded for service in an approved AmeriCorps national service program. Under the bill, no new JOBZ programs will be created after May 1, 2008. Bakk said the bill raises about \$150 million in revenue.

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Members adopted one amendment, offered by Bakk, making a number of technical changes. A second amendment, sponsored by Bakk, provides a property tax exemption for one year for property damaged in a disaster.

Sen. John Marty (DFL-Roseville) offered an amendment deleting a section of the bill authorizing a study of a proposed new stadium for the Minnesota Vikings. Marty said the provision did not come through a policy committee and, because of the shortfall, there are better uses for the funds designated for the study. Bakk said there was no general fund money in the study; the cost will be split between the Metropolitan Sports Facilities Commission and the team. The amendment was adopted on a 41-22 roll call vote.

An amendment, offered by Sen. Claire Robling (R-Jordan), freezes the LGA amount at current levels. Robling said, the Legislature doesn't know what the revenue situation will be in the future and placing LGA on a path of automatic increases is not a good policy. Bakk said the increase provides more stability for local units of government. The amendment failed on a 21-44 roll call vote. Sen. Michael Jungbauer (R-East Bethel) sponsored an amendment lowering the commercial-industrial tax on the Minneapolis-St. Paul International Airport and the downtown St. Paul airport. Bakk said the amendment provides preferential tax treatment for businesses at the airport. The amendment was not adopted. An amendment, offered by Sen. Pat Pariseau (R-Farmington), requires a supermajority vote by the Legislature to impose, increase, extend or change a tax that causes a net revenue gain to the state or a taxing district. Bakk said that requiring a three-fifths vote would make it very difficult to raise taxes if there was a need to address a severe budget shortfall. The amendment failed on a 22-42 roll call vote.

Marty offered a second amendment deleting provisions relating to the Mall of America expansion. Bakk responded that the construction activity at the Mall of America will create 7,000 needed jobs and that the mall is a big tourist and economic draw for the state. The amendment failed on a 10-48 roll call vote. Sen. Julianne Ortman (R-Chanhassen) sponsored an amendment providing a subtraction of a portion of military pensions from the state income tax. Ortman said the subtraction is in place in 34 other states in the

country. Bakk said it is a very attractive amendment, but the cost in the next biennium is over \$28 million. The amendment failed on a voice vote.

Sen. David Senjem (R-Rochester) authored an amendment deleting provisions relating to foreign operating corporations. Senjem said much of the revenue in the bill, \$109 million, comes from the language dealing with foreign operating corporations. He said the bill harms Minnesota's business climate and makes the state less competitive. Bakk responded that there is a loophole in the tax law that allows a Minnesota corporation to set up what is essentially a mailbox outside of the state and send their revenue off-shore, thus allowing the companies to escape Minnesota taxes. The amendment failed.

An amendment, offered by Sen. David Hann (R-Eden Prairie), provides a tuition tax credit for children attending elementary and secondary schools. Bakk said the amendment creates a \$9 or \$10 million budget hole this year. The amendment failed on a 20-43 roll call vote. Sen. Ray Vandever (R-Forest Lake) sponsored an amendment providing for property tax refunds to ensure that an individual's property taxes would be capped at five percent of income. The amendment failed on a 28-34 roll call vote. Senjem offered a second amendment requiring the commissioner of revenue to provide a form for voluntary tax payments or to redirect a taxpayer's refund back to the state. The amendment failed on a 30-33 roll call vote.

Vandever also authored an amendment deleting an increase in the county deed and mortgage tax. Bakk said the funds from the tax go into an environmental fund to clean up contaminated properties. Bakk said the tax is permissive and that counties may choose not to collect the tax. The amendment failed on a 23-39 roll call vote. Hann sponsored an amendment specifying that any city with a sanctuary ordinance is ineligible for local government aid. A sanctuary ordinance prohibits law enforcement officers from undertaking actions for the purpose of detecting undocumented status or determining immigration status. Sen. Scott Dibble (DFL-Mpls.) said it is vital for law enforcement officials to develop trust relationships with witnesses or victims and the amendment works to undermine that trust. The amendment failed on a 24-33 roll call vote.



*President of the Senate James Metzen (DFL-South St. Paul) looks on as Desk Assistant Carly Lykes takes stock of the remaining amendments to a supplemental appropriations bill during the Thurs., Apr. 3, floor session.* Photo by A.J. Olmscheid

Sen. Julie Rosen (R-Fairmont) offered an amendment deleting the provision eliminating the JOBZ program. Rosen said the tax incentive program is very important to Greater Minnesota. Bakk said the JOBZ program is fraught with problems and the legislative auditor has reported on a number of those problems, including a finding that up to 20 percent of the jobs may not exist. The amendment failed on a 32-33 roll call vote. Rosen sponsored a second amendment implementing the changes recommended by the legislative auditor and the commissioner of employment and economic development to the JOBZ program. The amendment failed on a 32-34 roll call vote.

Rosen offered a third amendment increasing the tax credit for long-term care insurance from \$100 to \$1,000 for an individual and from \$200 to \$2,000 for couples. Bakk said the amendment would cost \$60 to \$70 million per year.

The amendment failed on a 29-34 roll call vote. Senjem offered an amendment providing school districts with a property tax offset for wind power production. The amendment failed on a 30-33 roll call vote.

Sen. Warren Limmer (R-Maple Grove) moved to reconsider the vote whereby the amendment removing the increase in the county deed and mortgage tax was defeated. The motion was adopted. The amendment was again defeated on a 26-37 roll call vote.

Ortman sponsored an amendment creating a subtraction for National Guard and reservist pay and for military pensions beginning this year. The amendment failed on a 31-31 roll call vote. A motion to reconsider the vote was not adopted. An amendment, sponsored by Ortman, providing for the subtraction for National Guard and reservist pay and for military pensions beginning with taxable years

after 2009, also failed on a 30-36 roll call vote.

The measure was granted preliminary passage on a 40-27 roll call vote.

Earlier, members granted concurrence and repassage to three bills. S.F. 2653, authored by Sen. Don Betzold (DFL-Fridley), establishes a conflict of interest exception for school contracts for professional and other services. S.F. 2908, carried by Sen. Linda Higgins (DFL-Mpls.), provides for notice to tenants when a property is going through foreclosure. S.F. 2918, also carried by Higgins, provides for proof of abandonment for purposes of a reduced mortgage foreclosure redemption period.

### **Bonding bill repassed**

Senators used the late afternoon hours of the Wed., Apr. 2, session to adopt the conference committee report on the bonding bill, H.F. 380. The measure,

# Senate Highlights

carried by Sen. Keith Langseth (DFL-Glyndon), was repassed, 57-10.

The bill's general obligation total is down from \$965 million to \$925 million, Langseth said, though the Senate had to concede more than \$40 million because of differing provisions between each bodies' version. Langseth drew special attention to the proposal's focus on higher education. We devoted significant dollars to our higher education systems' bonding proposals, he said. The bill also includes ongoing authority for the University of Minnesota to bond for biomedical science research facilities. Langseth said the provision is, by far, the most important part of the bill. With this authority, the University will be able to recruit the world's best scientists and researchers in the field, he said.

The bill is too big, said Sen. Geoff Michel (R-Edina). The state has a debt limit guideline, he said, under which no more than three percent of general fund spending is devoted to debt service. Though the guideline is not law, it is important and it protects the interest of future Minnesotans by making sure we do not overextend ourselves, Michel said. He said the bill will push the state over the three percent guideline. We should work harder to trim just a little bit more off the bill and stay within the limit, he said. Langseth said it was extremely unlikely the bill would push the state over the guideline. He said the administration and

the Legislature have a significant dispute over how the limit and spending should be calculated.

Senators also granted preliminary passage to one measure on General Orders. H.F. 3708, sponsored by Sen. David Hann (R-Eden Prairie), is the health professional occupations technical bill from the Dept. of Health. Through a series of procedural moves, members amended the bill to incorporate amendments adopted in a committee of either the Senate or the other body, but not in both bodies' committees.

## Budget bill gains

After completing work on the Senate Calendar, at the Thurs., Apr. 3, floor session, members resolved into a Committee of the Whole to take up bills on General Orders. The first measure to be considered was the omnibus budget bill, S.F. 3813, carried by Sen. Richard Cohen (DFL-St. Paul). The measure cuts funding for state agencies, uses funds from the budget reserve and the cash flow account in order to plug a \$935 million budget shortfall.

Cohen said the measure is not a pleasant bill, but one that must pass in order to balance the budget. Cohen said there has been a lot of rhetoric about who is responsible for the shortfall. "I'm going to suggest the responsibility does lie with anyone in the building—not the administration, not the Senate and not the House

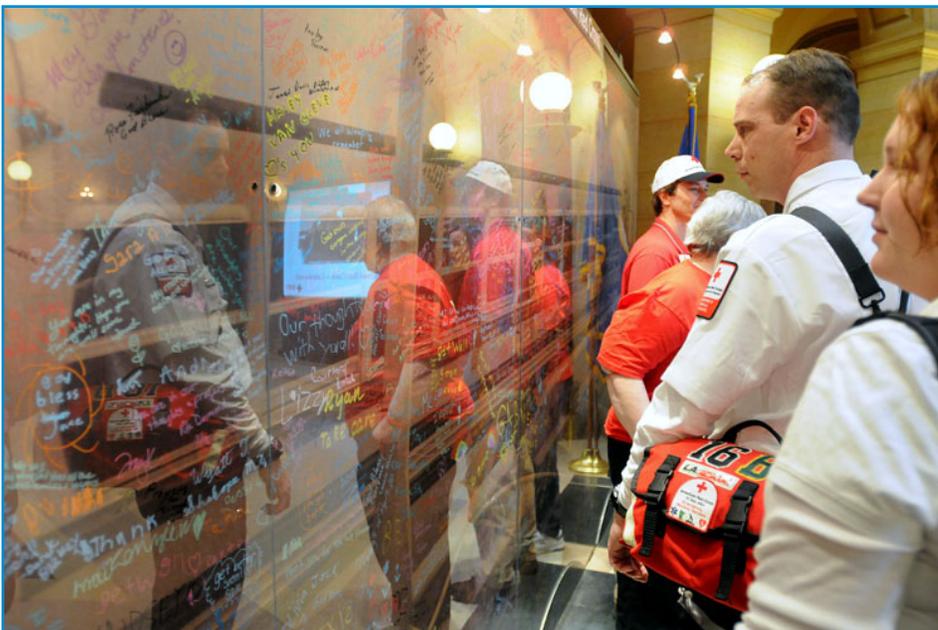
of Representatives," Cohen said. He said that last year the budget was balanced, but the increase in gasoline prices and the collapse of the subprime mortgage market and the subsequent drying up of credit have resulted in the shortfall. We can't control what happens to the price of oil, the subprime crisis or the global markets, but we can control the budget of this state, Cohen said. He said, "It is our constitutional responsibility to balance the budget and the bill before you is a reasonable way to resolve the shortfall."

Cohen said the bill reduces general fund spending by \$832 million, but maintains the integrity of the health care access fund. He said the bill contains more cuts than the governor's proposal and uses less one-time money than the governor proposed. A spreadsheet containing the totals may be found at: <http://www.senate.leg.state.mn.us/departments/fiscalpol/tracking/2008/SC%206101.pdf>

Majority Leader Lawrence Pogemiller (DFL-Mpls.) offered an amendment deleting policy provisions in the bill. He said there has been a great deal of discussion about how much policy should be in a finance bill and the amendment attempts to limit policy. Cohen said that historically we have tried to limit policy in finance bills. The amendment was adopted.

Each of the Senate budget division chairs explained the portions of the bill developed by their divisions.

Sen. Linda Berglin (DFL-Mpls.) sponsored an amendment setting EMS awards in statute and limits the cut to personal care providers with average administrative costs. The amendment was adopted. An amendment, offered by Sen. LeRoy Stumpf (DFL-Plummer), modifies language relating to reciprocity agreements, modifies language relating to levies that were altered by passage of the omnibus tax bill, modifies a provision relating to referendum ballot language and modifies language relating to school district lease levies. The amendment was adopted. Cohen authored an amendment modifying language relating to the cancellation of the JOBZ program. The amendment was adopted. A second Cohen amendment reinstates funding for an early child care program and reinstates funds for the positive alternatives program. The amendment also makes small cuts in funding for the Minnesota Housing Agency, the Minnesota Historical Society, the Minnesota Film Board and the Legislature's carry



EMS and public safety workers Marty Kjella, St. Paul, and Connie Pielow, Robbinsdale, examine an I-35W bridge memorial wall, part of a Red Cross of Minnesota exhibit, in the Capitol Rotunda, Fri., Apr. 4.

Photo by A.J. Olmscheid

forward to pay for the restorations. The amendment was adopted.

An amendment, offered by Sen. Rod Skoe (DFL-Clearbrook), clarifies provisions relating to bovine tuberculosis. The amendment was adopted. Sen. Amy Koch (R-Buffalo) offered an amendment deleting a section providing an appropriation for a St. Paul RiverCentre loan repayment. The amendment failed on a 24-40 roll call vote.

Sen. Geoff Michel (R-Edina) sponsored an amendment ending the state's participation in the federal No Child Left Behind Act. Michel said the amendment is not anti-testing, but is anti-federal control. He said the amendment specifies ending participation in 2009 in order to allow time to negotiate with the federal government to ensure the state does not lose federal funds. Cohen said the concerns with No Child Left Behind span the political spectrum, but it does bring in \$250 million in federal funds. The amendment failed 31-33.

Sen. Betsy Wergin (R-Princeton) authored an amendment deleting a provision requiring the Dept. of Natural Resources to promulgate rules relating to the size of structures on lakeshore docks. Sen. Ellen Anderson (DFL-St. Paul) said the provision does not dictate the outcome of the rulemaking process, but rather allows for a great deal of public debate on the issue. The amendment failed. Sen. Claire Robling (R-Jordan) offered an amendment cutting the Legislature and the constitutional offices an additional one percent and transferring the funds to the judicial branch. Sen. Don Betzold (DFL-Fridley) said that it is more difficult for smaller agencies, such as the constitutional offices and the Legislature, to absorb cuts. The amendment failed.

Sen. Bill Ingebrigtsen (R-Alexandria) offered an amendment deleting a section in the bill requiring in-state tuition for non-state students of the Minnesota State Colleges and Universities system. The amendment was adopted. Sen. Chris Gerlach (R-Apple Valley) sponsored an amendment requiring contractors to certify that the contractors have not received any kickbacks or other payments from unions representing employees who would perform work under the contract. Betzold said the amendment was a policy provision and should go through the committee process. The amendment failed on a 21-39 roll call vote.

Wergin offered an amendment transferring funds from the health care access fund for day training and habilitation services and deleting the delay in long-term care providers cost of living increases. The amendment failed. An amendment, offered by Hann, prohibits the Minnesota State Colleges and Universities from increasing tuition and requests that the University of Minnesota not raise tuition. The amendment failed on a 30-32 roll call vote. An amendment, offered by Ingebrigtsen, deletes the provisions relating to the Outdoor Heritage amendment, should it pass, and inserts language setting up a Sportsman's Stakeholder Council to make recommendations about appropriating funds raised by the constitutional amendment. Sen. Satveer Chaudhary (DFL-Fridley) said the language in the bill provides for a citizens council and is a more balanced approach. Sen. Ellen Anderson (DFL-St. Paul) said the discussion would be better held in conjunction with the environment and natural resources policy bill. The amendment failed 26-36.

Koch offered an amendment banning funding for saline amniocentesis abortions. Betzold questioned the germaneness of the amendment. Sen. Linda Berglin (DFL-Mpls.) said the amendment has nothing to do with budget reduction, but is a purely policy issue. The amendment was ruled not germane. Sen. Warren Limmer (R-Maple Grove) challenged the ruling of the chair. The ruling was upheld 37-27.

An amendment, sponsored by Hann, restores Q comp funding. Stumpf said the amendment throws the budget out of balance by about \$21 million. He said there has been no evidence of the program's success. The amendment failed. Sen. Dennis Frederickson (R-New Ulm) offered an amendment deleting the tax debtor match provision. Betzold said the provision was a recommendation from the governor and deleting the provision would make the bill out of balance. The amendment was not adopted.

Sen. Pat Pariseau (R-Farmington) offered an amendment providing payments to claimants for unpaid claims against an ethanol producer that ceased operations and declared bankruptcy. The amendment was adopted. Ingebrigtsen offered an amendment establishing the Lessard-Heritage Enhancement Council to administer the funds raised by the Outdoor Heritage constitutional amendment, should the

constitutional amendment be passed next November. Cohen said he had genuine concern about placing such a lengthy policy amendment in a budget bill, but the amendment has no impact on the budget. The amendment was adopted.

An amendment, offered by Hann, deletes a section providing for a Green Economy Transformation Task Force. Hann said the provision aims at transforming the entire economy and is over-reaching. If allowed to become law could put us on the way to great harm, Hann said. He said having government plan the state's economy is socialism, which does not work. Anderson said the provision merely guides the state to take economic advantage of the far-reaching energy and environmental policies that have made Minnesota a leader in renewable energy. Hann said planning for a green economy interferes with a free market. Anderson said the provision is an economic development tool to create good paying jobs. The amendment failed on a 21-41 roll call vote.

Sen. David Senjem (R-Rochester) offered an amendment providing a \$14 million guarantee for the Republican National Convention. The amendment failed on a 26-36 roll call vote. An amendment, offered by Hann, removes a requirement for two percent of school districts' budgets to be set aside for staff development. Sen. Kevin Dahle (DFL-Northfield) said staff development funding is key to improving performance. The amendment failed on a 16-43 roll call vote.

Robling sponsored an amendment allowing school districts to use integration revenue after filing a plan and budget with the commissioner of education that demonstrably closes or narrows the academic achievement gap through the provision of direct assistance. Stumpf said the proposal was worth investigating, but he urged Robling to wait until next year. Robling withdrew the amendment. Sen. Mee Moua (DFL-St. Paul) sponsored an amendment requiring uniform traffic tickets to give notice of the fact that, if convicted, the person to whom it was issued must pay a state imposed surcharge. The amendment failed. Hann offered an amendment requiring school districts to have structurally balanced budgets and providing for a reduction in state aid if a school district does not comply. The amendment failed on a 19-41 roll call vote.

The bill was granted preliminary passage on a voice vote.

# Floor update



Senators LeRoy Stumpf (DFL-Plummer), left, and Lawrence Pogemiller (DFL-Mpls.) converse across the aisle in the Senate Chamber during the Mon., Mar. 31, floor session. Photo by A.J. Olmscheid

## Monday, March 31

### Senate passes health care reform

Senators held a floor session, Mon., Mar. 31, to take up numerous bills on General Orders and three items on the Senate Calendar including a health care reform bill. The body recognized moments of silence for the deaths of a St. Paul resident, Spc. Gregory Rundell, and former St. Louis Park police officer Paul Johnson-Reuben. Both Minnesotans died in Iraq.

A significant health care reform bill on the Senate Calendar, sponsored by Sen. Linda Berglin (DFL-Mpls.), was passed on a final vote of 39-23. S.F. 3099 creates a statewide health improvement program, imposes a public health improvement assessment on hospitals and health plans, provides for health care homes, provides brokers to provide Section 125 plans to small businesses, restructures the health care payment system and establishes a savings recapture assessment.

Opponents of the bill said the reforms may increase bureaucratic costs and harm rural hospitals and clinics.

Berglin said the payment reforms in the bill make purchasing health care clearer. "Do not let the perfect be the enemy of the good," said Berglin. Sen. Julie Rosen (R-Rosemount) said the time for reform is now.

Two more bills were approved on the Senate Calendar. S.F. 2915, modifying civil and criminal penalties, passed 57-4. S.F. 2706, establishing energy use standards, passed 47-13.

The body then took up 14 bills on General Orders, recommending all the bills be passed.

S.F. 3337, sponsored by Sen. Yvonne Prettner Solon (DFL-Duluth), requires the state to develop a strategic plan to meet mandated greenhouse gas reductions.

Prettner Solon offered an amendment to remove any fiscal impact through deletion of a stakeholder process and other provisions. The amendment instead directs the MPCA and the commissioner of commerce to submit a biennial progress report on how Minnesota is going to meet the greenhouse gas emissions reduction goals.

Sen. Don Betzold (DFL-Fridley) offered an amendment to move the deadline for the report from Nov. 1 to Jan. 15. He said the new date better matched up with legislative processes. The amendment was approved.

Sen. Kevin Dahle (DFL-Northfield) then presented S.F. 3089. The bill makes strategic tree planting eligible for a state energy conservation program.

H.F. 3157, sponsored by Sen. Gary Kubly (DFL-Granite Falls), allows Big Stone County to shift certain duties related to delinquent property taxes to the county treasurer.

S.F. 2929, sponsored by Sen. Jim Vickerman (DFL-Tracy), allows local units of government to make grants to 501(c)(3) non-profits if the grant is for a public purpose and is to support an educational, social service, health, or other charitable purpose.

S.F. 2979, sponsored by Sen. LeRoy Stumpf (DFL-Plummer), exempts licensed and bonded auctioneers from the registering and reporting requirements of professional fund raisers to the Attorney General's Office if they have no access to the proceeds of the auction.

A law requiring total package final arbitration for firefighters is repealed by S.F. 2948, sponsored by Sen. Dan Larson (DFL-Bloomington). The bill allows arbitrators to determine a compromise, said Larson.

S.F. 2939, sponsored by Sen. John Doll (DFL-Burnsville), streamlines a process for alternative forms of regulation regarding telecommunication plans for mid-size companies.

S.F. 3377, sponsored by Sen. Betsy Wergin (R-Princeton), repeals a furniture safety act regulating flammability standards of furniture in certain public buildings. Wergin said the act addressed threats of careless smoking in public places, but since smoking is now prohibited in these facilities the law is obsolete.

H.F. 2898, sponsored by Prettner Solon, requires a direct causal connection to a loss be established before aviation liability coverage may be denied

S.F. 3492, sponsored by Sen. Tarryl Clark (DFL-St. Cloud), extends the duration of orders for protection and restraining orders by the courts. An order of protection restraining the abusing party from committing acts of domestic abuse or prohibiting the abusing party from having any contact with the petitioner can be extended to up to 50 years under the bill.

The commissioner of transportation must produce a report on possible mitigation effects for small businesses affected by transportation construction, under S.F. 3669, sponsored by Sen. Patricia Torres Ray (DFL-Mpls.).

S.F. 3256, sponsored by Sen. Dan Skogen (DFL-Hewitt), exempts separate license requirements for day training and habilitation programs when the programs are in adjacent buildings.

S.F. 2828 addresses a concern of St. Paul regarding security during the RNC, according to bill author Mee Moua (DFL-

St. Paul). The bill modifies a trespassing prohibition of underground utility network tunnels.

S.F. 3119, sponsored by Sen. Rick Olseen (DFL-Harris), allows employees of political subdivisions assisting in an out-of-state emergency to be covered by the same liability as state employees.

## Tuesday, April 1

### Plethora of bills okayed

Senators met Tues., Apr. 1, and approved a host of bills on a wide range of topics on General Orders. Measures on General Orders are considered by the Senate, acting as a Committee of the Whole, for preliminary passage. If approved, they are placed on the Senate Calendar for final passage.

S.F. 1018, authored by Sen. Yvonne Prettner Solon (DFL-Duluth), modifies physical therapy licensure provisions. Prettner Solon said the bill seeks to benefit patients, who have been harmed by laws limiting access to physical therapists and requiring a physician's referral before a patient may see a physical therapist. This bill is a proposal that has been negotiated between the interested parties, Prettner Solon said. S.F. 2024, sponsored by Sen. David Senjem (R-Rochester), requires counties to provide at least six months' notice for families to gather necessary information to determine ongoing eligibility for services to disabled children. S.F. 3202, carried by Sen. Ann Rest (DFL-New Hope), is a clean-up bill to address the final details related to the abolition of the Dept. of Employee Relations and the transfer of its duties to other agencies.

Sen. Dan Sparks (DFL-Austin) carried a bill, S.F. 2765, addressing the use of runners to commit insurance fraud. The bill prohibits health care providers from making direct contact with anyone injured in an auto accident for the purpose of influencing the injured person to receive treatment. S.F. 3672, sponsored by Sen. Dan Skogen (DFL-Hewitt), is the omnibus liquor bill. It allows farm wineries to manufacture and sell distilled spirits made from Minnesota inputs up to an amount of 5,000 gallons a year, permits St. Louis County to issue an off-sale intoxicating liquor license to a specific establishment within 1,500 feet of a public school, and allows the city of Minneapolis to issue an on-sale intoxicating liquor license to

a restaurant near the Basilica of St. Mary and St. Mark's Episcopal Cathedral.

S.F. 3098, carried by Sen. Tony Lourey (DFL-Kerrick), makes a number of changes to lawful gambling provisions. Lourey said the bill is the result of a collaborative effort between gambling regulators and the charitable organizations that benefit from lawful gambling. S.F. 2597, authored by Sen. Kathy Saltzman (DFL-Woodbury), requires school districts to contact the Board of Teaching to determine if a prospective teacher has been the subject of any disciplinary action based on inappropriate sexual conduct or attempted inappropriate sexual conduct between the teacher and a student.

S.F. 3138, sponsored by Sen. Ann Lynch (DFL-Rochester), clarifies the statutory interactions between the newborn screening statute and the genetic privacy statute. Sen. Betsy Wergin (R-Princeton) offered an amendment requiring express parental consent before infant blood samples may be retained by the Dept. of Health. Lynch said express parental consent undercuts the entire premise of newborn screening. The amendment was defeated, 22-35. Wergin also offered an amendment ordering the department to destroy over 750,000 infant blood samples with genetically identifiable records that have been retained in violation of genetic privacy laws. The department is trying to get permission from parents to keep these records, said Sen. Linda Berglin (DFL-Mpls.), and it would be premature to order the destruction of the records now. The amendment was defeated, 17-38.

Sen. Linda Scheid (DFL-Brooklyn Park) authored a bill, S.F. 1406, adopting the Uniform Prudent Management of Institutional Funds Act. S.F. 3137, carried by Sen. Don Betzold (DFL-Fridley), clarifies the responsibilities of the Metropolitan Council and the Dept. of Transportation regarding commuter rail lines. Under the bill, MnDOT is responsible for planning, designing, acquiring, constructing and equipping commuter rail lines, and the Met Council is responsible for commuter rail operations and maintenance. Sen. Jim Vickerman (DFL-Tracy) sponsored a bill, S.F. 3474, providing for the appointment, rather than election, of the Rock County auditor-treasurer. S.F. 3049, carried by Berglin, requires children's mental health providers to develop a plan for, and comply with, requirements on the use of restrictive procedures. The

# Floor update

bill also modifies chemical use assessment provisions.

S.F. 2996, sponsored by Sen. Sandy Rummel (DFL-White Bear Lake), expands the definition of biomass for renewable energy objectives and extends the life of a Metropolitan Area water supply advisory committee. S.F. 2806, authored by Sen. Tom Saxhaug (DFL-Grand Rapids), clarifies the conflict of interest rules governing local economic development authorities. Sparks sponsored H.F. 1314. The bill regulates the advertising and conducting of live musical performances and productions. Sparks said the bill addresses a form of musical identity fraud where bands perform using an established name even though none of the performers was affiliated with the original group. S.F. 3070, authored by Sen. Ron Latz (DFL-St. Louis Park), authorizes the use of debit and credit cards to make payments from custodial trust accounts.

S.F. 2914, authored by Rest, provides for a statewide foreclosure data collection and reporting system study. H.F. 2599, carried by Vickerman, increases the amount, from \$2,500 to \$3,000, a county board may appropriate for Memorial Day observances. S.F. 3203, authored by Rest, modifies regulations relating to horse racing medication. S.F. 3342, carried by Sen. Leo Foley (DFL-Coon Rapids), modifies the requirements for fingerprinting adults and juveniles admitted to detention facilities and provides for an e-charging service.

Sen. Mee Moua (DFL-St. Paul) sponsored a bill, S.F. 3130, making numerous technical changes in provisions relating to the Dept. of Corrections. S.F. 2533, carried by Rest, clarifies the definition of gambling device for purposes of determining a crime and repeals a provision relating to the manufacture of gambling devices or components for shipment to other jurisdictions. S.F. 3003, carried by Sen. Claire Robling (R-Jordan), requires wholesalers of lawn fertilizer containing phosphorous to provide retail signage. S.F. 2775, sponsored by Foley, requires utility companies to provide a disconnection notice to municipalities upon the shutoff of a customer's gas or electric service. S.F. 2449, authored by Sen. Katie Sieben (DFL-Cottage Grove), modifies the prohibited uses of pesticide application. S.F. 3282, authored by Sen. Sharon Erickson Ropes (DFL-Winona), transfers the powers of the Veterans Home Board to the Dept. of Veterans Affairs and abolishes the board.

A bill providing authority for hospital records to be transferred electronically, S.F. 3263, was sponsored by Prettnr Solon. Prettnr Solon said the original law was written in 1943 and did not take into account current technology. S.F. 3268, carried by Wergin, authorizes counties to use interim use ordinances. S.F. 3132, sponsored by Scheid, regulates medical debt information disclosure. S.F. 3473, carried by Vickerman, allows the Jackson County auditor-treasurer to be appointed, rather than elected. S.F. 3326, authored by Lourey, changes payment provisions for agricultural chemical corrective action costs. S.F. 2990, carried by Sen. Kevin Dahle (DFL-Northfield), eliminates the prohibition on Dan Patch Commuter Rail line study and planning activities.

Sen. Linda Higgins (DFL-Mpls.) sponsored two measures. S.F. 3213 clarifies and makes technical changes to provisions relating to human services and health care. S.F. 3214 makes modifications to provisions relating to the Minnesota Residential Mortgage Originator and Servicer Licensing Act.

Erickson Ropes also sponsored a bill, S.F. 3412, establishing regulations for medium speed electric vehicles. S.F. 2642, carried by Moua, modifies safe at home program data practices provisions. Betzold carried a bill, S.F. 3225, authorizing the Ombudsman for Mental Health and Developmental Disabilities and the Medical Review Subcommittee to gather data on deceased clients. S.F. 3536, sponsored by Erickson Ropes, is a Dept. of Human Services technical and federal compliance update bill. S.F. 2654, authored by Betzold, modifies city charter commission compensation, discharge and amendment provisions. S.F. 3455, carried by Sen. James Metzen (DFL-South St. Paul), regulates the purchase and receipt of beer kegs by scrap metal dealers. An amendment, offered by Sen. Paul Koering (R-Fort Ripley), allowing scrap metal dealers to pay for small amounts of scrap in cash, was defeated on a 21-36 roll call vote.

Saltzman authored a bill, S.F. 3446, requiring notice of the availability of small employers flexible benefit plans. H.F. 2788, authored by Saxhaug, increases the Nashwauk Public Utilities Commission membership from three to five members. S.F. 1578, carried by Sparks, modifies the methods of payment for a security freeze on a consumer report. Dahle carried a bill, S.F. 2980, requiring insurance companies

to inform consumers that flood coverage is not included in their homeowners insurance. S.F. 3341, authored by Sen. Michael Jungbauer (R-East Bethel), provides for a voluntary inventory of business energy use.

S.F. 2942, authored by Sen. Sandra Pappas (DFL-St. Paul), makes mostly technical changes to provisions relating to higher education student financial aid. S.F. 2936, carried by Prettnr Solon, modifies plat requirements. S.F. 3756, sponsored by Sen. Amy Koch (R-Buffalo), provides for immediate brevet promotion eligibility.

S.F. 3000, sponsored by Latz, eliminates a two year waiting period for sexual relationships between complementary or alternative health care providers and former clients. Latz said the bill maintains a prohibition on sexual exploitation or contact with current clients.

S.F. 3450, sponsored by Prettnr Solon, updates the language in statute regarding veterans' cemeteries in anticipation of an additional state veterans' cemetery. The bill also limits eligibility for burial to service members who die on active duty, eligible veterans, and their spouses and dependent children. H.F. 3240, sponsored by Sen. Patricia Torres Ray (DFL-Mpls.), authorizes placement of a memorial plaque on the Capitol grounds by Mexican-American veterans to honor all veterans.

S.F. 3303, sponsored by Higgins, establishes a Minneapolis riverfront non-profit corporation. S.F. 2399, carried by Higgins, modifies public nuisance laws to address problem properties. One nuisance behavior or more is required for remedy, under the bill, rather than two required by current law. Higgins also sponsored S.F. 960, which authorizes a local government to define the term "dependent" for purposes of group benefits for local government officers and employees.

S.F. 3417, sponsored by Pappas, creates an exception to complementary and alternative health care bill of rights for practitioners providing services to a client in a hospital setting or under an appropriate hospice plan of care. S.F. 3571, authored by Lourey, exempts clients who work within state treatment and habilitation programs to be licensed as state employees. S.F. 3201, carried by Rest, brings class D licenses into conformity with federal law.



*From left, Senators David Senjem (R-Rochester), Michael Jungbauer (R-East Bethel) and Dick Day (R-Owatonna) consult during the Senate's Thurs., Apr. 3, floor session.*

Photo by David J. Oakes

S.F. 2876, sponsored by Sen. Ellen Anderson (DFL-St. Paul), modifies dog ownership laws related to dangerous dogs. The bill provides more responsibility and accountability for dog owners, said Anderson, in addition to providing more due process for owners. Other provisions increase the amount of insurance needed to own a dog deemed dangerous, and give animal control agencies more authority. The body approved an amendment offered by Sen. Steve Dille (R-Dassel). The amendment allows family members of an individual who has been prohibited from canine ownership to keep other companion dogs if okayed by animal control authorities. Anderson offered an amendment allowing animal control authorities to impose restrictions on that exemption. The body approved the amendment. Sen.

Scott Dibble (DFL-Mpls.) offered an amendment allowing municipalities to establish ordinances permitting companion dogs in outdoor restaurant and beverage establishments. The body approved the amendment.

S.F. 3021, sponsored by Latz, settles claims against the state totaling \$86,657. S.F. 3362, sponsored by Foley, provides that a peace officer may be represented by a union member and an attorney in a disciplinary hearing. S.F. 3336, sponsored by Foley, prohibits a new motor vehicle dealer, used motor vehicle dealer, or motor vehicle lessor from selling or leasing a motor vehicle that does not meet the glazing material requirements.

S.F. 2919, sponsored by Betzold, extends the window for holding civil commitment hearings under certain

circumstances. Current law requires the hearing to happen within five days, which is not enough time for complicated hearings regarding dangerous individuals, said Betzold. S.F. 2368, sponsored by Koering, requires that any time an enterprise for mental health and adolescent services faces a closure or transfer, notification be provided to the human services commissioner and the Legislature.

Betzold then presented S.F. 2403, which cleans up provisions of a pension law regarding disabled peace officers or firefighters, and H.F. 117, which eliminates an exception for suing foreign corporations in state courts under certain conditions. H.F. 2602, sponsored by Skogen, eliminates window glazing restrictions on the side and rear windows of law enforcement vehicles.

# Floor update



Senators Jim Vickerman (DFL-Tracy) and Katie Sieben (DFL-Newport) closely examine proposed legislation during the Senate's Tues., Apr. 1 floor session.

Photo by David J. Oakes

S.F. 3235, sponsored by Sen. Mary Olson (DFL-Bemidji), is the omnibus data practices bill, which includes technical changes, provisions regarding educational data, vendors contracting with school districts, business screening services, and Social Security numbers in child support or spousal maintenance issues. S.F. 2576, sponsored by Dille, establishes a misdemeanor offense for false police and fire emergency calls. S.F. 3647, sponsored by Sen. Pat Pariseau (R-Farmington), removes a requirement that emergency responders must obtain a permit for agency-issued radio equipment when the agency has already been authorized or received permission to operate the equipment.

H.F. 2932, sponsored by Olson, gives cemeteries the discretion to use revenue from certain cemetery funds for maintenance. Current law only allows use of interest, said Olson. S.F. 3486, sponsored by Prettner Solon, prohibits the commissioner of human services from providing names of potential enrollees in Medicare special needs plans for marketing purposes under the prepaid medical assistance program and specifies certain cost requirements for mailing marketing materials. The Dept. of Commerce is directed to produce an inventory of current broadband services across the state by S.F. 2866, also sponsored by Prettner Solon.

Sen. Rod Skoe (DFL-Clearbrook) sponsored S.F. 3061, updating provisions

of the petrofund and providing reimbursement for replacement of PVC piping in residential homes. S.F. 3135, sponsored by Higgins, provides coverage for volunteers in the Medical Reserve Corps. The bill also puts emergency personnel under state liability when operating out of state. S.F. 3502, sponsored by Skoe, brings all implements of husbandry into one section of law, and makes modifications related to transportation. S.F. 3576, sponsored by Rest, allows the Dept. of Natural Resources to regulate fish species that can carry viral hemorrhagic septicemia.

S.F. 3227, sponsored by Wergin, is the Dept. of Health bill relating to nursing home compliance. The bill modifies nursing home provisions and makes technical

changes. S.F. 3397, sponsored by Torres Ray, streamlines filing provisions relating to business organizations, and repeals an obsolete appeals process. Torres Ray also sponsored S.F. 3166, amending child welfare and adoption provisions. The bill brings the state into compliance with current federal regulations, said Torres Ray.

S.F. 3082, sponsored by Sen. Rick Olseen (DFL-Harris), provides an expedited process for forfeiting a car, and procedures for retrieving personal possessions by low income individuals. Other provisions modify associated fees and costs. The bill also closes a loophole for out-of-state branded vehicles. H.F. 3114, carried by Sen. Dan Larson (DFL-Bloomington), exempts park districts from a resolution of consent if the property is already in accordance with the unit of government's comprehensive plan under parkland use. S.F. 3508, authored by Olson, prohibits an insurance company from unilaterally and arbitrarily disregarding a repair operation or cost identified by an estimating system when an insurer and collision repair facility have agreed to use the system.

S.F. 3622, sponsored by Olseen, increases the threshold for repairs and contracts under county jurisdiction to be subject to the bidding process. S.F. 3581, sponsored by Sen. Kathy Sheran (DFL-Mankato), allows pharmacists to provide all eligible vaccines to children ten years of age and older, and all other vaccines to adults 18 years old and older.

The final segment of the Tues., Apr. 1, floor session continued with work on bills on General Orders. Sen. John Doll (DFL-Burnsville) sponsored a bill, S.F. 3372, setting the minimum requirements for the long-term disability parking permit program. S.F. 3174, carried by Sparks, regulates securities registration, filings and fees; modifies securities registration statement stop orders requirements; and modifies registration requirements and exemptions for securities broker-dealers, agents and investment advisers. S.F. 2408, sponsored by Dibble, allows the city of Minneapolis to enact an ordinance prohibiting engine or "jake" braking on a short stretch of I-394. Dibble said the use of engine brakes is extremely loud and disruptive to the residential area near the highway. S.F. 3224, also carried by Dibble, renames an existing committee within the Dept. of Transportation, the Advisory Committee on Nonmotorized Transportation.

Moua authored the last three bills of the day. S.F. 3350 changes the standard of evidence from "preponderance" to "clear and convincing" in human services license disqualifications. S.F. 3129 includes appellate court appointments in the Commission on Judicial Selection process. S.F. 2645 eliminates the requirement of having a Social Security number in marriage dissolution petitions.

## Thursday, April 3

### Bloc of bills passed

Senators used the first several hours of the Thurs., Apr. 3, floor session to grant final passage to over 100 bills on the Senate Calendar. The bills were all granted preliminary passage on General Orders at the floor sessions of Mar. 31, Apr. 1, or Apr. 2. Most of the bills generated no discussion as they were considered for final passage.

Among the measures generating discussion was S.F. 960, which permits local units of government to define who is a dependent for group benefit plan eligibility. Under current law, the term is defined to include spouses, unmarried children under age 18, and students under age 25 who are actually dependent on the employee. Chief Author Linda Higgins (DFL-Mpls.) said many local units of government have employees with members of their households who are actually dependent on the employee but are not eligible for benefits. For example, there are employees who are sole providers for their parents or disabled siblings, she said. This is about local control and letting competent local governments determine who is eligible for the benefits they offer, Higgins said. Sen. David Hann (R-Eden Prairie) said having a uniform understanding of the term dependent is beneficial. Local governments should not be able to redefine a statutory term, he said. There is no good reason to adopt a non-uniform definition, he said. The corporate world has long had a more flexible definition of the term, said Sen. Sandra Pappas (DFL-St. Paul), and local units of government need to be able to compete for talented employees. The bill was granted final passage, 43-22.

Another bill attracting attention was the omnibus tax bill, S.F. 2869, carried by Sen. Thomas Bakk (DFL-Cook). The bill represents a major increase of corporate and property taxes and an increase in fees paid by some utility ratepayers, said Sen. David Senjem (R-Rochester). We

know the governor will veto the bill if it reaches his desk, he said. Bakk said it is premature to "waive the veto pen" as a threat, because the bill is likely to change in conference. It is easy to vote no here, but we are facing a shortfall of almost \$1 billion, he said. The bill ensures that Minnesota corporations pay their fair share by denying them the opportunity to create foreign shells to shield income, he said. It also helps hold down future property taxes by increasing aid to local units of government, Bakk said. Sen. Julie Rosen (R-Fairmont) raised concerns about provisions in the bill eliminating the JOBZ program. JOBZ has been critical for creating and keeping jobs in Greater Minnesota, she said. It is clear that JOBZ needs, at a minimum, significant reforms, Bakk said. We need to have a provision on JOBZ going into the conference committee in order to discuss the program there, Bakk said, but the Senate's position might change as we consider other JOBZ reform proposals. The bill was granted final passage, 39-28. The bill was then tabled to await its companion; under the state Constitution, tax measures must originate in the other body.

### Capitol Report: on air, online

Explore current policy issues and hear lawmakers discuss current legislative proposals by watching "Capitol Report," a weekly public affairs program produced by Senate Media Services. The program includes interviews with Legislators, agency heads and prominent policy experts. It also features historical and informational features about the Senate, the Capitol and Minnesota.

"Capitol Report" airs weekly on public television affiliates on cable access channels across Greater Minnesota. It is also available online, with archives going back to 2000: <http://www.senate.mn/media>

### MyBills system available

The MyBills personalized bill tracking system is now available. Users can add House and Senate bills to their lists by bill number, subject, or author, and view the legislative status of their bills, with items with significant current floor action highlighted. Users can modify their lists at any time. The MyBills system is available from the Legislative website at: <http://www.house.mn/leg/billslogin.asp>

# Committee update

## Business, Industry and Jobs

### **Sviggum okayed as DOLI head**

Former House Speaker Steve Sviggum was given the seal of approval by members of the Business, Industry and Jobs Committee, Mon., Mar. 31, as his appointment to serve as commissioner of labor and industry was considered. The panel, chaired by Sen. James Metzen (DFL-South St. Paul), recommended the Senate confirm Sviggum.

After 15 terms in the Legislature, this is a new beginning in public service for me, Sviggum said. He said the department already had a good performance record when he assumed the helm. We have more than 500 very good employees who serve Minnesota well, Sviggum said. He highlighted a few current initiatives, including adopting rules on independent contractor status, updating the state's workers compensation laws, examining the state's prevailing wage and minimum wage laws, and enhancing the state's occupational safety compliance and consultation activities. Sviggum noted that the federal minimum wage will soon surpass the state minimum, for the first time in a long time. I would like to get everyone together and find common ground, he said. Sviggum also discussed the department's defense of the state's prevailing wage law; an administrative law judge held the law unconstitutionally vague.

Before advancing the appointment, several Senators praised Sviggum. There were concerns when the appointment was first announced, Metzen said, but the past seven months have shown him to be a good regulator and administrator. Many of us in the Legislature enjoyed the opportunity to work with him in the previous phase of his public life and we appreciate his continued public service, said Sen. Chris Gerlach (R-Apple Valley).

Members also approved the re-appointment of Thomas Johnson as chief judge of the Workers' Compensation Court of Appeals. Johnson has served on the court since 1992, and as chief judge since 2002. Before serving on the court, Johnson was a judge in the Office of Administrative Hearings and an attorney who specialized in insurance defense litigation. In addition, members approved the appointments of 35 members to three boards created last year in Building Code consolidation legislation. Sviggum said the governor sought to create balanced

groups, using the standards required by the law and general interpersonal considerations. The approved members of the Board of Electricity are Douglas Fingerson, James Freichels, Kim Huxford, Daniel Klein, Jay Lewis, Timothy Malooly, John McConnell, Richard Owen, Thomas Seanger, Anthony Toft, and Joseph Vespa. The approved members of the Board of High Pressure Piping Systems are James Andrie, Robert Bastianelli, Therese Bozicevich, Patrick Galatz, Mark Geisenhoff, David Grong, Maureen Hanson, Larry Jordan, Mark Kincs, Margaret Larsen, Vicki Sandberg, and Larry Stevens, Jr. The approved members of the Plumbing Board are Karl Abrahamson, Rebecca Ames, Steven Christenson, Jim Gander, Lawrence Justin, Kenneth Kammerer, James Kittelson, Allen Lamm, Michael McGowan, Rick Palmateer, John Parizek, and Paul Sullwold. The appointments were all advanced to the full Senate.

In other action, members heard, but did not act on, S.F. 3572. The bill, sponsored by Sen. Scott Dibble (DFL-Mpls.), requires safety walkways alongside parts of railway tracks where employees work frequently.

## Capital Investment Conference Committee

### **Bonding agreement reached**

A proposal for just under \$925 million in general obligation bonds was approved by members of the conference committee on H.F. 380, the capital investment bill. The conference committee, chaired by Sen. Keith Langseth (DFL-Glyndon) and Rep. Alice Hausman (DFL-St. Paul), used its only meeting to unveil the deal and approve it. Conferees also discussed, with senior agency officials, the state's debt guideline and a possible land purchase in St. Louis County.

The conference committee report provides funding for projects in over two dozen state agencies and in localities across the state. A high-level chart appears on the next page. A more detailed spreadsheet is available online at <http://www.house.leg.state.mn.us/fiscal/files/bond08.pdf>.

Before we discuss the details, we should pause and think how far we have come, Hausman said. She said the Legislature started with between \$3 and \$4 billion of requests. We have come a long

way in paring that back to \$925 million, she said. In reviewing the spreadsheet, Hausman touched on a few highlights. She noted that the University of Minnesota and MnSCU received less than half the total asset preservation funding they requested. It is hard to cut asset preservation, but it is even harder to say no to individual campuses' requests, she said. Hausman also drew attention to an appropriation for an environmental analysis of a proposed high-speed rail line between the Twin Cities and Chicago. The more I read the business pages, the more convinced I am that a high-speed rail connection between our two metropolitan areas is important, she said. Hausman noted that several smaller airlines have shut down or reduced their service between Chicago's airports and Minneapolis-St. Paul International. The airline industry's economics are changing, and rail is an important option to maintain a connection between the cities, she said. Hausman said the many transit projects given start-up funding in the bill should be considered as a step forward in building a comprehensive system, not as individual corridors. Trimming back the projects in the veterans affairs area was difficult, she said, but the veterans homes are a matter of ongoing reflection and discussion at the Legislature. Rather than build the many new crime labs that were requested, the bill directs the commissioner of public safety to develop a strategic plan for crime labs. After we have a sense of what the needs are and how to fill them without overextending ourselves, we can move forward, she said. Hausman said the proposal also includes authorization for two non-general obligation bonding programs: a biomedical science research initiative at the University and a nonprofit housing initiative in the Housing Finance Agency.

One item notably absent from the measure is a proposed land acquisition in St. Louis County to create a new state park on Lake Vermillion, Hausman said. She said the conferees could not provide funds without knowing how much to provide. Finance Commissioner Tom Hanson said the state has been and remains in negotiation with the current landowner. We are not stating publicly our maximum purchase price, he said, because that would be detrimental to the negotiations. Both sides have conducted separate appraisals, but the figures are private data, said Assistant Commissioner Bob Meier,

## Capital Investment Conference Committee Report

Agency	General Obligation (in millions)
University of Minnesota	\$131.166
Minnesota State Colleges and Universities	\$208.423
Department of Education	\$19.740
Minnesota State Academies	\$2.800
Perpich Center for Arts Education	\$0.355
Department of Natural Resources	\$99.805
Pollution Control Agency	\$5.000
Board of Water and Soil Resources	\$30.475
Department of Agriculture	\$0.020
Minnesota Zoo	\$2.500
Department of Administration	\$15.725
Amateur Sports Commission	\$7.725
Department of Military Affairs	\$6.000
Department of Public Safety	\$13.010
Department of Transportation	\$14.000
Metropolitan Council	\$139.200
Department of Human Services	\$9.505
Department of Veterans Affairs	\$11.282
Department of Corrections	\$32.000
Department of Employment and Economic Development	\$142.825
Public Facilities Authority	\$48.950
Housing Finance Agency	\$1.000
Historical Society	\$9.594
Bond Sale Expenses	\$0.998
Cancellations	(\$27.100)
<b>Total</b>	<b>\$924.998</b>

Source: House Fiscal Analysis Department

DNR. He noted that some observers have relied on the county's assessed value of the land for property tax purposes, about \$13.4 million. The negotiations are complex and another personal meeting will occur soon, Meier said. "I wish I could give you a number right now," he said, but we need to remain flexible to get the best deal possible for the state.

Hanson and the conferees also discussed the governor's objections to the size of the bonding bill. The state's debt guideline of three percent would call for a bill of \$825 million, Hanson said. While the guideline is not a statutory mandate, it is a policy that the state adopted decades ago and has stuck by through numerous finance commissioners and governors of three political parties, he said. Rep. Loren

Solberg (DFL-Grand Rapids) said the bill includes language directing the department to adjust its future projections for smaller bonding bills. There is a case to be made for having a large bill now and smaller bills in the future, Hausman said. She noted that a large bonding bill will help the economy through the construction jobs that will be spurred by the appropriations. Additionally, the state can take advantage of lower prices now rather than pay more for these projects later, she said. Regardless of what the future bonding bills are estimated to be, I don't think we will break the three-percent guideline with this bill, Langseth said.

The conference committee report was approved on a voice vote.

## Environment and Natural Resources

### Bovine TB control measures ok'd

The Committee on Environment and Natural Resources approved the confirmation of one member of the Environmental Quality Board (EQB) and reviewed the board's activities in anticipation of more board confirmations, Wed., Apr. 2. The committee, chaired by Sen. Satveer Chaudhary (DFL-Fridley), also approved a bill to address the spread of bovine tuberculosis.

Interim director John Wells described the EQB as an interagency and citizen board made of nine commissioners, five citizens and a chairperson. The Board looks at issues that cross agency lines and need to be coordinated, said Wells. Other duties of the EQB include creating a state water plan due every ten years, a biannual water review, various projects and reports, and environmental review rulemaking. Chaudhary said it seemed they focus largely on water issues, and Wells said it has been recommended that they shift more effort into energy and environment.

Wells said a decrease in staff has limited the board's ability to look into the future.

EQB citizen member Jonathon Bloomberg, an environmental attorney and environmental law professor at the University of St. Thomas, introduced himself to the committee and described his role on the board. The committee moved that Bloomberg's confirmation be recommended.

The three other confirmation candidates were not able to make the meeting, and Chaudhary said he wanted to schedule another meeting to hear from them.

S.F. 3811, sponsored by Sen. Rod Skoe (DFL-Clearbrook), directs the Dept. of Natural Resources' efforts to manage bovine tuberculosis. The bill restricts wildlife feeding within a 30 mile radius of an infected cattle herd. The bill also allows the DNR to establish wildlife disease management zones, where feed accessible to deer and elk must not be distributed. Certain exceptions are made for regular agricultural practices. The bill was amended to ban distribution of salts and mineral licks in these zones. An amendment was approved removing a \$500 penalty for feeding within a tuberculosis management zone. Penalties were kept barring violators

# Committee update

from obtaining a hunting license for two years after a conviction.

Skoe said there is an invasive provision in the bill allowing the DNR to enter private property without permission to thin wild deer herds. Skoe called this provision a “last resort” meant to address uncooperative land owners.

## Environment, Energy and Natural Resources Budget Division

### Cap and trade bill gains

The Environment, Energy and Natural Resources Budget Division met Tues., Apr. 1, to hear several bills, including the Green Solutions Act of 2008. The Green Solutions Act of 2008, authored by Chair Ellen Anderson (DFL-St. Paul), establishes principles of a cap and trade program for green house gas emissions and requires studies. The measure was approved and advanced to the full Finance Committee.

Members also approved and sent to the Finance Committee a variety of other bills. S.F. 3331, authored by Sen. Scott Dibble (DFL-Mpls.), permits the Minneapolis Park and Recreation Board to retain proceeds from the condemnation of park lands necessary for the reconstruction and expansion of the I-35W bridge in Minneapolis. Dibble said current law requires the proceeds to be turned into the state general fund. Under the bill, the proceeds must be used for a similar purpose near the Mississippi River, Dibble said.

S.F. 2943, sponsored by Sen. Mary Olson (DFL-Bemidji), provides a process for designating star lakes or rivers and creates a Star Lake Board as a nonprofit corporation. The measure allows for the placement of star lake or river signs on highways.

S.F. 3056, authored by Sen. Dennis Frederickson (R-New Ulm), provides for the disposition of proceeds from the sale of administrative sites by the Dept. of Natural Resources. Under the bill, a new facilities management account is established to receive the proceeds and then reuse the funds for administrative purposes, Frederickson said. Frederickson offered an amendment authorizing the Dept. of Health to resolve issues with the use of bunk houses at environmental learning centers. The amendment was adopted.

S.F. 2651, carried by Sen. Tom Saxhaug (DFL-Grand Rapids), creates a

Minnesota forests for the future program and provides for expedited exchanges of public land. Saxhaug offered an amendment deleting the appropriations sections of the bill because the provisions are in the omnibus budget measure. In addition, the amendment incorporates language of a bill relating to forest road mapping and language from a bill relating to conservation easements. The amendment was adopted. Saxhaug offered an amendment specifying that if the Department of Natural Resources administrative office in Cloquet is relocated or closed, another office must be situated within ten miles. The amendment was adopted.

Dibble also sponsored S.F. 3096. The bill creates a lease-purchase program for local units of governments’ energy conservation or energy improvement investments. Members adopted an amendment providing for the inclusion of geothermal as part of the program. A second amendment extends the repayment period of larger energy improvement projects from 15 to 20 years. The amendment was adopted. The final amendment, including language from S.F. 2949, authored by Sen. Julie Rosen (R-Fairmont), provides for a local renewable energy initiative to finance small-scale renewable energy projects. The amendment was also adopted.

The final measure, S.F. 2749, provides for a wind energy conversion system aggregation program. Sen. Gary Kubly (DFL-Granite Falls), chief author, offered an amendment clarifying that funding is to come from next-gen grants. The amendment was adopted.

## Finance

### Omnibus budget bill gains

The full Finance Committee advanced the omnibus finance bill and an E-12 education miscellaneous policy bill, Fri. Mar., 28.

The omnibus finance bill encompasses spending measures for education, environment and natural resources, energy, agriculture, veterans and military affairs, economic development, transportation, public safety, judiciary, state government, and health and human services.

The panel, chaired by Sen. Richard Cohen (DFL-St. Paul), reviewed financial spreadsheets and each section of the bill. The review was followed by consideration of amendments.

Cohen called the bill the Senate’s resolution to a significant deficit, which stands at about \$935 million. The only part of the budget nearly held harmless is E-12 education, said Cohen.

Under the bill, the E-12 education portion of the bill makes total reductions of \$894,000. Sen. LeRoy Stumpf (DFL-Plummer) presented the article, which includes a spending measure to eliminate a deduction for the school trust fund subtraction and savings from Q Comp limitations and disaster relief appropriations. A cut of \$922,000 is made to the Department of Education, while revenue is gained from other areas. The measure also includes ice hockey is adopted as the official state sport.

In the area of higher education reductions total \$22.8 million. Sen. Sandra Pappas (DFL-St. Paul) summarized the bill, which makes few cuts to the university systems’ bases. The bill cancels the ACHIEVE program, eliminates non-resident tuition rates at four community colleges. The article cuts \$111,000 from the MNSCU budget and \$10.5 million from the University of Minnesota.

The bill provides for energy, environment and natural resources reductions of \$13.1 million. Sen. Ellen Anderson (DFL-Mpls.) said they rejected numerous cuts proposed by the governor. The bill includes spending measures to address forest fragmentation, creation of jobs related to green industry and establishment of a Star Lakes program. Most savings are the result of reductions to appropriations rather than elimination of programs, said Anderson.

Sen. Jim Vickerman (DFL-Tracy) presented the agriculture, military and veterans affairs budget, which is increased by \$1.6 million. Vickerman said the biggest changes to agriculture address the bovine TB response and herd buyout appropriations, totaling \$5.8 million.

The article also makes cuts to ethanol payments. The veterans article includes many of the governor’s recommendations to support returning troops, in addition to establishment of a veteran’s cemetery in Northern Minnesota. Cuts are made to the state GI bill because most veterans are using the federal GI bill, Vickerman said. The military article increases spending by \$475,000 a year, including funds for a state navigator program and support for employers of National Guard members.



*Sen. Ron Latz (DFL-St. Louis Park) examines a side-by-side comparison of Senate and House versions of the I-35W bridge survivors compensation fund legislation during a conference committee meeting, Fri., Apr. 4. Rep. Ryan Winkler (DFL-Golden Valley), who co-chairs the conference committee with Latz, is in the background.*

Photo by David J. Oakes

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Members then turned their attention to the budget changes made by the Economic Development Budget Division. Sen. David Tomassoni (DFL-Chisholm) said the division tried to protect jobs programs and even increase spending for some programs. The bill adds \$250,000 for veteran's business assistance programs, \$200,000 for the HIRED training program, \$75,000 for Lifetrack Resources, \$100,000 for a nanotechnology economic design program, \$500,000 for the snow-bate film program, \$2.2 million for the

Film Board, \$80,000 for a deficiency in the Boxing Commission, and \$500,000 for the Minnesota Sesquicentennial Commission.

The bill also contains a \$608,000 cancellation of the foreign trade zone authority, cuts and transfers amounting to \$64.335 million. Tomassoni said the bill also contains provisions for military reservist economic injury loans, for licensing of a variety of occupations, for changing the name of the Boxing Commission to the Combative Sports Commission and for authorization of nonprofit housing bonds.

Sen. Steve Murphy (DFL-Red Wing) outlined the changes made by the Transportation Policy and Budget Division. The measure reduces spending by \$13.228 million for FY 09. The bill also includes a motor vehicle transfer fee increase of \$10, Murphy said.

Changes made by the Public Safety Budget Division were explained by Sen. Linda Higgins (DFL-Mpls.). Higgins said the division was given a savings target of about \$11.9 million. She said most of the cuts came from the Dept. of Corrections because it is the largest budget item in the division's jurisdiction. Reductions of \$44.28 million for institutions operations, \$1.5 million for community services, and

\$1.25 million for short term offender reimbursement are the major elements for the department. Higgins said the division rejected the governor's recommendations for cuts to the Crime Victims Services Office, and the Financial Crimes Task Force. The measure also contains operating reductions for the Bureau of Criminal Apprehension of \$659,000, for CriMNet of \$1 million and for the Office of Justice programs of \$547,000. The measure also includes a transfer from the special revenue fire safety account of \$1 million.

The Judiciary Budget Division recommendations were explained by Sen. Leo Foley (DFL-Coon Rapids). Foley said the bill reduces spending by \$5.84 million for the judicial branch of government. The measure also increases revenue by \$1.78 million by increasing the criminal traffic citation surcharge. The governor's budget recommendations were much more severe, Foley said. "These services cannot just be stopped, because cases must be tried," he said. The measure reduces the operating budget of the Supreme Court by \$652,000, the Court of Appeals by \$213,000 and the ten District Courts by \$3.484 million. In addition, the bill reduces the operating budget of the Public Defenders Office by \$1.391 million and civil legal services by \$100,000.



Senators Julie Rosen (R-Fairmont), left, and Ann Lynch (DFL-Rochester) consult during the Senate floor session, Tues., Apr. 1.

Photo by David J. Oakes

Sen. Don Betzold (DFL-Fridley) walked members through the recommendations of the State Government Budget Division. The budget area includes the Legislature, constitutional officers and major state agencies, Betzold said, as well as some programs that cut across state government. The governor proposed a net reduction of over \$22 million, while the division came back with a net change of more than \$46 million, he said. However, the division's recommendations rely more on increased revenue, rather than cuts to agencies, he said. The spending reductions in the bill total \$12.223 million, and revenue changes provide for \$34.285 million. The reduction items include eliminating several assistant and deputy commissioner positions and limiting the use of professional and technical contracts. The revenue items include additional tax compliance initiatives and transfers from some dedicated accounts.

The final budget area, health and human services, was covered by Sen. Linda Berglin (DFL-Mpls.). There are some very painful cuts in this budget, Berglin said, and many come on top of prior cuts that were never restored. However, she said, the proposal is an improvement over the governor's recommendation. There are no cuts to nursing homes, mental health programs, or public health care program eligibility, she said. Additionally, the proposal does not rely on a transfer from the health care access fund, Berglin said. The net change in the proposal is almost \$200 million in the general fund, with spending changes near \$130 million and revenue adjustments of more than \$70 million.

Berglin offered an amendment trimming future spending in child care pilot programs and other areas, in order to protect nursing homes and other priorities. Several Senators expressed concern about the cuts, saying early childhood education and child care are vitally important. Berglin said there are no good cuts to be made and that the pilot programs are still in their infancies. We are not cutting the base of these programs, but simply limiting growth, she said. The amendment was adopted.

The bill also includes language providing a pilot program for a mid-level oral health practitioner, clarifying that persons on a court order for commitment or in the Minnesota sex offender program are not vulnerable adults, removes the TANF cap, delays the rebasing of operating cost

payment rates, provides for supported work for MFIP participants, provides for auto repairs and purchases from the TANF appropriations, and reductions in fee-for-service payments.

Pappas offered an amendment aligning a MnSCU provision, relating to the sale of improvements and land, with language in the bonding bill. The amendment was adopted. Anderson offered an amendment relating to the green jobs provisions. The first part of the amendment clarifies the use of expenditures, the second part of the amendment clarifies the role of the Dept. of Commerce and the third part of the amendment changes the appointing authority for the task force, Anderson said. The amendment was adopted. A second amendment, offered by Anderson, establishes the policy that if the dedicated funding amendment is passed, a council will be established to make recommendations about the use of funds for natural resource purposes. The amendment was adopted.

Higgins offered an amendment exempting the proceeds from the Dept. of Transportation acquisition of land adjacent to the I-35W bridge from the Minneapolis Park Board from being deposited in the general funds. Anderson said the bill could be heard in her division. Higgins withdrew the amendment. An amendment, also offered by Higgins, clarifies the provision transferring money from the fire safety account to specify the transfer applies to the current biennium. The amendment was adopted.

Tomassoni sponsored two amendments. One amendment eliminates any provisions in the economic development article that would send the entire bill to the Taxes Committee. Tomassoni said the sections relate to the IRRRB and taconite taxes. The second amendment deletes language in provisions relating to plumbing licensing. Both amendments were adopted.

Betzold offered an amendment to delete one of the references to designating ice hockey as the state sport. The amendment was adopted. An amendment, offered by Cohen, was also adopted. The amendment incorporates the forecast changes in appropriations, provides for using \$100 million of the budget reserve and uses the entire amount, \$350 million, of the cash flow account to resolve the budget shortfall. He said the amendment keeps more in the budget reserve

than either the governor's proposal or the other body's proposal because the budget reserve will be needed in the next biennial budget.

Sen. Claire Robling (R-Jordan) offered an amendment deleting a section allowing employees to receive labor organization information electronically on their workplace computers. The amendment was adopted.

Robling said the bill sets up an adversarial situation because so many of the cuts are aimed at programs the governor supports. Murphy said the governor's proposal targeted cuts at programs supported by members of the majority. Cohen said the shortfall in 2002 was the product of legislative actions, but the shortfall this year is the result of slowing of the national and world-wide economies. Certainly, the governor put forth recommendations he supports, but the Senate has always maintained the integrity of the health care access fund, Cohen said. He said the bill is not aimed at the governor.

Members adopted a motion, made by Cohen, to introduce the measure as a committee bill. The motion was approved on a roll call vote of 11-3, with three members passing.

The committee also approved the omnibus E-12 education funding bill, S.F. 3136. The bill was re-referred to the Taxes Committee.

## LCCMR bill approved

Eight bills were before members of the Finance Committee as they gathered, Wed., Apr. 2. The panel, chaired by Sen. Richard Cohen (DFL-St. Paul), approved all the measures and advanced them to the full Senate. The bills touch on a variety of topics, including appropriations from the environment and natural resources trust fund, ratification of state labor agreements, special license plates for courtesy cars at the U.S. Women's Open, and controlling bovine tuberculosis.

S.F. 2204, authored by Sen. Linda Scheid (DFL-Brooklyn Park), allows the commissioner of public safety to issue a second set of disability plates to a qualified driver, if the Council on Disability approves the issuance of a second set. Scheid said the intent is to permit qualified drivers with two vehicles to have disability plates on both vehicles. Sen. James Metzen (DFL-South St. Paul) carried a bill, H.F. 3138, eliminating the salary limit for the administrator of the Minnesota

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Senators Bill Ingebrigtsen (R-Alexandria), left, and Joe Gimse (R-Willmar) converse during the Senate's Tues., Apr. 1 floor session.

Photo by David J. Oakes

Zoo and ratifying nine collective bargaining agreements and four compensation plans for executive branch employees. At Metzen's request, members adopted amendments adding two additional plans for ratification. S.F. 3331, sponsored by Sen. Scott Dibble (DFL-Mpls.), authorizes the Minneapolis Park and Recreation Board to retain proceeds from the condemnation of public park lands necessary for the reconstruction and expansion of the I-35W Bridge in Minneapolis and use the proceeds for a similar purpose near the Mississippi River.

Sen. Ellen Anderson (DFL-St. Paul) carried the LCCMR's appropriations proposal, S.F. 2492. Anderson said the measure focuses on four areas: land and habitat, water resources, natural resources information and environmental education. The bill appropriates \$22.866 million from the environment and natural resources trust fund and \$86,000 from the Great Lakes protection account; it also transfers a \$500,000 appropriation made

in 2006 that was declined by the intended recipient. S.F. 3069, sponsored by Sen. Geoff Michel (R-Edina), provides for the issuance of 250 special temporary permits for use in the 2008 U.S. Women's Open golf tournament. The championship will be held at Interlachen Country Club in June, Michel said, and the specialty plates are for the tournament's small fleet of courtesy cars. Similar authorization was provided for previous major golf tournaments held in Minnesota, he said. Alyssa Schlander, Auto Dealers Association, said the manufacturer will donate the vehicles, which will remain new and untitled during the two weeks leading up to and including the tournament. Because of that peculiarity, the special authorization is needed, she said.

S.F. 3728, authored by Sen. Rod Skoe (DFL-Clearbrook), provides for the control of bovine tuberculosis. This is a hard disease to control, Skoe said, and there is no exact plan for how to reestablish bovine TB-free status. However, we have

several models in other states of what not to do, he said. It is clear we need to deal with this aggressively, even though we have only a small infestation now, Skoe said. The bill proposes a herd buyout within a small zone where bovine TB has been identified, he said. If the producer chooses not to take the buyout, the Board of Animal Health will conduct a risk assessment and seek to limit outside contact with the herd, he said. S.F. 3573, sponsored by Sen. Kathy Sheran (DFL-Mankato), authorizes the commissioner of health to award grants to the University of Minnesota to develop a model to assess the impact of proposed health care reforms on all sectors of the health care system and to study the costs and benefits of various health care reform proposals.

S.F. 3300, carried by Sen. David Tomassoni (DFL-Chisholm), appropriates \$4.9 million from the workers' compensation fund for a study of iron miner's lung health. Tomassoni said the bill is motivated by the unusually high incidence of

mesothelioma-related deaths among taconite miners on the Iron Range. I support the study, but the cost should not be borne by employers at large through the workers' compensation fund, said Sen. Claire Robling (R-Jordan). This is a problem closely affiliated with the mining industry, she said. She offered an amendment splitting the funding responsibility equally between the workers' compensation fund and the Iron Range Resources and Rehabilitation Board, which is supported by assessments against mining companies. Cohen said the IRRRB's dollars are meant to support economic development. This is about worker health, not economic development, he said. Tomassoni said the IRRRB has already encumbered the funds the amendment seeks to use. The amendment was not adopted.

## Health, Housing and Family Security

### Dept. of Health commissioner confirmation approved by panel

The Health, Housing and Family Security Committee engaged in a discussion with Minnesota Dept. of Health Commissioner Sanne Magnan, and approved her confirmation, Mon., Mar. 31. The committee then heard two brief presentations.

Committee chair Sen. John Marty (DFL-Roseville) asked the commissioner to address three concerns. The first is treatment of employees who may express concerns on issues as private citizens, not on behalf of the agency. Magnan said reprimanding or scolding is not her style, and while she expects employees to support the agency's plans, she would not interfere with employees speaking as private citizens to their legislators.

Marty asked her to speak about the agency's commitment to the original intent of data practices and open meeting laws providing more transparency in government. Magnan said many of those ideas were developed before email, and she encourages people to carefully consider what they put in email, but not to stifle "vigorous debate."

The third concern Marty asked Magnan to address is how a commissioner may express ideas that are contrary to an official administration position. Magnan said she walked a fine line between being an appointed commissioner supporting the governor and a public servant. She said

that her role is to defer to the will of the people by supporting the recommendations of their elected executive officials. Magnan did say that she would speak against something she felt was a fundamental injustice, corruption and illegal or unethical activity.

Berglin said the state was fortunate to have the commissioner as an advocate for public health needs in the administration.

The committee then heard two presentations. Dr. Stan Shanedling of the Dept. of Health spoke on the state's heart disease and stroke prevention plan. Heart disease and stroke together are the No. 1 cause of death in Minnesota, or 28 percent of the deaths annually, said Shanedling. In addition, hospitalizations costs are \$2.1 billion annually, he said.

Indicators of high blood pressure, high blood cholesterol, diabetes, overweight, or obesity are all increasing, according to a program mid-course review.

Challenges to improving heart health include a need for public education, a lack of commitment to address the issue from certain population groups and geographic demographics, and the challenge of elevating the health risk in the perception of the public eye, according to Shanedling.

Positive indicators include a decrease in cigarette smoking and physical inactivity, and an increase in consumption of five fruits and vegetable servings daily.

In the context of the health care reform debates this information is particularly important, said Rachel Callanan of the American Heart Association. The association is requesting \$400,000 for the stroke and heart disease prevention unit to continue to implement the plan. Callanan also answered questions about efforts to address health disparities related to income.

The committee then heard a presentation on anticipated shortages within the health care workforce. John McLaughlin of the Hennepin-Carver Workforce Development Fund said an initiative sponsored by Sen. Linda Higgins (DFL-Mpls.) has been unsuccessful in securing funds.

Dr. Bruce Nauth of the fund said the industry may lose tens of thousands of people in upcoming years due to an aging workforce, decreased entry into the labor force, and a decrease in the working age. These factors will converge with an increase in need due to advances in medical technology and longer life spans, said Nauth.

Sen. Sharon Erickson-Ropes (DFL-Winona) said the Legislature has failed to connect the dots between education funding and health care, and different sectors need to communicate better. Testifiers explained the slow increase in the capacity of the higher education system to accommodate interest in health care careers.

## Health and Human Services Budget Division

### Rebasing parameters approved

The Health and Human Services Budget Division met Tues., Apr. 1, to hear four bills, including two modifying county based purchasing agreements. The panel, chaired by Sen. Linda Berglin (DFL-Mpls.), recommended all four bills to pass and re-referred them to the Committee on Finance.

Sen. Tony Lourey (DFL-Kerrick) presented two bills. S.F. 3673 directs the commissioner of health to develop and implement a three year demonstration program for older adult services community consortiums. The bill allocates funding from grant programs, and a report is due to the Legislature in 2011.

Lourey's second bill, S.F. 3181, modifies dispute resolutions for county based purchasing. The proposal makes changes to a three-person mediation panel, mediation procedures, and related duties of the commissioner.

Sen. Yvonne Prettner Solon (DFL-Duluth) presented S.F. 3322. The proposal makes county-based purchasing more consistent with requirements for HMO's, sets reserve requirements, limits expenditures of excess revenues and ensures periodic re-procurement of all geographic areas of the state. Prettner Solon offered an amendment to remove the fiscal impact of a study and data reporting required in the bill by imposing a 33 cent fee on enrollees the first year and 28 cents in future years. The proposal also receives revenue from a special revenue fund.

S.F. 3366, authored by Berglin, establishes a floor and ceiling for nursing home rebasing. Under the bill, all facilities will receive at least a one percent increase in operating rates, and no facility will receive an increase of more than 2.5 percent. Without setting the floor and ceiling, some facilities would receive less than a one percent increase, while others would

# Committee update

receive a much higher percentage, said Berglin.

## State and Local Government Operations and Oversight

### Report: smoking ban contributed to decline in lawful gambling

A report on the impact of the statewide smoking ban on lawful gambling was a key focus of the Mon., Mar. 31, meeting of the State and Local Government Operations and Oversight Committee.

The report was required in the legislation enacting the statewide smoking ban. Conducted by the Gambling Control Board and the Dept. of Revenue, the report examined data from the first three months of the ban. Tom Barrett, executive director of the Gambling Control Board, said the report found that annual gross receipts from lawful gambling were down an average of 2.5 percent per year for the last five years. During the first three months of the ban, gross receipts fell 12.8 percent compared to the same period a year earlier, he said. Barrett said the 12.8 drop was the largest decline since lawful gambling was first regulated, in 1985. The

report acknowledges that a number of factors contribute to declines in gambling receipts, Barrett said. He said the other factors include a general economic decline and the surging price of gasoline. However, the other factors cannot explain the drastic decline experienced during the first three months of the smoking ban, he said.

The report also includes several recommendations. Among the recommendations are continued monitoring of declining receipts by the board, quarterly updating of legislative leaders on the evolving fiscal situation, comprehensively studying gambling operations and cost saving opportunities, and expanding the permitted forms of lawful gambling. The complete report is available online at [http://www.gcb.state.mn.us/PDF\\_Files/Smoking%20ban%20study.pdf](http://www.gcb.state.mn.us/PDF_Files/Smoking%20ban%20study.pdf). Barrett also presented the Gambling Control Board's annual financial report. The annual financial report is available online at [http://www.gcb.state.mn.us/PDF\\_Files/FY07.pdf](http://www.gcb.state.mn.us/PDF_Files/FY07.pdf).

In other action, committee members, chaired by Sen. Ann Rest (DFL-New Hope), considered a bill, S.F. 2872, limiting the ability of local units of government to restrict the use of a conforming

parcel or lot when the owner also owns a contiguous nonconforming parcel or lot. Sen. Ray Vandevier (R-Forest Lake), chief author, said the bill treats all property equally and fairly, rather than imposing restrictions based solely on ownership of adjacent property. Representatives of the Dept. of Natural Resources raised concerns about the bill, especially as it relates to shoreland lots. The department is in the process of revising its shoreline rules and the revised rules may resolve some of the concerns underlying the bill, they said. Representatives of local government associations also spoke and raised concerns. The measure was laid on the table for future discussion.

## State Government Budget Division

### Agency salary caps altered

Members of the State Government Budget Division, chaired by Sen. Don Betzold (DFL-Fridley), met briefly Mon., Mar. 31, to consider one bill. S.F. 2736 modifies the caps on state commissioner salaries and specifies that a recognized system for classification analysis and its



Senators Michelle Fischbach (R-Paynesville) and Dan Sparks (DFL-Austin) converse during floor debate in the Senate Chamber, Thurs., Apr. 3.

Photo by David J. Oakes

concurrent point allocation system must be used in order to attain compensation equity.

Sen. Sandra Pappas (DFL-St. Paul), chief author of the bill, said the measure is designed to relieve salary compression between top level managers and commissioners. "Nearly one-third of the state's work force will be eligible for retirement in the next three years and allowing top level managers to have increases will aid in retaining employees," Pappas said. She said it is difficult to recruit high level employees because of the current salary limitations. Under the bill, commissioners' salaries are linked to local government compensation limits, which are 110 percent of the governor's salary, Pappas said. She said the current limits of 85 percent and 95 percent of the governor's salary are impeding the ability to recruit and retain employees.

The panel approved the bill and advanced the measure to the full Finance Committee.

## Taxes

### E-12 budget bill heard

The E-12 budget reconciliation measure was the sole agenda item before members of the Taxes Committee, Tues., Apr. 1. The panel, chaired by Sen. Thomas Bakk (DFL-Cook), advanced the bill to the full Senate.

S.F. 3631, sponsored by Sen. LeRoy Stumpf (DFL-Plummer), makes a number of changes in E-12 appropriations and levy provisions. Because of the levy and tax implications, the bill falls within the Taxes Committee's jurisdiction.

Members spent significant time considering a provision modifying language that must be on the ballot when a district's voters are being asked to extend a levy referendum that is scheduled to expire. Much of the discussion centered on the appropriate balance between a simple statement of the issue and a detailed explanation of the tax ramifications of voting yes or no.

Sen. Rod Skoe (DFL-Clearbrook) offered an amendment permitting school districts with sparsity revenue to levy for transportation costs. Skoe said many large school districts in Greater Minnesota have special transportation needs because of their large geographic size. All districts have transportation costs, including suburban and urban school districts

in the Metro Area, said Sen. Lawrence Pogemiller (DFL-Mpls.). He noted that geographically large districts already get special help because of their size through the sparsity program. The Skoe amendment was amended to limit its duration for one year. That will get us to the next budget cycle, when we can take a closer and more comprehensive look at school transportation costs and funding, Bakk said. The amended amendment was then adopted.

### Historical database available

The Legislative Reference Library has developed a database, "Legislators Past and Present," containing information about Legislators who have served since territorial times. The database's information was compiled from official legislative directories, obituaries, news clippings, family files and other sources. It contains information about terms of service, education, occupation, party or caucus affiliations, leadership positions, represented communities and more.

The database also includes information about Minnesota Legislators who served in other government functions, ranging from the local level to the national level. For example, almost two dozen Legislators have served on the University of Minnesota Board of Regents; the most recent is current Regent and former Senate Majority and Minority Leader Dean E. Johnson. The database even indicates which Minnesota Legislators also served in another state's legislature; there have been at least 15, and the number may climb as more information is compiled.

"Legislators Past and Present" is available online at <http://www.leg.state.mn.us/legdb/index.asp>

### Senate on the World Wide Web

The Minnesota Legislature's Web site has been updated. A joint effort of the Senate, House of Representatives, Legislative Reference Library, Legislative Commissions, and the Office of the Revisor of Statutes, the site offers easier access to a variety of legislative and government information.

The Legislature's page (<http://www.leg.mn>) includes links to other government agencies and departments, as well as copies of Minnesota Statutes, Session

Laws, and Rules. The page also allows one to track legislation and get general information about the legislative process. The site includes a district finder service for those who need to contact their House member or Senator. Other information—about visiting the Capitol, state history and symbols, and employment opportunities with the Legislature—is also available.

Information about joint legislative departments, the various legislative commissions, and task forces is available at <http://www.commissions.leg.state.mn.us>.

The House of Representatives Web page (<http://www.house.mn>) includes membership and committee information. It also has daily news, information, and the daily House schedule. House journals and legislative information are also available.

The Senate Web site (<http://www.senate.mn>) has information about members, committees and Senate staff. The page also has daily and weekly schedules for the Senate, as well as copies of the Journal and Senate Briefly. The status of legislation and confirmation of executive appointments by the Senate is also available.

Both the Senate and House Web sites offer streaming video access to floor and selected committees.

### Information Services

The Senate Information Office and the Office of the Secretary of the Senate are located in Room 231 of the Capitol. These offices distribute all public printed materials and handle inquiries about Senate committee meetings, Senate districts, Senate telephone numbers, bill reference numbers and status and bill sponsorship. Interested citizens may also request copies of bills.

If you want to know the name of your Senator or have any other questions about the Minnesota Senate, call 651-296-0504 (tty 651-296-0250).

The Senate Information Office also has toll-free telephone numbers to enable citizens of Greater Minnesota to obtain general information about the Minnesota Senate. The telephone numbers are: 1-888-234-1112 (voice) and 1-888-234-1216 (tty). Staff members are available to answer questions about the Senate and the legislative process.

For daily recorded updates on committee meetings, call the Senate Hotline at 651-296-8088.

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# Senate Briefly

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*Gesha Gendun, a member of the Gyuto Monastery in Minneapolis, joins several dozen other Minnesota Tibetans in the Capitol Rotunda, Thurs., Apr. 10, to protest China's occupation of Tibet.*

*Photo by A.J. Olmscheid*



April 11, 2008

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# Senate Highlights

## Ticket hoarding ban okayed

Senators granted preliminary passage to nine measures on General Orders, Mon., Apr. 7. Among the bills approved was a measure designed to combat practices used by some online ticket brokers to defeat the security processes of online ticket vendors, amass a large quantity of tickets and drive the cost of attending an event up.

S.F. 3139, authored by Sen. Ron Latz (DFL-St. Louis Park), makes it a misdemeanor to intentionally use software to circumvent, on a ticket seller's website, a security measure, access control system, or a control or measure used to ensure an equitable ticket buying process. S.F. 3218, sponsored by Sen. Thomas Bakk (DFL-Cook), contains the recommendations of the Workers' Compensation Advisory Council.

Sen. Tony Lourey (DFL-Kerrick) carried a bill, H.F. 3662, reducing from two years to one year the triggering point for a special election to fill the unexpired term of a county commissioner or city council member. The bill also requires a public hearing including public testimony before making an appointment to fill a vacancy. Sen. Betsy Wergin (R-Princeton) offered an amendment clarifying that if a vacancy occurs within 90 days of the end of the position's term, the position must remain open through the election. The amendment saves local governments money, prevents cronyism and ensures fair

elections, she said. Lourey said the amendment seemed to mirror the bill's spirit and approach to filling vacancies. The amendment was adopted.

H.F. 3138, sponsored by Sen. James Metzen (DFL-South St. Paul), ratifies labor contracts and compensation plans for employees in the executive branch of government. The bill also requires the adoption of a compensation plan for classified employees in the Office of the Legislative Auditor. S.F. 2605, authored by Sen. Kathy Saltzman (DFL-Woodbury), provides for staggered terms of members of the Metropolitan Council. S.F. 3758, carried by Sen. John Doll (DFL-Burnsville), updates provisions and makes a number of changes to help reconcile Minnesota's renewable energy standard with federal law. Sen. Steve Dille (R-Dassel) offered an amendment repealing a prohibition on the construction of nuclear-powered electric generating plants. The amendment was ruled not germane to the bill; the ruling was upheld by the body, 41-21.

Sen. Leo Foley (DFL-Coon Rapids) authored S.F. 3360, which makes it a misdemeanor to possess a device or substance intended to enhance an animal's ability to fight. S.F. 2930, carried by Sen. Linda Scheid (DFL-Brooklyn Park), makes a number of technical and updating changes to debt management services regulations. S.F. 3775, authored by Doll, establishes a pilot program to collect and process used paint. Doll offered, and members adopted, an amendment reducing the maximum level of a required consumer paint stewardship fee from \$1 to \$0.50 per gallon of architectural paint.

In other action, Senators granted final passage to the omnibus budget reconciliation measure, H.F. 1812. Members granted preliminary passage to the bill during a marathon floor session, Thurs., Apr. 3. After a series of procedural moves to bring the bill up for a final vote and place the Senate language on the bill, Chief Author Richard Cohen (DFL-St. Paul) reminded members of the significance of the proposal. It is not a perfect solution, he said, but we have a constitutional obligation to balance the state budget. In difficult times, that is what the bill does, he said. The bill makes a lot of bad choices and will be difficult to negotiate with the other body and governor, said Sen. Claire Robling (R-Jordan). The measure eliminates or severely restricts many of the governor's initiatives, such as

the ACHIEVE scholarship program and Q comp alternative teacher pay, she said. Sen. Paul Koering (R-Fort Ripley) said he was pleased funding for the positive abortion alternatives program was restored. I will support this bill, because I want to be part of a solution, not an obstacle, Koering said. H.F. 1812 was granted final passage, 40-25.

Senators granted final passage to three additional bills on the Senate Calendar. H.F. 3220, carried by Sen. Jim Vickerman (DFL-Tracy), authorizes political subdivisions to make grants to non-profit organizations. The bill was granted final passage, 55-5. H.F. 1499, sponsored by Scheid, enacts the Uniform Prudent Management of Institutional Funds Act; it was granted final passage, 60-0. H.F. 3516, carried by Sen. Ann Rest (DFL-New Hope), providing for a statewide foreclosure data collection and reporting system study, was granted final passage, 60-0.

## Routine floor session held

The Thurs., Apr. 10, floor session was devoted to processing bills on the various calendars and appointing conference committees. Senators granted concurrence and repassage to one measure, granted final passage to nine bills on the Senate Calendar and granted preliminary passage to a number of bills on General Orders.

S.F. 1218, authored by Sen. Sharon Erickson Ropes (DFL-Winona), the Minnesota Overseas Voting Act, was granted concurrence and repassage. The bill adds military identification card numbers and passport numbers to restricted data provisions, modifies provisions relating to U.S. citizens permanently residing outside the country, modifies the required information for ballot applications and expands the identification numbers accepted for recording ballot applications.

Among the bills granted final passage on the Senate Calendar was S.F. 3139, carried by Sen. Ron Latz (DFL-St. Louis Park). The measure establishes the crime of interfering with internet ticket sales. S.F. 3218, authored by Sen. Thomas Bakk (DFL-Cook), adopts recommendations of the Workers' Compensation Advisory Council. H.F. 3662, authored by Sen. Tony Lourey (DFL-Kerrick), provides for a public hearing and public testimony before making an appointment to fill a vacancy on a county board.

H.F. 3138, sponsored by Sen. James Metzen (DFL-South St. Paul), ratifies

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*Senators Keith Langseth (DFL-Glyndon) and Tarryl Clark (DFL-St. Cloud) trade quips with members of the Capitol press corps outside the Governor's Office following the governor's line item vetoes of the bonding bill, Mon., Apr. 7. Photo by A.J. Olmscheid*

public employment labor agreements and compensation plans. S.F. 2605, carried by Sen. Kathy Saltzman (DFL-Woodbury), provides staggered terms for Metropolitan Council members. S.F. 3758, authored by Sen. John Doll (DFL-Burnsville), modifies provisions relating to power transmission lines, renewable energy obligations and relating activities and costs.

S.F. 3360, sponsored by Sen. Leo Foley (DFL-Coon Rapids), prohibits possession of animal fighting devices and modifies penalties. S.F. 2930, carried by Sen. Linda Scheid (DFL-Brooklyn Park), regulates debt management services and repeals an obsolete criminal provision. S.F. 3775, sponsored by Doll, establishes a pilot program to collect and process used paint.

Bills gaining preliminary passage on General Orders included H.F. 3477, authored by Sen. John Marty (DFL-Roseville). The measure doubles the rein-

statement period for manufactured home owners in default and provides the same protections against predatory lending practices as those for other homeowners. S.F. 3069, carried by Sen. Geoff Michel (R-Edina), provides for the issuance of special U.S. Women's Open license permits. Michel offered an amendment directing that the funds raised from the permits be deposited to a special revenue fund in the Division of Driver and Vehicle Services. S.F. 2988, carried by Sen. Rick Olseen (DFL-Harris), sets forth the licensing requirements for type III school bus drivers. Olseen offered, and members adopted, an amendment deleting a provision requiring rulemaking. A type III school bus vehicle is a van or other vehicle used as a school bus, Olseen said. S.F. 3331, carried by Sen. Scott Dibble (DFL-Mpls.), permits the Minneapolis Park and Recreation Board to retain proceeds from the condemnation of park lands necessary

for the reconstruction and expansion of marked I-35W at the Mississippi River. S.F. 2967, sponsored by Higgins, authorizes the Minneapolis Park and Recreation Board and the city of Minneapolis to adopt standards for dedication of land to the public or a payment of a dedication fee on new commercial and industrial development. S.F. 3258, carried by Lourey, makes primarily technical and administrative changes to optometrist practice and licensing provisions. S.F. 2204, authored by Scheid, allows an individual to have more than one set of handicapped license plates. H.F. 3357, sponsored by Olseen, modifies municipal boundary adjustments provisions. S.F. 3441, authored by Sen. Mee Moua (DFL-St. Paul), limits testimony of domestic abuse advocates without the consent of victims. S.F. 3780, sponsored by Lourey, authorizes optometrists to dispense legend drugs for contact lenses.

# Committee update

## Economic Development Budget Division

### Three bills gain

Members of the Economic Development Budget Division gathered briefly, Wed., Apr. 9, to consider three bills. The measures were all included in the panel's omnibus budget proposal, said Chair David Tomassoni (DFL-Chisholm), but were removed from the omnibus budget reconciliation bill on the Senate floor. He explained that the committee would ensure the provisions were in the shape the Finance Committee had put them in when the budget bill went to the full Senate.

S.F. 2926, authored by Sen. Linda Scheid (DFL-Brooklyn Park), corrects technical and grammatical errors in the construction code and licensing legislation enacted in 2007. Members removed a provision relating to water-free urinals because the Dept. of Labor and Industry

believed the language was incomprehensible. We can handle water-free urinals when the department is ready to address them in the Building Code, Tomassoni said.

S.F. 3685, carried by Tomassoni, changes the name of the Boxing Commission to the Combative Sports Commission and makes conforming changes to a recent expansion of the commission's authority. Tomassoni also sponsored S.F. 3471, which modifies language regarding unemployment benefits and extends unemployment benefits to a total of 39 weeks in counties where the unemployment rate is 1.8 times the state average of at least 4.6 percent for the previous 12 months. Members adopted a mostly technical amendment clarifying the unemployment extension for seasonal employees. A second amendment was also adopted; the amendment incorporates unemployment insurance provisions relating to veterans. Committee staff indicated the language

had also been in the omnibus bill, but had been removed on the Senate floor.

All three bills were advanced to the Finance Committee.

## Energy, Utilities, Technology and Communications

### Public Utilities Commissioners recommended for confirmation

The Committee on Energy, Utilities, Technology and Communications approved confirmation of Public Utilities Commissioners David Boyd, Phyllis Reha and J. Dennis O'Brien, Tues., Apr. 8. The committee, chaired by Sen. Yvonne Prettner Solon (DFL-Duluth), then heard a report on carbon sequestration and a report on public building energy savings.

Reha said she has focused her time in the commission on energy efficiency and renewable energy. Boyd said his scientific background and administrative



Senators Jim Carlson (DFL-Eagan) and Sandy Rummel (DFL-White Bear Lake) exchange ideas during an Energy, Utilities, Technology and Communications Committee hearing, Wed., Apr. 9.

Photo by David J. Oakes

skills are a good fit for the commission. He said he has focused on the technological aspects of the commission. O'Brien, a private practice lawyer with experience in government, school finance, and labor relations, has been on the commission since February.

The panel and commissioners discussed the effect of open meeting laws on the PUC's process, and how commissioners may contribute their own expertise to the Legislature.

Senators then heard a preliminary report on carbon sequestration by both terrestrial mechanisms and deep geological sequestration. The studies were directed by the Legislature last year and coordinated with the University of Minnesota and the Minnesota Geological Survey. Mark Lindquist of the Department of Natural Resources, Cheryl Miller, Minnesota Terrestrial Carbon Sequestration Initiative, and Tony Runkel and Dale Setterholm of the Minnesota Geological Survey presented the report.

Terrestrial sequestration refers to the absorption of carbon dioxide by plants and conversion of that carbon into plant matter. Terrestrial sequestration can provide modest contributions to the state's greenhouse gas reduction goals, in addition to improving water and soil quality, according to the study. The report recommends protecting peat lands and forests to prevent additional emissions of carbon dioxide, promote land use and land cover changes with high sequestration rates, and invest in monitoring and demonstration programs.

Deep geologic sequestration is injecting carbon dioxide into underground sandstone, shale, or clay geologic features with impermeable caps. The mid-continent rift system running through the southeast of the state is the only geologic structure with these characteristics, according to the study. According to Runkel, the mid-continent rift system is poorly suited compared to other sites in the world due to its complexity and low permeability.

Nicky Giancola of the Department of Administration and Steve Kelley, Dane McFarlane, and Alexandra Mallett of the Humphrey Institute of Public Affairs presented a report on energy savings in state buildings. The report determines barriers to energy savings and offers proposals to improve data collection and increase energy savings such as data standardization



*Farmer and wind energy developer Dennis Fultz of Tracy tells members of the Energy, Utilities, Technology and Communications Committee, Wed., Apr. 9, about the need for additional transmission lines in order for community wind projects to be viable.*

Photo by David J. Oakes

efforts, required training, better metering systems, and further funding. The report also proposes long term policies including incentives, flexibility, and institutionalization of the policies and measures.

### **Panel hears from wind energy transmission stakeholders**

The Committee on Energy, Utilities, Technology and Communications held an informational hearing on transmission issues, Wed., Apr. 9. The panel, chaired by Sen. Yvonne Prettner Solon (DFL-Duluth), heard where various stakeholders are in the process of meeting wind power mandates for the state.

Clair Moeller of the Midwest Independent Transmission System (MISO) outlined challenges to determining how much transmission infrastructure is appropriate to meet the wind mandate.

Ten times as many projects are trying to connect to the grid as needed to meet the mandate, said Moeller, but on average about 60 percent of requests drop out throughout the process for various reasons. Federal regulations have slowed down the MISO queue of projects trying to connect to the grid. However, he said that he didn't see any significant problems in meeting the earlier deadlines of the state's mandate, but things need to happen to meet 2016 deadlines and beyond.

Will Kaul and Laura McCarten of a program to expand energy capacity, CAPX 2020, updated the committee on their plan's progress. McCarten said they were confident that the state can meet the 2010 and 2012 goals, and a blueprint will be presented later in the year addressing later goals. Kaul said a larger regional planning program is necessary to meet 2016 goals.

# Committee update



Senators Rick Olseen (DFL-Harris) and Julianne Ortman (R-Chanhassen) closely examine a document during the Senate's Thurs., Apr. 10, floor session.

Photo by David J. Oakes

Theresa Mogensen of Xcel Energy explained the company's initiatives to expand capacity. Mogensen said Xcel has already expanded wind capacity by 600 megawatts, and has 32 projects in the works. Because establishing transmission takes a relatively long time compared to the time it takes to establish wind power, a chicken and egg scenario hinders development when one does not want to develop without the presence of the other. Xcel is also concerned about "corridor fatigue" or putting too much onto existing transmission corridors, said Mogensen.

Ingrid Bjorklund and Dennis Fultz of Outland Renewable Energy, which develops community wind projects, described their proposed private transmission line. Minnesota Independence Line will run from the south of the state to the Twin Cities and be dedicated to renewable energy, said Bjorklund. Fultz said their power would be rejected during productive times due to transmission constraints around

Buffalo Ridge, and that's why they want their own line.

Bob Gervais of the Tracy Economic Development Authority said transmission and conduits in general, such as roads, are crucial to small towns that need access to bigger markets.

Douglas Collins of Interstate Transmission Company acknowledged the frustration of other testifiers. Collins said his company is looking at a regional system including surrounding states.

Beth Soholt of Wind on the Wires commented on various studies underway. Soholt said the CAPX developments are positive and the state needs diverse transmission systems. MISO queue reform is a piece of the puzzle, but not a silver bullet, said Soholt.

George Crocker of the North American Water Office said previous testifiers were trying to solve new paradigm problems with old paradigm thinking. Mike Michaud, a consultant for the office, said there is significant undeveloped potential

in the current infrastructure. After that, Crocker said lower voltage transmission should happen first, and high voltage development should happen second to meet the more decentralized supply being developed.

Edward Garvey of the Office of Energy Security said transmission is the Achilles heel of energy policy, and needs to be upgraded for reliability, economic dispatch, and environmental reasons. The state needs to plan now for the next phase of transmission lines, including anticipating regulatory issues.

## Environment and Natural Resources Committee

### EQB appointments approved

The Environment and Natural Resources Committee, chaired by Sen. Satveer Chaudhary (DFL-Fridley), met Tues., Apr. 8, to consider several appointments to the Environmental Quality Board. The panel approved the appointments of Julie Goehring, Susan McCarville and Dennis Wenzel to the board.

## Environment, Energy and Natural Resources Budget Division

### Biodiesel bill gains

The Environment, Energy and Natural Resources Budget Division, chaired by Sen. Ellen Anderson (DFL-St. Paul), met Tues., Apr. 8, to consider several measures ranging from the omnibus environment and natural resources policy bill to a bill increasing the minimum biodiesel content for fuel.

The biodiesel content bill, S.F. 2724, authored by Sen. Jim Vickerman (DFL-Tracy), increases the mandated amount of biodiesel from the current two percent to five percent by May 1, 2009. The measure also creates a tiered biodiesel content goal for the future with a required content amount of 20 percent by 2015. The bill sets criteria for the conditions for increasing the amount, including sufficient supply and adequate blending infrastructure. The bill provides that the increased content levels are effective during the months of April, May, June, July, August, September and October only. The bill also requires the commissioners of agriculture and commerce to consult with stakehold-

ers to make recommendations regarding improvements in the production, blending, handling and distribution of biodiesel blends to ensure the performance of the blends in cold weather.

Members adopted an amendment clarifying that no foreign palm oil be used in developing biodiesel, requiring information on the impact of biodiesel on feed crops and production capacity to be included in the annual report, requiring a study on the benefits of low carbon fuel standards and altering the funds from which appropriations contained in the bill are taken.

The bill was approved and advanced to the full Finance Committee.

The panel devoted the lion's share of the hearing to discussing S.F. 3385, the omnibus environment and natural resources policy bill. The bill, carried by Sen. Satveer Chaudhary (DFL-Fridley), modifies licensing requirements for individual sewage treatment system professionals, modifies requirements for air emission permits, modifies state park permit requirements, authorizes free state park permits for totally and permanently disabled veterans, creates a Minnesota forests for the future program, provides a process for designating star lakes and rivers, provides for a voluntary wall-eye stamp, restricts licensing of specific natural waters for aquaculture, provides for viral hemorrhagic septicemia control and modifies hunting and fishing licensing and taking provisions. The measure also provides for expedited exchanges of public land; adds to and deletes land from state parks, recreation areas and forests; provides for the sale of public lands; and modifies a number of specific accounts.

Chaudhary said the bill had been discussed extensively in the policy committee and was before the panel because of several provisions with fiscal impact. He offered an amendment to delete or alter provisions in the bill in order to have little or no impact on the general fund. The amendment was adopted. Members also adopted an amendment deleting language in the bill providing for the issuance of a permit for a new wood burning facility in Minneapolis and substituting language requiring the Pollution Control Agency to analyze and consider the cumulative levels and effects of past and current pollution from all sources in an area prior to issuing a permit to a facility. Sen. Linda Berglin (DFL-Mpls.) said the language in

the amendment, offered by Sen. Patricia Torres Ray (DFL-Mpls.), was the language of a bill she thought had been included in the omnibus measure. However, the current language required the issuance of the permit after several conditions were met. She said the area has been subjected to a great deal of pollution and the requirement that the new facility provides jobs to residents in the area was not enough inducement to support the facility. "The community is not ready to trade seven jobs for the health of its children," Berglin said. The amendment was adopted.

The panel also adopted an amendment, offered by Sen. Pat Pariseau (R-Farmington), prohibiting boats or trailers from transporting aquatic plants into lakes or rivers. Members also adopted an amendment modifying a requirement that the owners of an underground gasoline tank notify public officials and residents and businesses located within 1,000 feet of the tank of releases or a need for corrective action. An amendment deleting language relating to the appointment of the Watonwan County Soil and Water Conservation District supervisors was also adopted. Sen. Dennis Frederickson (R-New Ulm) said another bill containing the provision has already been signed into law. Chaudhary offered an amendment requiring a ballast water management plan. Sen. Ann Rest (DFL-New Hope), who sponsored a bill strictly regulating the discharge of ballast water into Lake Superior by oceangoing vessels, said the amendment was intended to provide a framework for further discussion. The bill was laid over for further debate and amendment because of time constraints.

Earlier, the division approved a bill, S.F. 3605, changing the name of the Legislative Electric Energy Task Force. Sen. Yvonne Prettner Solon (DFL-Duluth) said the name change, to the Legislative Energy Task Force, indicates a wider scope of issues and provides for consideration of all types of energy. The measure was advanced to the full Finance Committee.

## Finance

### Seat belt proposal clicks forward

The omnibus transportation policy bill, which includes a provision enacting a primary seat belt offense, gained the approval of members of the Finance Committee, Wed., Apr. 9. The panel, chaired by Sen. Richard Cohen (DFL-St. Paul),

rebuffed an attempt to remove the primary seat belt provisions from the bill.

S.F. 3223, authored by Sen. Steve Murphy (DFL-Red Wing), contains numerous policy proposals considered and approved by members of the Transportation Budget and Policy Division over the course of the session. Murphy and Fiscal Analyst Krista Boyd summarized the provisions in the bill that have fiscal impacts. The provisions include making failure to wear a seat belt a primary offense, implementing an Urban Partnership Agreement with federal authorities, including medium-speed electric vehicles in the definition of "passenger automobile" for vehicle registration purposes, creating an Office of Pupil Transportation Safety in the State Patrol, clarifying the state's policy regarding drivers who drive with suspended licenses, ensuring the Lafayette Bridge is transit ready, and creating a complete streets program. Sen. Michael Jungbauer (R-East Bethel) briefly described the goals of a complete streets program. It is meant to make safe and full use of existing right of way for all users, including pedestrians, bicyclists, motorists and transit riders, he said. One benefit will be to encourage more and safer outdoor activity along our roads, Jungbauer said.

Sen. David Tomassoni (DFL-Chisholm) offered an amendment deleting the primary seat belt provisions. We do not need a primary seat belt law, he said. We already require seat belts to be worn and there are enough things people can already get pulled over for, Tomassoni said. Minnesota is one of the only states where seat belt compliance has actually gone down in the last two years, Murphy said. More teens die here than in any other state, he said, in part because Minnesota teens know they cannot get pulled over for not wearing seat belts. Sen. Gen Olson (R-Minnetrista) responded that teens do not get killed just for not wearing their seat belts. They have to be driving dangerously first, she said. Murphy said teens are not always the dangerous driver; another driver could hit an otherwise safe teen driver who is not wearing her seat belt, he said. Every state that has a primary seat belt law has seen seat belt compliance steadily rise, Murphy said. "This is absolute madness," he said, that Minnesota has resisted primary seat belt laws for so long. There are schools in my district where teens are ridiculed by their peers for driving into the parking lot wearing their

# Committee update

seat belts, said Sen. Dennis Frederickson (R-New Ulm). We need to change teens' culture and a primary seat belt law will help, he said. Noting that prom season has started, Sen. Linda Higgins (DFL-Mpls.) noted that teens regularly die or are severely injured after not wearing their seat belts because they did not want to wrinkle their dresses or tuxedos. The amendment was not adopted.

Members did adopt several amendments to the bill. Murphy offered an amendment deleting two provisions at the request of the Dept. of Public Safety; the provisions address the liability of DPS employees regarding dissemination of classified information and permit the use of FAA medical certificates for school bus driver examinations. Sen. James Metzen (DFL-South St. Paul) offered an amendment permitting transit on the Lafayette Bridge to travel at, above or below vehicle traffic on the bridge. This offers more flex-

ibility for planners, he said. Sen. Claire Robling (R-Jordan) offered an amendment clarifying the responsibility for costs of an interchange along Hwy. 52 in Rochester.

S.F. 3223 was approved and re-referred to the Taxes Committee.

Committee members considered several additional bills. S.F. 2772, sponsored by Sen. Scott Dibble (DFL-Mpls.), creates a transit improvement area loan program and requires loan applicants to adopt transit improvement area plans. At Dibble's request, members removed appropriations provisions and a reporting requirement. The bill starts conversations between local units of government and the Dept. of Employment and Economic Development about how to build appropriate infrastructure around planned transit nodes, Dibble said. I hope that we will be able to provide funds in the near future, he said. S.F. 2607, carried by Sen. Ann Rest (DFL-

New Hope), provides agency-specific authorizations for the use of future appropriations made in response to a Presidential disaster declaration. S.F. 651, sponsored by Sen. Sandra Pappas (DFL-St. Paul), phases out the use of a toxic flame-retardant chemical, Deca-BDE. All three bills were forwarded to the full Senate.

Sen. Ellen Anderson (DFL-St. Paul) authored S.F. 2818, which requires the commissioners of commerce and pollution control to report to the Legislature on the development and implementation of a model rule establishing a regional cap and trade program for greenhouse gas emissions; creates a legislative advisory group to participate in negotiating the model rule; and requires studies of the potential revenues from a cap and trade program, potential efforts to mitigate

economic disparities resulting from a cap and trade program, and governance options for determining expenditures of cap and trade revenues. The bill also specifies that any cap and trade agreement is not effective until enacted into law by the Legislature. The measure was advanced to the Rules and Administration Committee.

S.F. 2795, sponsored by Sen. Ron Latz (DFL-St. Louis Park), provides for the use of transfer on death deeds. A transfer on death deed provides for a simpler transfer of property within a family than using a trust or other devices, Latz said. He said an earlier version of the bill had a fiscal impact, but the bill was amended in the Health and Human Services Budget Division in order to remove the fiscal impact. The bill was approved and sent to the full Senate.

S.F. 3683, carried by Sen. Jim Vickerman (DFL-Tracy), is the omnibus agriculture and veterans policy bill; it includes provisions heard and approved by members of the Agriculture and Veterans Budget and Policy Division over the course of the session. At Vickerman's request, members adopted an amendment adding language providing for the abolition of the Veterans Homes Board and the transfer of its duties to the Dept. of Veterans Affairs. Vickerman said the provision has traveled separately in the Senate, but was rolled into the omnibus bill in the other body. Sen. Steve Dille (R-Dassel) offered an amendment requiring a veterinarian's referral before an animal can be taken to a chiropractor. The bill permits chiropractors to practice on animals, but does not require a veterinarian's referral. Veterinarians should be involved in the care of animals to ensure that chiropractic care is appropriate in every situation, Dille said. It is a basic right of the animal owner to take the animal to get the care the owner thinks it needs, said Sen. Gary Kubly (DFL-Granite Falls). The amendment was adopted. The bill was approved and sent to the Rules and Administration Committee.

## Budget process reforms discussed

The Finance Committee, chaired by Sen. Richard Cohen (DFL-St. Paul), heard a Minnesota Milestones proposal Thurs., Apr. 10. The committee also began hearing a package of bills on government and budget reform proposed by the Legislative Commission on Planning and



*Senate Sergeant Nick Thompson receives a massage in the Great Hall of the Capitol from St. Paul College student Rischaria Adams during a healthcare service event, Wed., Apr. 9.*

Photo by A.J. Olmscheid



*Senators Satveer Chaudhary (DFL-Fridley), left, and Ray Vandevveer (R-Forest Lake) converse in the Senate Chamber during the Mon., Apr. 7, floor session.*  
Photo by David J. Oakes

Fiscal Policy. All bills were laid on the table in anticipation of being incorporated into S.F. 3363, said Cohen. Cohen said the bill authorizes legislative budget recommendations and requires state agencies to provide information.

S.F. 3472, sponsored by Sen. Tarryl Clark (DFL-New Hope), incorporates Minnesota Milestones goals and indicators in budget preparation. These goals have been established through community engagement, said Clark. Tom Gillaspay, state demographer, said the program was initiated in 1991, and while the vision and goals have been established, this bill would create the link between the program and the budget.

Sen. Ann Rest (DFL-St. Paul) presented two bills. S.F. 2886 modifies state budget requirements. The bill requires

executive branch budget drafts to be made available to the Legislature, requires that the format for submitting the budget to the Legislature show information that supports the estimated expenditures classified by agency, requires detailed budget request information and explanations from agencies to be compiled by Oct. 1, requires the commissioner of finance to identify executive branch budget decision items, and requires detailed budget estimates submitted to the Legislature to include the agency request in addition to the governor's recommendation. Any appropriation change requested by an agency must include information that supports the requested change, under the bill. The proposal is intended to provide more information earlier to facilitate budget discussions, said Rest.

James Showalter of the Dept. of Finance said the department does not support the bill because a certain amount of space is necessary for private discussion, regardless of who is governor.

S.F. 3180 establishes an appeals process for agency fiscal notes. The bill also requires a uniform procedure for reporting information on fiscal note requests. Brent Gustafson of the Dept. of Finance said fiscal notes pass through multiple checks and reviews before being presented.

## Health and Human Services Budget Division

### Pool safety bill gains

A measure requiring public pools to be equipped with anti-entrapment systems

# Committee update

was approved by members of the Health and Human Services Budget Division, Tues., April 8.

S.F. 2833, authored by Sen. Geoff Michel (R-Edina), requires all new public pools that utilize suction drainage to have at least two drains running in parallel. It also requires existing public pools using suction drainage to either have at least two drains running in parallel or an unblockable suction outlet or drain. The bill requires pool operators to conduct and keep records of daily inspections of drain covers and grates; if an outlet cover or grate is missing, broken, or loose, the bill requires the pool to be closed immediately until the cover or grate has been reattached or properly replaced. Michel said the bill is a reaction to the evisceration of Abigail Taylor, a six-year-old who was severely injured by a wading pool drain and later died.

Members adopted an amendment, at Michel's request, making technical changes to the bill. The amendment also clarifies that pools using gravity drains are not subject to the bill's drainage requirements; gravity drains do not pose the same safety issues as suction drainage systems, said John Linc Stine, director of environmental health for the Minnesota Dept. of Health.

Chair Linda Berglin (DFL-Mpls.) said she was concerned about the proposal's cost on local units of government that operate public pools. Public pools operated by private entities charge for access and can recover the cost of compliance, she said, but parks boards operating free pools likely do not have this cost in their budgets. For example, Minneapolis has three wading pools in its park system, Berglin said, and it will cost them thousands of dollars to comply with the proposal. A representative of the Minneapolis Parks and Recreation Board said the board is getting estimates, but that the cost could be between \$5,000 and \$15,000 per wading pool. The board does not have funds available to comply with the proposal until at least after the 2009 swimming season begins, he said. Members adopted an amendment, offered by Sen. Yvonne Pretzner Solon (DFL-Duluth), permitting the commissioner of health to temporarily exempt government-owned pools if the government entity submits a plan to comply with the requirements within two years.

Sen. Tony Lourey (DFL-Kerrick) offered an amendment providing that public

swimming ponds are not public pools and are exempt from the regulations governing public pools until June 30, 2011. Swimming ponds are similar to pools, but they are less common, Lourey said. They are man-made bodies of water, with a lined, sand-bottom basin and a drainage system, he said. A swimming pond in Cloquet is the subject of discussion between the city and the Dept. of Health, he said. The amendment provides some clarity for the short term and gives the parties time to decide what they want to do in the long term, he said. The amendment was adopted.

S.F. 2833 was advanced to the Finance Committee.

Members considered four additional bills. S.F. 1520, authored by Sen. Patricia Torres Ray (DFL-Mpls.), provides for the registration of naturopathic doctors. S.F. 3638, carried by Sen. Dick Day (R-Owatonna), provides an exception to the moratorium on new nursing home beds for a facility in Steele County. Both bills were forwarded to the Finance Committee.

Two bills require employee pension costs at nursing facilities be treated as PERA costs for Medical Assistance reimbursement purposes. S.F. 2884, sponsored by Sen. Steve Dille (R-Dassel), addresses facilities in Jackson, McLeod, Meeker and Pennington Counties; S.F. 2470, sponsored by Sen. Kathy Sheran (DFL-Mankato), addresses a facility in Sibley County. Members amended the provisions of the latter bill into S.F. 2884. Berglin noted that the division does not have funds available to cover the proposal's cost, which emerges in the next biennium. We may not have the money right now, but we need to keep these proposals alive, in the interest of fairness, said Sen. Sharon Erickson Ropes (DFL-Winona). S.F. 2884 was approved and advanced to the Finance Committee.

## Higher Education Budget and Policy Division

### Teachers of color financial aid pilot program heard

A proposal to create a pilot program providing financial aid to encourage academically talented college students to become teachers was considered by members of the Higher Education Budget and Policy Division, Tues., Apr. 8. Chair Sandra Pappas (DFL-St. Paul) said the

bill, S.F. 3589, was being heard for informational purposes only, because the bill deadlines had passed. However, she said, the other body included the proposal in its omnibus supplemental budget bill. Hearing the bill will provide background and let members weigh in informally as we head toward conference committee on the omnibus supplemental budget bill, Pappas said.

Under the bill, students of color may apply for \$5,000 annual grants during their junior and senior years in an eligible teacher preparation program. The bill authorizes four partnerships between teacher preparation programs and school districts. A partnership between Winona State University and the Rochester School District and a partnership between St. Cloud State University and Robbinsdale Public Schools are designated as two of the partnerships, under the bill. The measure also includes authorization for the Office of Higher Education to administer and promote the pilot program and to assist in recruiting students of color for teacher preparation programs.

It is critically important that we recruit and retain the best teachers, said Sen. Patricia Torres Ray (DFL-Mpls.), chief author. Research shows that students of color tend to perform better when they are taught by teachers of their ethnic group, said Stephanie Crosby, human resources director for the Robbinsdale Public Schools. Student demographics are changing, but teacher demographics are not keeping up, said Romain Dallelmand, superintendent, Rochester School District.

Opposition to the proposal was centered on its funding source. The bill carves out \$225,000 from an existing appropriation for the state grant program. We do not oppose the pilot program itself, but we do oppose using money from the state grant program, said Stacia Smith of the Minnesota Chamber of Commerce. The limited dollars in the state grant program enable needy students to attend the college of their choice, she said. The state grant program has not been the subject of carve-outs in the past, Smith said. Even though the amount of money in this bill is very small, carving out funds once will erode the hands-off policy toward the state grant program dollars, she said. Even though we helped its authors craft the bill, we oppose its use of the state grant program dollars, said Susan Heegaard,

director of the Office of Higher Education. The bill represents an unprecedented erosion of the state grant program, she said. Heegaard said the state grant program includes both state dollars and dollars from the federal Pell program. This is money directed at the neediest students, she said. Heegaard said OHE is in the middle of a comprehensive review of the state grant program. We would be happy to include teacher preparation programs and other proposals in our review, she said, but each proposal should be discussed in a larger context.

Division members also heard from representatives of existing teacher training programs targeted at members of under-represented populations.

## Taxes

### JOBZ bill still in play

The Taxes Committee, chaired by Sen. Tom Bakk (DFL-Cook), heard a bill to retain and improve the Job Opportu-

nity Building Zones (JOBZ) program in addition to six other bills, Tues., Apr. 8.

A Vadnais Lake area management organization special taxing district is established by S.F. 3819, sponsored by Sen. Sandy Rummel (DFL-White Bear Lake). Under the bill, the revenue raised by the new levy authority replaces storm sewer utility fees, and would be collected by the county auditor. Letting the county do the administrative work is more cost effective and less confusing to residents, said Rummel. The bill was laid over.

S.F. 3546, sponsored by Sen. Michael Jungbauer (R-East Bethel), exempts a peaking plant in Elk River from property taxes. Rick Lancaster of Great River Energy said that the plants are not economical without a property tax exemption. The bill was laid on the table.

Non-profits may form limited liability corporations under H.F. 3500, sponsored by Sen. Linda Scheid (DFL-Brooklyn Park). An amendment approved by the committee clarifies that the tax status of

the non-profits is not affected. The bill was recommended to pass.

Sen. Gary Kubly (DFL-Granite Falls) sponsored two bills. S.F. 3160 allows counties to develop wind community based energy development projects (CBED), and sell the energy. Counties may also issue tax exempt bonds and levy for purchasing energy or ownership interests, under the bill. The proposal keeps potential profits in the state, said Peter McLaughlin, Hennepin County commissioner. An amendment was approved to remove the Metropolitan Council from the project. The bill as amended was recommended to pass.

Kubly's second bill, S.F. 2405, provides a partial income tax exemption for military pension and retirement payments up to \$15,000. The bill is particularly beneficial to personnel on lower pay grades and the medically retired, said Charlie Dempewolf Nicollet County Veterans Service Officer. These exemptions attract veterans to the state who retire from the



Senators Claire Robling (R-Jordan) and David Tomassoni (DFL-Chisholm) consult during a meeting of the Higher Education Budget and Policy Division, Tues., Apr. 8.

Photo by David J. Oakes

# Committee update

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military at about age 40, and are ready to rejoin the workforce, buy a house, and re-establish their families, said Roberta Wasierski, Renville County veterans service officer. The bill was laid on the table.

Sen. Julie Rosen (R-Fairmont) presented a bill establishing stricter guidelines for participation in the JOBZ program. Among many changes, the bill extends benefits for ten years from signing an agreement, requires a standard business subsidy agreement that must be approved by the Department of Employment and Economic Development (DEED) and requires consideration of the impact on local competitors, job creation and other available financial assistance. The bill also sets standards for eligibility and responses for businesses that are out of compliance. The bill was amended to remove an angel investment tax credit for the Strategic Entrepreneurial Economic Development program. Numerous testifiers said the JOBZ program was an important tool in attracting business projects around the state. John Yunker of the Legislative Auditor's Office said the bill addressed many of the issues raised by an audit, but did not establish a cap on the program or address the low investment by local governments. The committee laid the bill on the table.

Sen. Ellen Anderson (DFL-St. Paul) presented two related bills that she said would bring more green business to the state. S.F. 3741 creates a green business tax incentive program, administered by DEED. Anderson said the program was similar to JOBZ benefits. In order to qualify, businesses must increase use of biofuels and renewable energy, increase energy efficiency, reduce greenhouse gas emissions, and/or positively affect the quality of groundwater.

S.F. 3155 establishes a 10 percent corporate franchise tax research and development credit for environmental research expenses. Qualifying research would meet the same goals as the businesses targeted in S.F. 3741. The bills were laid on the table.

## Joint Bridge Collapse Investigative Committee

### Bridge investigation discussed

The Joint Bridge Collapse Investigative Committee, chaired by Rep. Bernard Lieder (DFL-Crookston) and Sen. Steve Murphy (DFL-Red Wing), met Wed., Apr.

9, to hear an update from the firm hired to conduct the investigation into the I-35W bridge collapse. Lieder said at the outset, "This is not an investigation into why the bridge collapsed, but what we can do to increase safety."

Representatives from the firm, Gray Plant Mooty, outlined the procedures they were following and the status of the investigation. Robert Stein, former dean of the University of Minnesota Law School and former executive director and COO of the American Bar Association, said the investigative team has received and reviewed 16,000 documents from the Dept. of Transportation (MnDOT), the legislative auditor and outside consultants. He said the team is expecting further documents from the department, including e-mails and memos. He said the documents are placed in a database for ease in retrieval and cross referencing. "Early in the investigation we established a tip-line in order to receive information," Stein said. He said the team has conducted 18 interviews with 12 more scheduled. In addition, the firm has interviewed 15 non-MnDOT individuals and has 15 more scheduled. The interviews, he said, were with former governors and commissioners who served during the life of the bridge.

Stein said the investigation seeks to identify the policies, practices, procedures and decision making processes in the department to reduce the possibility of another event. He said the investigation has been closely following the National Transportation Safety Board's investigation and the legislative auditor's work on the bridge collapse. He said the report will be an independent and in-depth analysis over the lifetime of the bridge. We hope to help you decide if there are other corrective actions you can take to increase the safety of Minnesota bridges, Stein said. "We are looking at whether there was responsible and appropriate follow up to outside recommendations and we are looking at how information flows through the department, particularly from outside consultants," he said.

Committee members asked a series of questions focusing on the tight timeline for the investigation. Members asked that the report include issues that were not investigated further because of time constraints. Murphy also requested that the team report on those policies and procedures that are done right.

## Information Services

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## MyBills system available

The MyBills personalized bill tracking system is now available. Users can add House and Senate bills to their lists by bill number, subject, or author, and view the legislative status of their bills, with items with significant current floor action highlighted. Users can modify their lists at any time. The MyBills system is available from the Legislative website at: <http://www.house.mn/leg/billsblog.asp>

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# Senate Briefly

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*Miziway DesJarlait, Red Lake, participates in traditional drumming in front of the Capitol, Mon., Apr. 14, as part of American Indian Future Leaders Day at the Capitol.*

*Photo by A.J. Olmscheid*



April 18, 2008

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# Senate Highlights

## Bill reconciliations begin

Conference committees and working groups took center stage this week as Legislators worked to iron out differences in House and Senate versions of a variety of bills. Much of the action involved reviewing side by side comparisons of the major components of the omnibus budget bill, H.F. 1812. The side by side comparisons of the bill's provisions may be found at: <https://www.revisor.leg.state.mn.us/bin/sbs.php>

## Swimming pool safety, presidential primary proposals okayed

Measures increasing swimming pool safety and creating a presidential primary system were among the bills approved by members of the Finance Committee, Fri., Apr. 18. The panel advanced the proposals to the full Senate.

S.F. 2833, sponsored by Sen. Geoff Michel (R-Edina), requires public pools to be equipped with anti-entrapment devices and to be inspected daily by their owners or operators. The bill is motivated by what happened to Abigail Taylor, a six-year-old who was severely injured by a wading pool drain and later died, Michel said. We know a lot more about pool safety than we did a year ago, before Abigail's incident, he said. Michel said the bill provides for phasing in the requirements so that wading pools used by very young children are addressed first. I wish we had the foresight to do this several years ago, said Committee Chair Richard Cohen (DFL-St. Paul).

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A fiscal note indicated an annual net cost of \$19,000. The bill increases the number of pools needing to be inspected, which increases costs at the department, said John Linc Stine, Dept. of Health. He said the bill partially offsets the costs through additional licensing revenue. Licensing fees for pools may be adjusted next year as part of a broader review of fees in the budgeting process, he said.

In addition to the anti-entrapment device and daily inspection requirements, the bill requires pools using suction drainage systems to have two drains operating in parallel. Sen. Ellen Anderson (DFL-St. Paul) said she was concerned about a provision delaying implementation of the parallel drainage requirement for publicly-owned pools. The provision was added to acknowledge that some communities do not have the funds available to install a second drain, at a cost of thousands of dollars, said Sen. Linda Berglin (DFL-Mpls.). If neither the state nor the local units of government that own the pools can afford to pay for the additional drain, then the pool should be closed, said Scott Taylor, Abigail's father. There is no excuse for cutting corners, he said. Anderson said she would support moving the bill forward as it was, but would work to find funds to assist local units of government. We may be able to find money in the parks budget, she said.

The bill establishing a presidential primary, S.F. 1527, was sponsored by Sen. Dan Larson (DFL-Bloomington). Larson said the bill was introduced last year in hopes of establishing a primary for the 2008 election. However, he said the bill takes effect in time for the 2012 election. Larson said this year's presidential race has generated unprecedented interest and having a presidential primary would increase participation in the election process. Under the bill, the primary is to be held on the same date as precinct caucuses. Larson said the measure also allows for the date to be held on the same day as a regional primary, should one be established.

Sen. Linda Berglin (DFL-Mpls.) said, "There are many who argue that the selection of candidates is not a core function of government, but rather one of political parties." Larson said that it is a political party process, but that having a primary allows the state to wield more influence in the selection of candidates.

The panel advanced several additional bills to the full Senate. S.F. 3096, spon-

sored by Sen. Scott Dibble (DFL-Mpls.), creates a program for state and local government energy conservation investments. Dibble said the measure was amended to include bills making technical changes in public housing energy provisions and a bill providing for a microenergy loan program. Sen. Julie Rosen (R-Fairmont) is the chief author of the latter bill.

S.F. 3058, carried by Sen. Ann Rest (DFL-New Hope), implements the urban partnership agreement grant the state won last year. The grant of \$133.3 million from the federal government must be used to reduce congestion in the Twin Cities, Rest said. She said the state is required to provide a local match of \$55.2 million. The funds will be used to reduce congestion on I-35W between downtown Minneapolis and the southern suburbs. Rest also sponsored a bill, S.F. 3192, providing a process in which adoptees, who were adopted prior to 1977, may have access to birth record information. Currently, for adoptions occurring before Aug. 1, 1977, adoptees do not have access to birth record information without the consent of the birth parent. In addition, current law specifies that for adoptions occurring after 1977, adoptees over the age of 19 have access to the information unless the birth parent has filed an affidavit specifying the information may not be disclosed. Rest said the bill eliminates the difference and provides that in all cases adoptees have access to birth record information, unless there is a nondisclosure affidavit on file.

S.F. 2651, carried by Sen. Tom Saxhaug (DFL-Grand Rapids), creates a forests for the future program, provides for expedited exchanges of public land and modifies the sustainable forest incentive program. Saxhaug said the bill addresses one of the biggest threats to Minnesota forests—that of fragmentation. Members adopted an amendment relating to the unallotment of funds in the forest management investment account. Saxhaug said the amendment helps stabilize the account.

S.F. 3189, carried by Sen. Ron Latz (DFL-St. Louis Park), imposes a \$30 reinstatement fee following revocation of a juvenile's license after a controlled substance offense.

## Surrogacy bill gains

A measure providing a framework for surrogacy arrangements was a central focus of the Wed., Apr. 16, Senate floor session.

The bill was granted preliminary passage on General Orders.

S.F. 2965, authored by Sen. Linda Higgins (DFL-Mpls.), amends the existing artificial insemination statute to include surrogacy arrangements. About 160,000 Minnesota couples are infertile, Higgins said, and cannot conceive without medical treatment. "Infertility does not discriminate," she said, but affects Minnesotans of all demographic categories. The bill does not create, legalize or authorize a medical process that is not already occurring, she said. Higgins noted that the Legislature enacted the artificial insemination statute in 1982 to address male infertility and establish parentage without complicated and expensive judicial proceedings. At the time, there was no available medical help for female infertility, she said. Now, female infertility can be medically addressed, but the law requires the biological parents to undergo a long, expensive series of court hearings to establish their parentage, Higgins said. The bill makes the state's laws governing third-party reproduction gender neutral, she said. Currently, the surrogacy process is totally unregulated, she said, but the bill offers protection to parties using surrogacy.

Some things are better off left unregulated, said Sen. Chris Gerlach (R-Apple Valley). He said the bill opens up a can of worms about many ethical issues. There are a lot of variables that go unaddressed in this bill, he said. Gerlach offered an amendment providing that a term in the surrogacy contract requiring the surrogate to terminate the pregnancy is void and unenforceable. The parents should not be able to force the surrogate mother to have an abortion if they are unsatisfied with the fetus for any reason, Gerlach said. Higgins said the amendment is unnecessary and redundant because a woman cannot be forced to have an abortion. The amendment was not adopted, 29-35.

This bill is silent on many issues and missing important provisions, said Sen. David Hann (R-Eden Prairie). The bill does not explicitly require that the parents be unable to conceive without medical help, it is not limited to married couples and it does not require the parents to submit to a background check, Hann said. Higgins noted that prospective parents who conceive naturally are not required to undergo a background check. Sometimes, bills just are not ready, said Sen. David Senjem (R-Rochester). There are many



*Former Senators and current District Judges David Knutson, left, and David Ten Eyck appear before the budget reconciliation conference committee, Tues., Apr. 15, to discuss their concerns with funding for Minnesota's court system.*

Photo by David J. Oakes

items in the bill that are fraught with uncertainties or troubling to members, he said. Minnesota is not quite ready for this proposal, Senjem said, even though the intentions of the bill's proponents are good. Sen. Ray Vandevier (R-Forest Lake) said the bill relates to contracts and should be heard and refined in the Commerce and Consumer Protection Committee. He moved to re-refer the bill to the committee; the motion failed, 23-42.

The bill was granted preliminary passage, 42-25.

Members granted preliminary passage to several additional bills on General Orders. S.F. 3001, authored by Sen. Charles Wiger (DFL-Maplewood), the omnibus education policy bill, was also approved. Wiger said much of the bill was suggested by the Dept. of Education and the remainder of the bill is comprised of bills authored by other members of the Senate. The measure designates ice hockey as the state sport, provides that physical education is a required standard, provides for the sharing of education data and provides for responsible family life and sexuality education programs.

The bill also requires comprehensive, scientifically based reading instruction to include and integrate instructional strategies for continuously assessing, evaluating

and communicating the student's reading progress and needs. In addition, the measure establishes a P-20 education partnership to create a seamless system of education that maximizes the achievements of all students, while promoting the efficient use of financial and human resources. A technology initiative is also included in the bill to identify for school districts the robust technology tools and systems that improve the educational achievement of all Minnesota students. Wiger offered an amendment requiring school attendance until the age of 18. Opponents said requiring students to stay in school when they did not want to was disruptive for other students. Proponents said increasing drop-out rates are harmful not only to the students, but to society at large. The amendment was adopted.

Hann offered an amendment deleting a provision prohibiting school districts from denying a student's participation in recess as a form of discipline. Hann said the provision hinders school boards from making decisions in their own districts. Sen. Ellen Anderson (DFL-St. Paul) argued against the amendment and said it is necessary for elementary school-age children to have an opportunity every day to be physically active. The amendment was adopted on a 45-18 roll call vote.

# Senate Highlights

Hann also offered an amendment providing that the requirement that the school districts must start the school year after Labor Day be set aside for the 2009-10 school year. Hann said in 2009, Labor Day falls on Sept. 7 and the amendment allows districts to have discretion in setting the school calendar. The amendment failed on a 31-35 roll call vote.

Sen. Dan Skogen (DFL-Hewitt) offered an amendment deleting provisions relating to sex education. Skogen said for many districts there is a cultural understanding between the parents and the district about a level of sex education that is acceptable to the parents. Sen. Sandra Pappas (DFL-St. Paul) said sex education is already required, but that comprehensive family life and sexuality education is not provided in all districts. Pappas said the measure allows for a lot of district control and allows parents to opt out. Sen. Michael Jungbauer (R-East Bethel) spoke in support of the amendment and said the language in the bill replaces existing law with a more controversial ideology. The amendment failed on a 28-37 roll call vote.

Sen. Kathy Saltzman (DFL-Woodbury) sponsored an amendment requiring preliminary data from the trends in international mathematics and science study be released to SciMathMN. The amendment was adopted. Sen. Claire Robling (R-Jordan) sponsored an amendment allowing integration revenue to be used in direct assistance to students after submitting a plan to close or narrow the achievement gap. Sen. LeRoy Stumpf (DFL-Plummer) said the amendment is a good first step. The amendment was adopted.

An amendment, sponsored by Sen. Yvonne Prettner Solon (DFL-Duluth), requiring schools to provide information about meningococcal meningitis and the human papillomavirus and the vaccines for the two diseases to parents, was also adopted. Sen. Gary Kubly (DFL-Granite Falls) authored an amendment exempting Lakeview School District from consequences of not making adequate yearly progress in statewide tests. Kubly explained that the district is the location for a school bus accident in which four students died and that many students are still having difficulties because of the crash. The amendment was adopted.

The measure was granted preliminary passage on a voice vote.

S.F. 2795, authored by Sen. Ron Latz (DFL-St. Louis Park), provides



**Lynn Rubenstein Nicholson, Minneapolis, explains to members of the press on Mon., Apr. 14 how the use of marijuana is the only remedy for the chronic pain she suffers as the result of a back injury. Marijuana Policy Project Director of State Campaigns Neal Levine, left, held the press conference to announce a new TV ad campaign featuring seriously ill patients speaking in support of legalizing the medical use of marijuana.**

Photo by A.J. Olmscheid

for a transfer on death deed. S.F. 3170, sponsored by Sen. Patricia Torres Ray (DFL-Mpls.), makes primarily technical changes in Minnesota family investment program work participation and child care assistance provisions. Sen. Betsy Wergin (DFL-Mpls.) moved to delete a portion of the bill requiring a child care provider to place an infant on the infant's back unless the provider has documentation from the infant's doctor directing an alternative sleeping position for the infant. Wergin said language is too intrusive on the part of government. Torres Ray countered that the standard is set in federal law and is meant to provide protection to child care providers. The amendment failed and the bill was approved. H.F. 2896, carried by Sen. Dan Larson (DFL-Bloomington), removes requirement that a city hold a referendum before building, equipping or maintaining a memorial for war veterans.

In other action, the Senate concurred in amendments made by the other body to six bills and repassed the measures. S.F. 1578, authored by Sen. Dan Sparks (DFL-Austin), permits consumers to pay fees related to freezing their credit records by non-credit card payment methods. Sparks

said the other body amended the bill to provide that consumers who request a freeze by mail may pay the associated fees by check, money order, or credit card, and consumers who request a freeze by telephone or other electronic media may pay by credit card. S.F. 1918, carried by Sen. Yvonne Prettner Solon (DFL-Duluth), creates an Ultra High-Speed Broadband Task Force. Prettner Solon said the other body made minimal and technical amendments.

S.F. 2667, sponsored by Sen. Linda Berglin (DFL-Mpls.), extends the moratorium on construction of radiation therapy facilities. As the bill was originally passed by the Senate, the moratorium was made permanent. Berglin said the other body amended the bill so that the moratorium will expire in 2011. She said the expiration date was suggested by the governor. S.F. 2765, carried by Sparks, prohibits health care providers from making direct contact with anyone injured in an auto accident for the purpose of influencing the injured person to receive treatment. Sparks said the other body made minor changes to allow first responders to continue their normal activities.

S.F. 2915, authored by Sen. Mee Moua (DFL-St. Paul), modifies civil and criminal penalties for predatory lending. As the bill left the Senate, the cap on punitive damages was raised to \$25,000 for everyone except local units of government. Moua said the other body believed it was important to have a uniform cap, regardless of the defending party, and so applied the higher \$25,000 cap to local units of government as well. Sen. Rick Olseen (DFL-Harris) sponsored S.F. 3082, which related to impounded vehicles, vehicle forfeitures, and vehicle branding. Olseen said the other body reduced the bill to only addressing the branding a vehicle as totaled when it is more than six years old.

Senators also granted final passage to two bills on the Calendar. S.F. 3698, authored by Sen. John Doll (DFL-Burnsville), allows utilities to make conservation improvement expenditures for solar energy projects. H.F. 3500, sponsored by Sen. Linda Scheid (DFL-Brooklyn Park), makes technical amendments to the Business Corporations Act, the Limited Liability Company Act, and the Uniform Limited Partnership Act of 2001. The measure also authorizes the formation of nonprofit limited liability companies.

# Floor update

**Monday, April 14**

## **Good faith bill passed**

The Senate held a floor session, Mon., Apr. 14, to pass an insurance standard of conduct conference committee report, S.F. 2822. In other business, three bills were passed on general orders, and nine bills received final passage. Two conference committees were appointed.

A motion to accept changes made by the other body and to place S.F. 2402 on re-passage as amended was approved. The bill, sponsored by Sen. Ann Rest (DL- New Hope), modifies the Board of Accountancy and was passed 61-0.

The body then suspended the rules in order to replace the health care reform proposal, HF 3391, with the Senate language, S.F. 3099, sponsored by Sen. Linda Berglin (DFL- Mpls.). The bill was given final passage, 40-22.

Two bills on General Orders were recommended to pass.

S.F. 3698, sponsored by Sen. John Doll (DFL-Burnsville), allows solar energy projects to qualify for conservation improvement programs. The body approved an amendment to allow for more flexibility.

H.F. 3500, sponsored by Sen. Linda Scheid (DFL-Brooklyn Park), allows non-profits to become limited liability entities. The bill also makes technical changes to the Business Corporations Act.

The body then adopted the conference committee report on S.F. 2822, the "good faith" insurance bill, sponsored by Sen. Tarryl Clark (DFL-St. Cloud). The report, which clarifies language and modifies caps, is a solid compromise, said Clark. Final passage was granted 47-15.

Senators granted final passage to nine other bills.

H.F. 3477, sponsored by Sen. John Marty (DFL-Roseville) modifies manufactured home lending practices and default regulation procedures. The bill passed 61-1.

S.F. 3069, sponsored by Sen. Geoff Michel (R-Edina), allows issuance of U.S. Women's Open license plates. The bill passed 59-1.

S.F. 2988, related to transporting students, licensure and inspections passed 61-0. The bill is sponsored by Sen. Rick Olseen (DFL-Harris).

S.F. 3331, sponsored by Sen. Scott Dibble (DFL-Mpls.), authorizes the Minneapolis Park and Recreation Board to

retain proceeds from the condemnation of park lands necessary for the reconstruction and expansion of I-35W. The bill passed, 52-10.

S.F. 2967, sponsored by Sen. Linda Higgins (DFL-Mpls.), authorizes Minneapolis to adopt standards for dedication of land to the public and to require a dedication fee on new commercial and industrial property. The bill was passed 51-11.

S.F. 2204, sponsored by Sen. Linda Scheid (DFL-Brooklyn Park), authorizes multiple sets of physically handicapped plates for qualifying individuals. The bill was passed, 63-0.

H.F. 3357, modifying provisions for municipal boundary adjustments, passed 63-0. The bill is sponsored by Sen. Rick Olseen (DFL-Harris).

S.F. 3441, limiting testimony of domestic abuse advocates without consent of victims, passed 62-0. The bill is sponsored by Sen. Mee Moua (DFL-St. Paul).

S.F. 3780 allows optometrists to dispense certain legend drugs. The bill, sponsored by Sen. Tony Lourey (DFL-Herrick), was passed 63-0.

Lourey, Olseen, and Sen. Betsy Wergin (R-Princeton) were appointed to the conference committee for H.F. 3662, requiring a public hearing before appointments to a county board.

Rest, Higgins and Sen. Chris Gerlach (R-Apple Valley) were appointed to

the conference committee for H.F. 3516, modifying foreclosure data practices.

**Thursday, April 17**

## **Agriculture policy bill approved**

Senators approved the higher education policy bill, the agriculture and veterans policy bill and a ban on certain products containing a fire retardant chemical during floor session, Thurs., Apr. 17. A series of additional bills on General Orders were also recommended to pass.

The body first heard messages from the other body, and passed two bills after adopting House language.

Sen. Mee Moua (DFL-St. Paul) made a motion to concur to changes by the other body to S.F. 2642. The bill modifies data practices for the Safe at Home program. Changes to the senate language clarify access to information for law enforcement, and establish reporting requirements. The bill was passed 59-0.

S.F. 3263, sponsored by Sen. Yvonne Prettner Solon (DFL-Duluth) allows for medical records to be stored by electronic image. The other body added additional language allowing a firefighter' remains to be carried to a cemetery by fire truck, a privilege inadvertently deleted last year. The bill was passed 58-2.

On the Senate Consent Calendar, a miscellaneous education policy bill, S.F. 3001, was passed 47-17.



*Senators Chris Gerlach (R-Apple Valley) and Ann Rest (DFL-New Hope) look over the fine points of a bill during the Senate's Mon., Apr. 14, floor session.*

Photo by David J. Oakes

# Floor update

The body recommended to pass S.F. 651, sponsored by Sen. Sandra Pappas (DFL-St. Paul). S.F. 651 bans the sale of exterior casings of TVs, computers and computer monitors; furniture upholstery and indoor textiles; and mattresses and mattress pads containing decabromodiphenyl ether by 2012. Infants have high intake of the chemical, which is a widespread pollutant shown to cause developmental defects in lab animals, said Pappas.

Senators adopted an amendment offered by Sen. David Tomassoni (DFL-Chisholm) that requires the Minnesota Pollution Control Agency, Department of Health, Department of Commerce, and state fire officials to ensure safe and economically equivalent alternatives are available before the ban goes into effect.

Sen. Jim Vickerman (DFL-Tracy) explained the omnibus agriculture and veterans policy bill, S.F. 3683. The agriculture provisions include language to increase the minimum amount of biodiesel in diesel fuels, establish a livestock investment grant program, contain bovine tuberculosis (TB) and license animal chiropractors.

The veterans article includes language to create a Veterans Health Care Advisory Council, authorize placement of a plaque honoring Minnesota veterans in the court of honor on the Capitol grounds, and authorize issuance of special veteran motorcycle plates.

Sen. Ann Rest (DFL-New Hope) offered the language of S.F. 2500 as an amendment. The language, which has passed independently in the Senate, authorizes a new track in Columbus Township to enter into an agreement with a Canterbury Park affiliated horsepersons' organization to share purse set-aside and breeders fund revenues and to simulcast all breeds of horses that are simulcast at Canterbury. The amendment was adopted.

The body accepted an amendment by Sen. Steve Dille (R-Dassel) requiring consulting with the state Board of Veterinary Medicine in preparing proposed rules on animal chiropractic care. The language is an agreement between chiropractors and veterinary professional associations, said Dille.

An amendment by Sen. Rod Skoe (DFL-Clearbrook) amends bovine TB containment measures included in the bill to include goats, and requires a whole-herd TB test on each herd of cattle, bison, goats, or farmed cervidae within the designated zones.

The bill, as amended, was recommended to pass on a voice vote.

Four other bills were recommended to pass on General Orders.

S.F. 2904, sponsored by Rest, establishes a framework for swifter emergency response in the case of a natural disaster that has been declared a federal emergency.

S.F. 3300, sponsored by Tomassoni, establishes a University of Minnesota worker's lung health study. The bill addresses 58 reported deaths due to mesothelioma in former mine workers, explained Tomassoni. The study will cost \$4.9 million, in addition to a \$250,000 contribution by the Iron Range Resources and Rehabilitation Board.

Tomassoni offered an amendment that draws the funds from the workers compensation assigned risk fund rather than the workers compensation special fund. The governor said drawing from the special fund may increase premiums, said Tomassoni.

Sen. Julie Rosen (R-Fairmont) said we should inspect existing information before spending new money, and focus new spending on helping victims left behind. Rosen said there is already plenty of information about the disease and prevention.

S.F. 2942, sponsored by Pappas, is the omnibus higher education policy bill, which had already been debated on the floor. The body adopted an amendment by Sen. Ann Lynch (DFL-Rochester) establishing criteria for oral health practitioners to practice if they serve low-income, uninsured, and underserved patients or in a dental health professional shortage area. Lynch said the language is an agreement between stakeholders.

## Bill record broken

S.F. 3836 shattered the record for bills introduced in a modern Senate with a two-year Legislative Session. According to records compiled by Third Assistant Secretary of the Senate Mike Linn, the previous record for bills introduced in a two-year session was 3,835, set in 2000. That year was also the longest Regular Session on record; it adjourned on the 118th Legislative Day. This year, S.F. 3836 was introduced, Wed., Apr. 16, the 103rd Legislative Day. The bill, authored by Sen. Tom Saxhaug (DFL-Grand Rapids), creates an outdoor heritage fund to receive a portion of the new sales tax revenue to be dedicated to natural and cultural resources under a proposed constitutional amendment. The bill provides for a committee of Legislators and citizens to recommend appropriations from the fund for projects relating to habitat, forest defragmentation, and conservation partners.

As of Fri., Apr. 18, 3,842 bills have been introduced. With 31 calendar days until the constitutional deadline for adjournment, May 19, and 16 Legislative Days remaining for use, the record could climb higher. However, because the deadlines for committee action on bills have passed, it is generally considered highly

unlikely most of the recently introduced legislation will be acted on this year.

Another bill introduction record, however, still stands. The record for introductions in the first year of a two-year session was set in 1973, the first year of biennial sessions. There were 2,528 bills introduced in 1973; the Senate approached the record in 2001, with 2,407 bills, and in 2007, with 2,363 bills.

**Bills Introduced in a Biennial Session**

Year	Bills	Legislative Days
1974	3,585	116
1976	2,594	107
1978	2,410	99
1980	2,439	98
1982	2,237	91
1984	2,222	84
1986	2,322	91
1988	2,584	93
1990	2,642	96
1992	2,803	100
1994	2,934	106
1996	2,892	113
1998	3,425	109
2000	3,835	118
2002	3,482	116
2004	3,073	110
2006	3,822	112
2008 (to date)	3,842	104

Source: Office of the Secretary of the Senate

# Committee update

## Environment and Natural Resources

### Low-carbon hearing held

Members of the Environment and Natural Resources Committee and the Environment, Energy and Natural Resources Budget Division held a joint meeting with five panels from the other body, Tues., Apr. 15. The two Senate panels—chaired by Sen. Satveer Chaudhary (DFL-Fridley) and Sen. Ellen Anderson (DFL-St. Paul), respectively—and the other panels gathered for an informational hearing on a low-carbon fuel standard.

## Environment, Energy and Natural Resources Budget Division

### Policy bill advances

The Environment, Energy and Natural Resources Budget Division, chaired

by Sen. Ellen Anderson (DFL-St. Paul), continued hearing testimony and reviewing amendments on the environment policy omnibus bill, Tues., Apr. 15. The bill, sponsored by Sen. Satveer Chaudhary (DFL-Fridley), was amended, approved, and re-referred to the Committee on Finance.

The following amendments were adopted.

The committee began with discussion on an amendment addressing ballast water and invasive species. Sen. Ann Rest (DFL-New Hope) said the MPCA is neutral on the provision and there was no fiscal impact.

Chaudhary offered an amendment to a construction debris proposal. Gypsum is required to be mixed with dirt at a 1:1 ratio by the amendment. The language creates “peace in the valley,” said Chaudhary.

The committee then took up an amendment offered by Sen. Mary Olson (DFL-Bemidji) to stock up to 25 mil-

lion walleye fry in Leech Lake in 2009 and 2010. The initiative is funded by a \$35,000 appropriation from the game and fish fund. Olson said Leech Lake’s damaged walleye population is affecting businesses, and the biology behind the decline is in dispute. Commissioner Mark Holsten said the DNR needs to not stock the lake for a year to assess where the walleye population stands, and if the additional fry are not available, the bill would take fry from other lakes scheduled to be stocked.

Sen. Thomas Bakk (DFL-Cook) offered an amendment that removed “Leech Lake” from the amendment, directing the DNR to stock an additional 25 million fry without identifying a specific lake. Bakk said his amendment avoids establishing precedent for the Legislature to direct specific stocking efforts of the agency. Bakk’s language was adopted.

Chaudhary moved to remove language banning the use of lead shot in public upland game hunting lands and to direct the DNR to study the issue. Chaud-



Senators Steve Dille (R-Dassel) and Sharon Erickson Ropes (DFL-Winona) converse in the Senate Chamber during the Senate’s Wed., Apr. 16, floor session.

Photo by David J. Oakes

# Committee update



Sen. Kathy Saltzman (DFL-Woodbury) reads “Tacky the Penguin” to East St. Paul’s New Horizon Academy pre-schoolers in the Capitol Rotunda as part of the annual Early Childhood Read-a-thon, Wed., Apr. 16. Photo by A.J. Olmscheid



Sen. Warren Limmer (R-Maple Grove) greets students from St. John’s Lutheran School, Corcoran, following their tour of the Capitol, Tues., Apr. 15. Photo by David J. Oakes

hary said there isn’t enough information or time. Anderson said she was disappointed by the amendment, which passed, and moved to include the effects on environmental and human health in the study. Anderson’s amendment was adopted.

Anderson offered an amendment to allow for recycling of organic waste. Susan Hubbard of Eureka Recycling said many cities are venturing into pilot projects to compost this waste, but the technical definition of these products requires variances to be granted on an individual basis.

Sen. Tom Saxhaug (DFL-Grand Rapids) offered language that excludes political subdivisions from notification procedures related to leaking oil or gas containers. States already have notification procedures in place, explained Anderson.

Saxhaug also offered an amendment to remove a provision reducing walleye limits from six to four. Saxhaug said that the DNR has not established a good biological reason to reduce the limit, and it should be up to their rulemaking process. Chaudhary said that the language only

gives the DNR the authority to change their rules to four, and the DNR supports the limit, as do anglers across the state. It’s a mistake to exempt the DNR from following their rulemaking procedures, said Bakk.

Sen. Pat Pariseau (R-Farmington) offered to remove a non-resident license provision for dark house spearing from the bill. Chaudhary said the associations want to study reciprocity issues.

Sen. Patricia Torres Ray (DFL-Mpls.) offered an amendment to change language regarding a biofuel burner in Minneapolis to ensure it is the only project affected by permit limitations.

Bakk offered amendments refining a definition related to leaking underground gasoline tanks, modifying a dock access variance, exempting temporary ice shelters from proposed licensing requirements, and requiring the DNR to provide identification numbers along with licensing stickers for snowmobile registration.

Bakk also offered language to establish a conservation fishing license in Minnesota. The proposal would offer

a less expensive license with a reduced limit. The committee considered the potential reduced revenue for the game and fish fund, but adopted the amendment with the intention to further refine the language.

Chaudhary offered clarifying language for a section related to design guidance. The amendment limits those licensed by the MPCA to designs approved by the MPCA.

## Disposal remediation costs heard

Members of the Environment, Energy and Natural Resources Budget Division met Thurs., Apr. 17, for an informational hearing on the potential remediation costs of proposed waste disposal sites. The panel, chaired by Sen. Ellen Anderson (DFL-St. Paul), also heard an update from the MPCA and others on remediation activities related to groundwater contamination in the eastern Metro Area. Members were gathering background information to assist in negotiations with the other body, which included a provision on siting landfills in its omnibus budget reconciliation measure.

## Finance

### Four bills gain

Members of the Finance Committee met Mon., Apr. 14, to consider four bills on a range of topics. The panel, led by Sen. Sandra Pappas (DFL-St. Paul) in the absence of Chair Richard Cohen (DFL-St. Paul), advanced the bills to the full Senate.

H.F. 3420, carried by Sen. Mee Moua (DFL-St. Paul), clarifies the way common interest community documents related to Torrens real estate are treated when they are filed with the county registrar of titles. S.F. 3001, sponsored by Sen. Charles Wiger (DFL-Maplewood), is the omnibus education policy bill. The bill was stripped of all provisions with any fiscal impact in the committee's budget divisions, Wiger said. What remains of the bill is about 50 purely policy provisions, he said. About half the provisions are department initiatives, many of which are noncontroversial and technical in nature, he said. Wiger said the remaining provisions are proposals from various Senators on a wide range of education topics.

Sen. Patricia Torres Ray (DFL-Mpls.) authored a bill, S.F. 3170, modifying the MFIP work participation program, changing MFIP child care assistance provisions and making technical changes. S.F. 3366, carried by Sen. Linda Berglin (DFL-Mpls.), modifies the phase-in of rebased nursing facility operating cost payment rates. Berglin said the proposal is budget-neutral.

### Budget reform bills heard

The Finance Committee met Tues., Apr. 15, to consider several bills making changes in the way the state budget is developed and presented to the Legislature. The measures also include modifications in the development of fiscal policy.

Committee Chair Richard Cohen (DFL-St. Paul) briefly explained three measures. S.F. 3128 requires the inclusion of inflation in the state budget revenue forecast. S.F. 3363 authorizes the Legislative Commission on Planning and Fiscal Policy or appropriate committees of the House of Representatives or Senate, to develop budget recommendations and

requires state agencies to provide information as requested by the commission. S.F. 3307 requires the governor's budget to include expenditure and revenue history for the three most recent fiscal years, requires state agency budget requests be included in the detailed budget estimates submitted as part of the governor's budget recommendation, and requires that, whenever a forecast shows a surplus, the surplus be transferred to the budget reserve.

Sen. Ann Rest (DFL-New Hope) presented several other bills dealing with fiscal policy. S.F. 3398 requires state agencies with information or telecommunication technology projects costing more than \$1 million to register the project with the Office of Enterprise Technology. Under the bill, a project costing more than \$5 million must be monitored by the chief information officer and projects costing more than \$10 million must have an annual independent audit. The measure also requires a report to the Legislature on the assistance provided to state agencies in planning and managing information systems. Rest said the bill is aimed at providing a clearer picture of the technology systems in the state.

Rest also explained language from S.F. 3494 that is to be included in the overall budget reform package. The measure, originally sponsored by Sen. John Doll (DFL-Burnsville), provides additional whistle blower protections. The panel also considered language from a bill, S.F. 2767, authored by Sen. Kathy Sheran (DFL-Mankato), expanding the list of those authorized to request a local fiscal impact note. Under the proposal, in addition to the chairs of the legislative tax committees, the chairs of legislative committees with jurisdiction over the proposed legislation may request the fiscal impact note. Sheran said that the proposal allows Legislators a more complete picture of the impact of budget decisions.

All of the measures were combined into one amendment to S.F. 3363. Members also adopted an amendment clarifying data practices provisions in the bill. The bill was then advanced to the full Senate.

## Rules and Administration

### Redistricting bill advanced

The Rules and Administration Committee, chaired by Sen. Lawrence Pogemiller (DFL-Mpls.), met Tues., Apr.



Senators Steve Murphy (DFL-Red Wing), left, and Rod Skoe (DFL-Clearbrook) consult during the Senate floor session, Mon., Apr. 14.

Photo by David J. Oakes

# Committee update

15, to consider several measures adding Legislators to commissions or task forces and a bill establishing a commission to undertake legislative and congressional redistricting after the next census.

Pogemiller, chief author of S.F. 2211, said the bill is the product of work done by a distinguished panel including former Vice President Walter Mondale, former governors Al Quie and Arne Carlson, and former Majority Leader Roger Moe. The bill establishes districting principles for legislative and congressional plans and provides for the appointment of a commission, composed of retired judges, to recommend boundaries of legislative and congressional districts.

Pogemiller said the principles for the plans have been established over time, through both legislative and judicial

actions. He said an emerging principle, political competitiveness, is also included in the bill. Several members expressed concerns about having a judicial commission, rather than the Legislature, develop new legislative and congressional district plans. Pogemiller said the bill will serve as a touchstone for further discussions on the matter.

Members advanced the measure to the full Senate. Several additional bills were also sent to the Senate floor.

S.F. 3488, carried by Sen. Satveer Chaudhary (DFL-Fridley), creates the outdoor heritage fund, if a constitutional amendment passes dedicating sales tax revenue, and establishes the Lessard Heritage Enhancement Council. Chaudhary said the language in the bill has already been passed by the Senate in the

omnibus budget bill, but that the measure may serve as the vehicle for several policy measures.

S.F. 3683, carried by Sen. Jim Vickerman (DFL-Tracy), is the omnibus agriculture and veterans policy bill. S.F. 2818, sponsored by Sen. Ellen Anderson (DFL-St. Paul), requires reports on and legislative input in developing principles for a cap and trade program for greenhouse gas emissions. Both measures were amended to provide that the Rules and Administration Subcommittee on Committees, rather than the majority leader, make the appointments required in the bills.

One bill captured by Joint Rule 2.03, relating to late bills, was advanced to the Finance Committee. S.F. 3193, carried by Sen. Ann Rest (DFL-New Hope), modifies access to adoption records and original birth certificate access provisions.

## Taxes

### Transportation policy bill okayed

Members of the Taxes Committee met Tues., Apr. 15, to consider the omnibus transportation policy bill, S.F. 3223. The panel approved the bill and advanced it to the full Senate.

Chief Author Steve Murphy (DFL-Red Wing) reviewed the tax-related provisions of the bill. Most of the provisions have little or no impact on the state budget, he said. Murphy said a provision with a hypothetical cost should be considered as having no cost. The provision brings the debt service surcharge on motor vehicle fuel into conformity with pre-existing gas tax provisions regarding border communities. Under current law, service stations within 7.5 road miles of a service station in a contiguous state do not charge an effective gas tax rate more than three cents above the contiguous state's gas tax rate. This is not a change in law, Murphy said, but is simply a conformity matter that was overlooked when we raised more money for transportation earlier this year.

Committee members devoted most of their consideration of the bill to proposed amendments. Sen. Julianne Ortman (R-Chanhassen) offered, for discussion, an amendment requiring Dakota County to reimburse the state for costs incurred in complying with a section in the bill relating to the Lafayette Bridge in St. Paul. The bill requires the commissioner of transportation to ensure that design, construction and environmental docu-



Following a "lie-in" on the Capitol steps, Wed., Apr. 16, commemorating the 32 victims who died at Virginia Tech a year ago, Sen. Yvonne Prettner Solon (DFL-Duluth) speaks in favor of a bill she has authored requiring more stringent background checks for obtaining a firearm.

Photo by A.J. Olmscheid



Maple Grove Senior High students and members of Straights and Gays for Equality participate in OutFront Minnesota's Lobby Day in front of the Capitol, Thurs., Apr. 17.

Photo by David J. Oakes

mentation of the bridge's reconstruction or improvement include bridge piers and footings that accommodate future transit. The trunk highway fund should not have to pay for future transit projects, she said. Sen. Scott Dibble (DFL-Mpls.) noted that trunk highway dollars have been used in the past for improving highway infrastructure that supports transit. Enhanced shoulders and park-and-ride lots are highway purposes that assist in having transit as a transportation option, he said. Dakota County should not be singled out, said Sen. James Metzen (DFL-South St. Paul). The corridor affected has statewide significance and connects over a dozen counties in southeastern Minnesota to the metropolitan core, he said. At Murphy's urging, members adopted only a portion of the amendment limiting the commissioner's activity to the bridge footings. The piers can wait, but proper footings are essential for future transit, Murphy said. The remainder of the amendment was not offered for a vote.

Dibble offered an amendment expanding the transit taxing district to

include the entire Metro Area. Under the bill, the taxing district is only expanded to include two additional communities. The omnibus tax bill took the position that the entire seven-county area should be part of the transit taxing district, Dibble said, and the transportation bill should be consistent. The amendment was adopted.

Chair Thomas Bakk (DFL-Cook) offered an amendment requiring MnDOT to award a contract for a TH-53 project to the lowest bidder using bids opened in January. Under the amendment, the winning bidder must waive any claims relating to delays in accepting its bid. If the bidder does not waive its claims, under the amendment, the commissioner is permitted to rebid the project. Bakk said the department overlooked a city ordinance in Duluth when it issued its request for bids. The situation has been resolved and the project can proceed, but both parties need to be sure the delay will not increase the cost of the project or cause rebidding, which would be unfair. The amendment was adopted.

On Murphy's behalf, Sen. Keith Langseth (DFL-Glyndon) offered an amendment making a number of changes to the design-build law. Among the provisions of the amendment is a cap on the price the department may accept for a design-build project with a value over \$10 million. Under the amendment, no bid with a price more than 120 percent of the lowest bid may be accepted. This is a policy matter outside the normal scope of the Taxes Committee, said Sen. Mee Moua (DFL-St. Paul). She noted that the Transportation Budget and Policy Division had heard a similar proposal and tabled it. Betsy Parker, MnDOT, said the department is continuing to work with the proponents of the amendment. Design-build contracts are often awarded using best value, which emphasizes factors as being more important than price, Parker said. In a best value setting, what should matter in the price consideration is how much money the department set aside or planned on, not what the absolute lowest bidder thought was an appropriate price. Murphy said he would continue to work with others on the proposal, but that it was important for the Senate to have a position going into conference committee. The amendment was adopted.

## Transportation Budget and Policy Division

### MnDOT update heard

Members of the Transportation Budget and Policy Division, chaired by Sen. Steve Murphy (DFL-Red Wing), joined their counterparts from the other body's Transportation Finance Division, chaired by Rep. Bernard Lieder (DFL-Crookston), Tues., Apr. 15, to discuss the Department of Transportation's activities. The panels heard from agency staff on the department's construction plans and its bridges, roads and transit program.

### Schedule available online

Next week's schedule is available online at: <http://www.senate.mn/schedule/schedule.php?ls=85&date=04/21/2008&type=weekly>

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# Senate Briefly

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*Reflections in the front grill of a vintage Ford station wagon create abstract patterns during the Minnesota Street Rod Association's display of collector vehicles in front of the Capitol, Tues., Apr. 22.*

*Photo by A.J. Olmscheid*



April 25, 2008

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# Senate Highlights

## Budgeting, election reforms OK'd

The Senate, during a floor session, Mon., Apr. 21, recommended for passage four bills related to elections and budgeting.

H.F. 3172, sponsored by Sen. Ann Rest (DFL-New Hope), carries numerous provisions modifying campaign and election procedures. The bill includes an exemption from campaign finance reporting requirements for lobbying activities related to a ballot question, requires a report of certain last minute contributions within 24 hours, and allows delivery of absentee ballots to voters that are disabled or those in assisted living. Rest said many of the provisions passed the Senate last year. An amendment was approved to designate the costs associated with attending a party convention as a non-campaign disbursement. The amendment also included language requiring captioning of campaign advertisements. Senator Chris Gerlach (R-Apple Valley) said that all the provisions of the bill had been thoroughly vetted.

S.F. 3370, sponsored by Sen. Rick Olseen (DFL-Harris), bills the cost of contested local election complaints back to the jurisdiction of origin, such as the state, county or school board.

S.F. 3363, sponsored by Sen. Richard Cohen (DFL-St. Paul), is a budget reform package. Highlighted provisions require more budgeting information to be provided by agencies, require more information

on the executive branch's early budget process to be provided to the Legislature, establish a process for challenging a fiscal note, and include Minnesota Milestones into the budgeting process. An amendment was passed to remove obsolete language. Sen. Don Betzold (DFL-Fridley) offered an amendment changing a date for submitting budget information to Legislators. Betzold said the change better accommodates the election cycle. The amendment was adopted.

Sen. Dennis Frederickson (R-New Ulm) offered an amendment deleting portions of the bill expanding the amount of information provided to the Legislature. Frederickson said another portion of the amendment deletes a provision making almost all the material the governor uses to formulate a budget nonpublic data. He said the language in the bill limits the communication between interested parties developing budget proposals. Governors should have the flexibility to develop budgets, Frederickson said. Cohen said the amendment attempts to cut the information provided to the Legislature. Betzold moved to have the amendment divided. Members first voted on the portion of the amendment deleting the language requiring the data to be nonpublic. The first portion of the amendment failed. The second portion of the amendment, deleting the additional information to be provided to the Legislature, also failed to be adopted.

Sen. David Hann (R-Eden Prairie) sponsored an amendment deleting the provisions requiring inflation be figured into the budget forecast. Hann said building an inflationary factor into a budget is a bad financial practice. Cohen said there has been a lot of debate about the issue, but it should be included in a budget reform bill. Cohen said using inflation gives a more accurate picture of the budget forecast. The amendment failed on a 22-40 roll call vote. The bill gained preliminary approval on a 42-21 roll call vote.

Members also adopted conference committee reports and repassed several measures. S.F. 1298, authored by Sen. Linda Higgins (DFL-Mpls.), makes numerous housekeeping changes in laws relating to elections. H.F. 3220, carried by Sen. Jim Vickerman (DFL-Tracy), authorizes political subdivisions to make grants to non-profit organizations. H.F. 3516, carried by Rest, provides for specification of information about premises subject to foreclosure

and provides for electronic recording of information.

H.F. 1351, sponsored by Sen. Steve Murphy (DFL-Red Wing), is an omnibus transportation policy bill. The measure makes numerous transportation policy changes, increases fees, specifies that seatbelt violations are primary offenses, sets statewide transportation goals and plans, modifies drivers' license and identification card provisions, provides for light rail planning, provides for bridge inspections and authorizes names for highways and trails. Murphy said the bill requires that before information for Real ID is entered into a database, the federal government must fund 95 percent of the program and provide assurances the information is safe and secure.

Sen. David Senjem (R-Rochester) moved to reject the conference committee report because of language in the bill relating to the federal government's Real ID requirements. Senjem said the bill is in danger of being vetoed because of the language. Murphy argued against the motion and said the conferees had tried to accommodate the governor's requests on the issue, but the language relating to safeguards kept changing. Sen. Mee Moua (DFL-St. Paul) said she authored language that was much stronger in rejecting Real ID than that in the bill because it is such a large unfunded federal mandate. The motion to send the measure back to conference failed.

The conference committee report was adopted and the bill repassed on a 51-11 roll call vote.

In addition, the Senate passed ten bills on the Calendar and repassed three bills amended by the other body after concurring in the amendments.

Sen. Linda Berglin (DFL-Mpls.) moved that the body concur with House changes to S.F. 2564, a bill allowing TANF program back-claims. The change puts an effective date into the language.

Berglin, also the author of S.F. 3049, a children's mental health bill, said the other body added clarifying language, and requires some data collection that will incur no additional expense.

Sen. Leo Foley (DFL-Coon Rapids) moved that the body concur to changes by the other body to S.F. 3336, restricting window glazing on vehicles. The changes made allow sale of vehicles not meeting the restrictions to be sold to out-of-state residents.

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*Sen. Steve Murphy (DFL-Red Wing) reacts as Sen. Michelle Fischbach (R-Paynesville) holds up a copy of his high school senior photo, which was being distributed in the Senate Chamber during the Mon., Apr. 21, floor session.* Photos by A.J. Olmscheid

S.F. 2965, sponsored by Sen. Linda Higgins (DFL-Mpls.), passed on the Calendar. The bill, establishing regulations on gestational carriers, passed 41-22.

Restrictions of decabromodiphenyl ether in certain household products passed 47-16. The bill, S.F. 651, is sponsored by Sen. Sandra Pappas (DFL-St. Paul).

S.F. 2795, sponsored by Sen. Ron Latz (DFL-St. Louis Park), allows for transfer of real property on death deeds.

H.F. 2896, sponsored by Sen. Dan Larson (DFL-Bloomington), removes a referendum requirement before building, equipping or maintaining a memorial for war veterans.

S.F. 3683, the omnibus agriculture and veterans policy bill, is sponsored by Sen. Jim Vickerman (DFL-Tracy).

H.F. 2904 establishes procedures to help state agencies assist in community recovery efforts after a natural disaster. The bill is sponsored by Rest.

H.F. 3569, sponsored by Sen. David Tomassoni (DFL-Chisholm), establishes a workers lung health study.

The higher education omnibus policy bill, S.F. 2942, is sponsored by Pappas.

### **Bovine TB bill gains**

A bill to control bovine tuberculosis was one of the highlights of the Wed., Apr. 23, floor session. Members devoted most of the floor session to debating bills on General Orders.

H.F. 4075, sponsored by Sen. Rod Skoe (DFL-Clearbrook), provides for testing and herd buyouts to control bovine tuberculosis. Skoe said portions of the bill have already been passed in the Senate. The bill provides for bovine tuberculosis management zones, provides for cattle herd buyouts, provides cost-share assistance for fencing, requires the Board of Animal Health to conduct a risk assess-

ment for cattle continuing to be located within a management zone, modifies restrictions and penalties for wildlife feeding within a specified area of an infected cattle herd and requires an assessment on cattle.

Skoe said the bill takes a proactive approach to controlling the disease. Members adopted an amendment providing that calves may be moved out of a herd if the whole herd has been tested, the calves are spayed or neutered and the calves have been tested within 60 days of being moved. Sen. Steve Dille (R-Dassel) said the bill is a very good, aggressive first step to deal with the problem of bovine tuberculosis. Sen. LeRoy Stumpf (DFL-Plummer) said the bill will provide an example for other states.

Sen. Ellen Anderson (DFL-St. Paul) sponsored a bill, S.F. 2818, requiring legislative input into a Midwest cap and trade greenhouse gas emissions agreement. An-

# Senate Highlights



From left, Senators Tarryl Clark (DFL-St. Cloud), Dan Skogen (DFL-Hewitt) and Tom Saxhaug (DFL-Grand Rapids) admire the ample mutton chops depicted on a bust of William D. Washburn in the rear of the Senate Chamber. Washburn represented Minnesota in the U.S. Senate from 1889 to 1895.

Photo by David J. Oakes

derson said the governor, along with five other governors, has signed an agreement to develop a model rule establishing a regional cap and trade green house gas emissions program. Anderson said the measure also requires studies on the economic, environmental and public health impacts of a cap and trade program. Anderson said the bill shows the state's commitment to reaching the goals already in law.

Sen. Michael Jungbauer (R-East Bethel) spoke in opposition to the bill. He said there is ample evidence that cap and trade programs have not worked in Europe and that no further studies are needed. Sen. Ray Vandevier (R-Forest Lake) moved to delete a portion of the bill requiring a study and legislative approval of any cap and trade program. Anderson said as an equal branch of government, it is important for the Legislature to debate and implement policies affecting the state. The amendment failed. Another amendment, sponsored by Vandevier, deleting an appropriation for the studies, also failed to gain adoption. The measure was granted preliminary approval on a 42-20 roll call vote.

Anderson also sponsored a bill, S.F. 2492, appropriating funds for Legisla-

tive Citizen Commission on Minnesota Resources projects. The measure makes appropriations from the Minnesota environment and natural resources trust fund for projects recommended by the commission. Under the bill, \$22.86 million is appropriated for land and habitat, water resources, natural resources information and environmental education. Members adopted an amendment extending the life of prior appropriations.

A bill, S.F. 2833, providing for increased wading pool safety, also gained preliminary approval. The Abigail Taylor Pool Safety Act, sponsored by Sen. Geoff Michel (R-Edina), requires public pools and spas to be equipped with anti-entrapment devices or systems. Michel said the bill is in response to the accident in which Abigail Taylor was severely injured by an unsafe pool drain. Abigail subsequently died of complications from her injuries, Michel said, and the bill is an attempt to insure that no child is ever again injured because of unsafe drain systems. The measure also requires inspections and phased in retro-fitting of existing pools.

Sen. Ann Lynch (DFL-Rochester) offered an amendment to delete an exemption for public pool owned by a local

government unit that does not charge an entrance fee. Under the bill, the pools are exempted if the local government submits a plan by Jan. 1, 2009, for compliance within two years. Sen. Linda Berglin (DFL-Mpls.) argued against the amendment and said that local units of government need the flexibility in order to come up with the necessary funds. Sen. Terri Bonoff (DFL-Minnetonka) countered that the Legislature would be remiss if another child was injured because of the exemption. The amendment was adopted on a 54-8 roll call vote.

H.F. 2837, carried by Sen. Tony Lourey (DFL-Kerrick), changes optometrist practice and licensing provisions. Lourey moved to strike the Senate language and act on language from the other body. Lourey said the House language consolidates two measures passed by the Senate relating to optometrists. The motion was adopted. He said the bill makes administrative changes and allows optometrists to dispense contact lenses containing legend drugs.

S.F. 3096, sponsored by Sen. Scott Dibble (DFL-Mpls.), creates programs for state and local government energy conservation investments, establishes a

microenergy loan program, and makes technical changes in public housing energy provisions. The bill does not require a showing that the energy conservation investments will actually reduce local governments' costs, said Sen. David Hann (R-Eden Prairie). The program encourages projects that appear to be cash-neutral because of special financing provisions, he said, rather than providing incentives for projects that will actually save money. Dibble said the criteria for approving a project include a showing of a substantial likelihood the project will result in a positive annual cash flow. Hann responded that the criteria only ensure a likelihood of benefit at the planning stage. After the project starts, the bill's financing structure offers no incentive to ensure savings, he said.

S.F. 3189, authored by Sen. Ron Lutz (DFL-St. Louis Park), includes juveniles

who have had their licenses suspended for controlled substances offenses in the list of persons who must pay a fee and complete the driver's license examination before the license is reinstated. Lutz said the bill simply corrects an inadvertent oversight. H.F. 3066, carried by Sen. Ann Rest (DFL-New Hope), eliminates the requirement that precinct caucuses be held on the first Tuesday in March. Under the bill, the state's two largest parties must confer and agree on a date for precinct caucuses and inform the secretary of state of the chosen date by Mar. 1 of the preceding year.

S.F. 3520, authored by Sen. Yvonne Prettner Solon (DFL-Duluth), repeals two energy-related provisions enacted last year. The provisions were not considered by the Senate before they were included in omnibus legislation, she said, and they may have adverse effects on our renewable energy goals. We should repeal the

provisions and require full legislative consideration, she said. The provisions in the bill relate to wind energy easements and annual reports from the Manitoba Hydro-Electric Board. Prettner Solon offered, and members adopted, an amendment adjusting the provisions relating to Manitoba Hydro; the amendment represents a compromise with the stakeholders, Prettner Solon said.

Sen. Gary Kubby (DFL-Granite Falls) offered an amendment restoring the repealed language regarding wind energy easements. The existing language is important to constituents in my region, he said, and we need to protect landowners who have entered into agreements with wind generation providers. Prettner Solon said the existing language is actually harmful to small landowners. The repealer in the bill is delayed until 2009, she noted, in order to let the parties come



Sen. Geoff Michel (R-Edina), left, shows members of the press a bracelet he wears commemorating the life of Abigail Taylor, who died recently as the result of complications from a 2007 swimming pool accident. At right is Abigail's father, Scott, who was also present during a press conference, Wed., Apr. 23, announcing an upcoming floor vote on pool safety legislation named in Abigail's honor.

Photo by A.J. Olmscheid

# Senate Highlights

forward with agreed-upon language for legislative consideration. The amendment was not adopted, 29-32.

H.F. 3657, carried by Sen. Julianne Ortman (R-Chanhassen), modifies the balance of authority between the Carver County Board of Commissioners and Carver County Library Board. Under the bill, the county board will control financing and administration of the county library system, while the library board will be responsible for developing library policies and rules, reviewing the annual operating budget, and preparing a five-year capital plan to be submitted to the county board. Ortman said the bill represents an agreement between the two boards and is modeled on similar power-sharing legislation enacted recently for other Metro Area county library systems.

All of the bills on General Orders were granted preliminary passage.

In other action, the Senate granted concurrence and repassage to one bill, adopted a conference committee report

and granted final passage to three bills on the Senate Calendar.

S.F. 3139, authored by Latz, makes it a misdemeanor offense to interfere with Internet ticket sales by using software to obtain large numbers of tickets. The measure was granted concurrence and repassage.

Senators also adopted a conference committee report and repassed the bill. H.F. 3662, sponsored by Lourey, provides for a public hearing and public testimony before making an appointment to fill a vacancy on a county board and changes the time period in which an appointment may be made.

Bills gaining final passage included H.F. 3172, carried by Rest. The bill makes a number of changes to elections provisions. S.F. 3370, authored by Sen. Rick Olseen (DFL-Harris), provides for assessment and payment of specific costs relating to elections. S.F. 3363, sponsored by Sen. Richard Cohen (DFL-St. Paul), improves access to budget information by

the Legislature and includes inflation in budget forecasts.

## Chief engineer proposal okayed

Senators used the Thurs., Apr. 24, floor session to approve several measures on General Orders. Among the bills granted preliminary passage was a bill requiring a senior executive in the Dept. of Transportation to be a licensed professional engineer.

S.F. 2925, carried by Sen. Kathy Saltzman (DFL-Woodbury), requires the commissioner of transportation to appoint a deputy commissioner/chief engineer, who must be licensed as a professional engineer. Members adopted an amendment, offered by Saltzman, restoring language permitting the commissioner to appoint an additional deputy commissioner. It is important to have, at the executive level, someone who is intimately familiar with the technical side of the department, Saltzman said. The Legislature should not dictate to the executive branch of gov-



Senators Warren Limmer (R-Maple Grove) and Betsy Wergin (R-Princeton) converse in the Senate Chamber during the Thurs., Apr. 24, floor session.

Photo by David J. Oakes

ernment who should be hired and what qualifications they need to have, said Sen. David Senjem (R-Rochester). This theory could be extended to other departments, for example requiring senior leaders of the Department of Health to be physicians, he said. We need to trust that the executive will choose capable leaders, he said.

Sen. Claire Robling (R-Jordan) offered an amendment providing that a commissioner who is a licensed professional engineer does not need to appoint a deputy commissioner who is a licensed professional engineer. We need to have people with complementary skills, she said, especially if there is only one deputy commissioner. The important thing is to have an engineer in the inner circle, whether at the deputy or commissioner level, said Sen. Dan Larson (DFL-Bloomington). Saltzman opposed the

amendment, saying a commissioner who is an engineer would nonetheless need a chief engineer to rely on because of the broad scope of the commissioner's duties. It is important to have one person whose principal duty is to be the point person on technical issues, she said. The amendment was adopted on a divided voice vote.

S.F. 3715, authored by Sen. Dick Day (R-Owatonna), authorizes Steele County to transfer a nursing home and assisted living facility and related assets to a nonprofit corporation, and to acquire a membership interest in the nonprofit corporation. Day offered, and members adopted, an amendment providing an exception to the moratorium on new nursing home beds for a pilot program at facility in Steele County.

Sen. Linda Higgins (DFL-Mpls.) carried H.F. 3346, which increases a mort-

gage foreclosure prevention and assistance program loan cap from \$5,500 to 110 percent of median monthly mortgage payment and related costs over six months. Senjem offered, and members adopted, an amendment requiring utilities to notify cities when a customer's gas or electric service has been disconnected.

S.F. 3366, carried by Sen. Linda Berglin (DFL-Mpls.), modifies the phase-in of rebased nursing facility operating cost payment rates. H.F. 3411, sponsored by Sen. Debbie Johnson (R-Ham Lake), makes a number of technical changes to weights and measures provisions as recommended by the Dept. of Commerce. S.F. 2825, authored by Sen. Sandra Pappas (DFL-St. Paul), amends the Patient's Bill of Rights to include continuous doula support and information about evidence-based non-pharmacological pain relief.

# Committee update

## Commerce and Consumer Protection

### Proposals for PedalPubs, later alcohol hours during RNC heard

A concept and device imported from the Netherlands was a central topic of discussion, Tues., Apr. 22, as members of the Commerce and Consumer Protection Committee gathered for an informational hearing on items the other body has included in its version of the omnibus liquor bill, S.F. 3672. Chair Linda Scheid (DFL-Brooklyn Park) said the other body has not taken final action on the bill, but she wanted members to have an opportunity to learn about the provisions and offer advice to the Senate sponsor of the liquor bill, Sen. Dan Skogen (DFL-Hewitt).

Al Boyce, managing partner of PedalPubs LLC, described the PedalPub and its use. The device was first introduced in the Netherlands about 10 years ago, he said, and there are now over 30 of them being used there. Boyce said he and his partners have the exclusive distribution rights for North America and introduced the continent's first PedalPub to the Metro Area in March 2007. We are in the process of licensing the idea for use in New York City, he said. The PedalPub carries

16 passengers, including 10 who power it through pedaling as they would on a bicycle, he said. The device is steered by a driver, who is employed by the operating company, Boyce said. In the Netherlands, passengers may bring their own alcoholic beverages on board, similar to passengers on chartered buses or limousines in Minnesota, he said.

The other body included language adding an exemption to the open container law for PedalPubs or similar devices. The open container law prohibits anyone in a vehicle from possessing an open container of alcohol while the vehicle is on a street or highway; however, the law also exempts limousines and buses. Boyce said the company has used PedalPubs to give tours of Minneapolis or St. Paul neighborhoods, many of which include stops at bars selected by passengers. In complying with the law, we have permitted only non-alcoholic beverages on board, he said. We have received no complaints about this business, which has been very considerate of our neighborhoods, said Pierre Willette, representing the city of Minneapolis. Willette said the city wants to be sure the exemption does not prohibit it from regulating the business through licensing or permitting.

Another provision in the other body's version of the omnibus liquor allows cities to permit bars to serve alcohol until 4 a.m. for five nights around the Republican National Convention—beginning with Sun., Aug. 31, and concluding the night of Thurs., Sep. 4. The convention is a unique circumstance, with delegates in St. Paul fairly late for convention business, but staying all over the Metro Area, said Barbara Johnson, president of the Minneapolis City Council. Later hours for alcohol service are a plus for the hospitality businesses throughout the region that will cater to the convention attendees, she said. In addition, extending our hours will give attendees the perception that we are "hospitable and welcoming," Johnson said. The St. Paul City Council opposed an earlier version of the proposal, said Wendy Underwood, representing the city of St. Paul. The council's concerns were motivated by the possible adverse effects later hours would have on neighborhoods and the increased strain on law enforcement, she said. However, she said the city participated in negotiating the language in the current version, which the city's mayor supports.

Members discussed the possibility of extending the later hours by one day, to include a 24-hour event preceding the

# Committee update



*As Legislators inside the Capitol confer on an omnibus liquor bill, Managing Partner Al Boyce explains the finer details of his PedalPub, a pedal-powered bar for up to 16 people, to Sen. Claire Robling (R-Jordan) in front of the Capitol, Tues., Apr. 22.*

Photo by David J. Oakes

convention and targeting media visitors. Scott Mayer of Spark24 said the event will include live entertainment, with a focus on adults at night and families during the day. We anticipate the media will arrive Fri., Aug. 29, and be settled in time for the event, which begins at 8 p.m., Sat., Aug. 30. The event will proceed with or without the extended bar hours, but we believe the Twin Cities can convey a better image of themselves with a one-day extension of the later hours proposal to include the event.

In addition, committee members reviewed other provisions in the other body's version of the omnibus liquor bill and a potential amendment to the Dept. of Commerce technical bill, S.F. 3467. The amendment contains mostly noncontroversial provisions, but I do not want to surprise anyone when I offer it on the floor, said Scheid, who is carrying the bill.

## Education

### Robotics program presented

The Senate Education Committee, chaired by Sen. Charles Wiger (DFL-Maplewood), met to hear an informational presentation on for inspiration and recognition of science and technology (FIRST) program, Wed., Apr. 23.

Members of Eagan High School's FIRST team described their participation in the program. FIRST is a non-profit high school level robotics program funded through donations from the science and business communities. FIRST also runs a LEGO League for ages 9-14. The purpose of the program is to encourage student interest and development in math and science, according to director Mark Lawrence. Students, teachers and industry mentors form extracurricular teams that collaborate to build a robot for regional competitions.

Students Devin McKinnon, Matthew Miller, Louis Chapdelaine, Tim Hendrickson, Jason Laqua, Madison Weldon and Kelly Hotchkiss described the team robot competitions and explained how their team, 2220 Blue Twilight, developed a robot. Student leaders also described their work producing media, fundraising, budgeting and marketing for their team.

## Finance

### Sick leave expansion advances

Five bills were reviewed by the Committee on Finance, chaired by Sen. Richard Cohen (DFL-St. Paul), Tues., Apr. 22. All the bills were recommended to pass and sent to the Senate floor.

S.F. 1128, sponsored by Sen. Sharon Erickson Ropes (DFL-Winona), allows individuals to use sick leave to care for family members beyond a spouse or child, such as a parent. An amendment was

adopted eliminating the fiscal impact for the state by exempting policies or labor agreements that already address these family members. A cost of \$26 million to local governments is estimated by the fiscal note.

Jennifer O'Rourke of the League of Minnesota Cities spoke against the bill, expressing concern for its effects on local control and the fiscal impact on cities. O'Rourke said many units of government are transitioning away from sick leave to paid time off, anyway.

Erickson Ropes said the bill will help families care for each other, and will help control health care costs. She questioned the validity and the scope of the fiscal note.

S.F. 3638, sponsored by Sen. Dick Day (R-Owatonna), establishes a Communities for a Lifetime pilot project, moving 80 beds from an existing facility to a new community non-profit in Owatonna on a healthcare campus. Due to the timeline of the project, a \$128,000 fiscal impact is projected in 2012, according to the fiscal note. Sen. Claire Robling (R-Jordan) said a similar project in her district has been a great success.

S.F. 2462 provides loan forgiveness of \$2.85 million to the Buffalo Ridge Regional Railroad Authority. The line connects the Union Pacific and Burlington Northern, and is vital for moving ethanol, said Rock County Administrator Kyle Oldre. Bill sponsor Sen. Jim Vickerman (DFL-Tracy) said these types of loans have been forgiven in the past, and keeping the rail line operational is in the best interest of the state.

S.F. 3140, sponsored by Sen. Kathy Sheran (DFL-Mankato), modifies boiler operator licensing procedures. Sheran said the bill addresses a shortage of boiler operators in the state. The bill shortens the time to acquire a class 1A boiler operator license and updates regulations to meet current technology and standards.

Sen. Linda Higgins (DFL-Mpls.) presented H.F. 3346, a bill increasing a mortgage foreclosure prevention and assistance program loan cap from \$5,500 to 110 percent of median monthly mortgage payment and related costs over six months. The loans aid homeowners who could otherwise meet their mortgage obligations if they were caught up on payments, said Higgins. Marquette Bank doubled the amount of funds available for these no-

interest loans, said a representative of the Minnesota Housing Finance Authority.

### **Economic development policy, renaming proposals advance**

Members of the Finance Committee met Fri., Apr. 25, to advance two measures. Sen. David Tomassoni (DFL-Chisholm) sponsored both bills.

H.F. 3722 contains the policy provisions from the Economic Development Budget Division, Tomassoni said. The measure contains a number of bills approved by the division over the course of the session. He said many of the provisions were stripped from the omnibus budget bill. The bill prohibits construction debris that contains gypsum from being used as cover material at disposal facilities, requires state approval of procurement agreements relating to U.S. trade agreements, establishes a trade policy advisory group, defines prohibited practices relating to workplace communications, and makes numerous changes to unemployment compensation provisions. In addition, the bill changes the name of the Minnesota Boxing Commission to the Minnesota Combative Sports Commission, creates two transit improvement area accounts for purposes of the transit improvement area loan program and completes local approval of the Central Iron Range Sanitary Sewer District. The measure was approved and advanced to the Rules and Administration Committee.

S.F. 2468 renames Minnesota Technology, Inc. as Enterprise Minnesota, Inc. In addition, the measure makes technical changes and recodifies the Agricultural Utilization Research Institute provisions into a new chapter. The bill was approved and sent to the Senate floor.

### **MyBills system available**

The MyBills personalized bill tracking system is now available. Users can add House and Senate bills to their lists by bill number, subject, or author, and view the legislative status of their bills, with items with significant current floor action highlighted. Users can modify their lists at any time. The MyBills system is available from the Legislative website at: <http://www.house.mn/leg/billslogin.asp>

### **Historical database available**

The Legislative Reference Library has developed a database, "Legislators Past and Present," containing information about Legislators who have served since territorial times. The database's information was compiled from official legislative directories, obituaries, news clippings, family files and other sources. It contains information about terms of service, education, occupation, party or caucus affiliations, leadership positions, represented communities and more.

The database also includes information about Minnesota Legislators who served in other government functions, ranging from the local level to the national level. The database even indicates which Minnesota Legislators also served in another state's legislature.

"Legislators Past and Present" is available online at <http://www.leg.state.mn.us/legdb/index.asp>

### **Capitol Report: on air, online**

Explore current policy issues and hear lawmakers discuss current legislative proposals by watching "Capitol Report," a weekly public affairs program produced by Senate Media Services. The program includes interviews with Legislators, agency heads and prominent policy experts. It also features historical and informational features about the Senate, the Capitol and Minnesota.

"Capitol Report" airs weekly on public television affiliates on cable access channels across Greater Minnesota. It is also available online, with archives going back to 2000: <http://www.senate.mn/media>

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With his 11-month-old daughter Alyssa in tow, Minneapolis resident Andy Melander gathers with dozens of other construction workers in the Capitol Rotunda, Tues., Apr. 29, to promote a Mall of America Phase II construction project.

Photo by A.J. Olmscheid



May 2, 2008

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# Senate Highlights

## NWA merger discussed

Members of the Business, Industry and Jobs Committee met Wed., Apr. 30, to resume their consideration of the proposed merger between Northwest Airlines and Georgia-based Delta Air Lines. The panel held an initial hearing on the merger near the beginning of the annual session, Feb. 25, when the merger was the subject of widespread speculation, but was not officially underway.

We are not all happy about the merger, but it appears inevitable, said Chair James Metzen (DFL-South St. Paul). We need to try to be positive and find the good that come out of the combination, for the state, the airline employees who live and work here and the travelers and businesses that rely on Northwest, he said. Sen. Geoff Michel (R-Edina), ranking minority member, said he was glad the hearing would be positive in tone. We should not be a firing squad, he said, but we should listen and learn as much as we can about this proposal.

About half the hearing time was devoted to a conversation with Ben Hirst, Northwest's general counsel. The airline had not participated actively in the prior hearing because the merger was only speculative, Hirst said. What we can tell you now is that we believe combining the two airlines is the right tactic in an industry that is at a crossroads, he said. Northwest could choose to stand alone, face unprecedented fuel price increases, and

compete with growing domestic discount carriers and foreign airlines, he said. The alternative, Hirst said, is to combine with Delta to achieve cost savings and revenue improvements, build a better network, increase the airline's resiliency, and stabilize our ability to serve communities and face competition.

The primary beneficiaries of the merger are our front-line employees and the communities we serve, he said. Northwest is proud to be Minnesota's hub airline and a major employer, he said. Previous cooperation with Delta through the SkyTeam alliance has paved the way for a smoother integration of the two airlines, he said. Hirst said there are few anti-competitive concerns, because the two carriers compete very minimally today. We overlap on only 12 routes out of thousands in our combined systems, he said. Delta's strengths are in the eastern and southeastern United States and in Europe, he said, while Northwest is strong in the Midwest and western United States and in Asia. None of the benefits we predict from the merger, Hirst said, are based on any assumed fare increases.

Before proposing a merger, Delta made several commitments to its employees that any combination would be conditioned on keeping the headquarters in Atlanta, retaining Delta's CEO as the head of a combined company and preserving the Delta name, Hirst said. We considered the conditions but they seemed less important to Northwest than putting our employees and our service capabilities on safer footing, he said. Hirst said Northwest has abided by its commitments under financing arrangements with the Metropolitan Airports Commission. In addition to making payments on the financing, the airline committed to being headquartered in Minnesota, preserving a hub at Minneapolis-St. Paul International Airport (MSP) and maintaining high employment levels. The headquarters for Northwest will remain in Minnesota, even up to a year after the merger, Hirst said, because the operating certificate will still be held by Northwest, which will operate as a Delta subsidiary headquartered in Minnesota as merger logistics are addressed. After Northwest is completely subsumed into Delta, he said, Delta will succeed to Northwest's obligations. Either the company will pay off the remaining bonds or Delta and the state will modify the agreement, he said. Hirst said the de-

cision does not need to be made for quite some time.

The balance of the meeting was devoted to hearing from representatives of two Northwest labor unions, the state's economic development agency and a technology association. Airline employees have lived through mergers before, said Stephen Gordon of the International Association of Machinists and Aerospace Workers. Assurances that jobs would not be lost and hubs would be protected have been offered before, he said, and they have been hollow. It is hard for us to believe that the companies would be going through the process simply to maintain the status quo, Gordon said. He urged policymakers to probe deeper into the kinds of jobs the combined company will offer. We are interested in more than just jobs, he said, we want career opportunities with livable wages, good benefits and a future. Delta and the combined airline need to be monitored for their anti-union posturing, said Rene Foss of the Association of Flight Attendants-CWA. Delta is currently fighting organizing efforts by its flight attendants, who simply want to hold an election, she said. It is apparent that Delta intends to have only a pilots union, Foss said.

We need to sell the combined airline on Minnesota's advantages, said Commissioner Dan McElroy, Dept. of Employment and Economic Development. MSP is one of the best hubs in the country because of its unique geographic location and its meteorological reliability, he said. Based on our models, the total impact of losing 1,000 jobs at the headquarters is magnified to be about 3,000 jobs and \$300 million, he said. McElroy said the state will fight to keep as many jobs as possible. If we are not as successful as we hope to be, we will make the full range of resources available to displaced workers, he said. However, we cannot know more about that until we know the exact nature of any layoffs, he said.

While an initial impression of the merger might be bleak, a closer look reveals benefits and opportunities, said Todd Hauschildt of the Minnesota High Tech Association. Minnesota should be the technology center of any combined airline, he said. Northwest has led the aviation industry in the use of technology, he said, especially in the areas of self-service ticketing, e-ticketing and mobile device notification systems. The airline has a

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Senators Kathy Saltzman (DFL-Woodbury), left, and Gen Olson (R-Minnetrista) share a lighter moment in the Senate Chamber during a break in the Thurs., May 1, floor session. Photo by David J. Oakes

large presence here through its technology training centers, data centers and flight training centers, Hauschildt said. He said the facilities should be maintained here, because the Metro Area is an attractive location for recruiting workers, with lower housing prices and traffic congestion than competing areas.

Though the committee's agenda included a presentation from the Metropolitan Airports Commission and consideration of two legislative proposals regarding the merger, the panel ran out of time. Metzen said the committee would return to the issue, including hearing from the MAC and discussing the bills.

### Primary seat belt gains

A proposal making failure to wear a seat belt a primary offense, for which a law enforcement officer may stop a vehicle without any other reason, was granted preliminary passage by Senators, Mon., Apr. 28.

S.F. 3223, authored by Sen. Steve Murphy (DFL-Red Wing), is an omnibus transportation policy bill. It contains a number of transportation proposals heard throughout the year. Murphy began by offering three amendments to the bill. The first amendment ensures that St. Paul District Energy is eligible to receive grants and federal money for the costs of relocating facilities from public rights-of-way to prevent interference with the Cen-

tral Corridor light rail line. The second amendment removes from the bill provisions that have already been enacted in other legislation and makes other updating changes. The third amendment makes technical changes to the primary seat belt proposal. The amendment ensures that the primary seat belt proposal conforms to federal requirements in order to give the state access to federal funds for adopting a primary seat belt law. All three amendments were adopted.

The bill has four major provisions that make our roads safer, Murphy said. They are common sense provisions that we should be able to support, he said, including the primary seat belt proposal, graduated drivers' licenses for teen drivers,

# Senate Highlights

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a booster seat requirement for young passengers and a school bus safety package. We need to aggressively combat our teen death rate, which is the highest in the nation, Murphy said. Keeping new, teenaged drivers off the road between midnight and 5 a.m. will greatly reduce accidents, he said. Booster seats save the youngest passengers from terrible injuries caused by being improperly buckled into their seats, Murphy said. He acknowledged the work of Sen. Rick Olseen (DFL-Hewitt) in putting together the school bus safety provisions. Key among them is the creation of an office dedicated to ensuring the safety of both school buses and school bus drivers, Murphy said.

Seat belts save lives and everyone should wear their seat belts, said Sen. David Tomassoni (DFL-Chisholm). However, we do not need to give police the ability to pull over vehicles just because someone is not wearing a seat belt, he said. Tomassoni noted that police are already able to pull vehicles over for any number of minor violations. At some point, we need to let people make their own choices about seat belts, he said, and we know that 88 percent of Minnesotans make the choice to wear their seat belts. Tomassoni also objected to the graduated driver's license provisions. Prohibiting teenage drivers from having multiple passengers will mean more cars on the road, which could be more dangerous than letting them carpool, he said. Parents should retain the responsibility for deciding the conditions under which their children can drive, he said. Sen. Betsy Wergin (R-Princeton) echoed Tomassoni's comments, saying the bill gives short shrift to the concepts of adult personal responsibility and parental responsibility for teenagers. We do not need to become a nanny state, she said.

Sen. Paul Koering (R-Fort Ripley) offered an amendment permitting cities and counties to impose administrative fines for minor traffic offenses. Fines, fees and surcharges have gotten too expensive for average Minnesotans, Koering said, and law enforcement is trying to find ways to address speeding without imposing hundreds of dollars in tickets. Administrative penalties have worked well in many communities, said Sen. Joe Gimse (R-Willmar), especially when the lower penalty is paired with mandatory attendance at a safe driving class. Local governments can be creative in finding

effective ways to improve road safety, he said. Murphy opposed the amendment, saying administrative fines mask the identities of lawbreakers. Permitting local governments to mask the information puts at risk the ability of the state to license commercial drivers, he said. The federal government is clearly opposed to masking the identities of drivers who violate traffic laws, Murphy said. We have pushed local law enforcement into the situation by raising state fees and surcharges, said Sen. Mee Moua (DFL-St. Paul). We should not magnify our mistakes by letting local governments assume a role traditionally borne by the state, she said. A proper remedy to the problem is to roll back the fines, fees and surcharges to a manageable level, Moua said. The amendment was not adopted, 28-34.

An amendment providing an exemption to the 10 percent ethanol requirement for resorts, marinas, and houseboat rental companies if the gasoline has an octane rating of 87 or higher was offered by Sen. Tom Saxhaug (DFL-Grand Rapids). The amendment was adopted. Sen. Ray Vandever (R-Forest Lake) offered an amendment to prohibit charging user fees to owners or operators of vehicles using dynamic shoulder lanes and designated high-occupancy vehicle lands in connection with the Urban Partnership Agreement. In addition, the amendment prohibits any road authority from developing or operating a toll facility, except for the high-occupancy toll lane facilities located on I-394. Vandever asked that the amendment be divided and that the first portion be taken first. Vandever said the bill provides for the collection of funds, but does not use those funds for transportation. Murphy said the idea of congestion pricing is to allow those who want to pay for a quicker commute during rush hour to do so while other drivers need not pay. The first portion of the amendment failed on a 16-42 roll call vote. The second portion of the amendment also failed on a 14-44 roll call vote.

An amendment, offered by Sen. Kathy Saltzman (DFL-Woodbury), requires that the commissioner of transportation or a deputy commissioner must be licensed as a professional engineer and serve as the department's chief engineer. Saltzman said the new commissioner, Tom Sorel, had okayed the amendment. The amendment was adopted. Sen. John Doll (DFL-Burnsville) offered an amendment

providing that a portion of the revenues collected for fees charged for congestion pricing lanes in the I-35W corridor be used for noise mitigation. The amendment was adopted. An amendment, sponsored by Moua, requires that the uniform traffic ticket must give conspicuous notice of the fact that, if convicted, the person to whom it was issued must pay a state imposed surcharge. The amendment was also adopted.

Members granted the measure preliminary approval on a voice vote.

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## Historical database available

The Legislative Reference Library has developed a database, "Legislators Past and Present," containing information about Legislators who have served since territorial times. The database's information was compiled from official legislative directories, obituaries, news clippings, family files and other sources. It contains information about terms of service, education, occupation, party or caucus affiliations, leadership positions, represented communities and more.

The database also includes information about Minnesota Legislators who served in other government functions, ranging from the local level to the national level. For example, almost two dozen Legislators have served on the University of Minnesota Board of Regents; the most recent is current Regent and former Senate Majority and Minority Leader Dean E. Johnson. The database even indicates which Minnesota Legislators also served in another state's legislature; there have been at least 15, and the number may climb as more information is compiled.

"Legislators Past and Present" is available online at <http://www.leg.state.mn.us/legdb/index.asp>

## MyBills system available

The MyBills personalized bill tracking system is now available. Users can add House and Senate bills to their lists by bill number, subject, or author, and view the legislative status of their bills, with items with significant current floor action highlighted. Users can modify their lists at any time. The MyBills system is available from the Legislative website at: <http://www.house.mn/leg/billsblog/index.asp>

# Floor update

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Monday, April 28

## Adoption, sick leave bills okayed

In addition to the omnibus transportation policy bills, two bills were granted preliminary passage on General Orders, Mon. Apr. 28. S.F. 3193, authored by Sen. Ann Rest (DFL-New Hope), provides a process in which adoptees, who were adopted prior to 1977, may have access to birth record information. Currently, for adoptions occurring before Aug. 1, 1977, adoptees do not have access to birth record information without the consent of the birth parent. In addition, current law specifies that for adoptions occurring after 1977, adoptees over the age of 19 have access to the information unless the birth parent has filed an affidavit specifying the information may not be disclosed. Rest said the bill eliminates the difference and provides that in all cases adoptees have access to birth record information, unless there is a nondisclosure affidavit on file.

Sen. Claire Robling (R-Jordan) said that the birth mothers, who had been assured of privacy, are not well served by the bill. Robling said there is no funding in the bill for an educational campaign to inform women that they must have an affidavit on file in order to protect their identity. "Right now, children can ask adoption agencies to initiate a search and ask birth mothers if they want contact," Robling said. She said a promise was made to those mothers when they gave children up for adoption and it should be kept. Rest said the bill is a compromise amongst all those in the adoption triad and represents the interests of all parties.

The measure was approved on a 43-18 roll call vote.

S.F. 1128, authored by Sen. Sharon Erickson Ropes (DFL-Winona), modifies the use of personal sick leave benefits. Erickson Ropes said the bill recognizes the realities of family life where a caregiver may need time off to take care of adult family members. Currently, the law allows sick leave to be used for the employee or the employee's children, Erickson Ropes said. She said the bill just expands the use to adult family members for employees with an existing sick leave benefit. Robling said that in committee, representatives of local units of government said the measure would mean increased costs. Erickson Ropes responded that said her city administrator could not imagine how

the bill would impact the city budget. Employers already have to factor in the costs of employee sick leave, Erickson Ropes said.

The bill was granted preliminary approval on a voice vote.

Senators granted final passage to 12 bills on the Senate Calendar. H.F. 4075, carried by Sen. Rod Skoe (DFL-Clearbrook), provides for the control of bovine tuberculosis. H.F. 2837, sponsored by Sen. Tony Lourey (DFL-Kerrick), changes optometrists' practice and licensing provisions. S.F. 2492, authored by Sen. Ellen Anderson (DFL-St. Paul), appropriates money for environment and natural resources and provides for repayment of appropriations from the environment and natural resources trust fund. S.F. 2833, authored by Sen. Geoff Michel (R-Edina), requires public pools and spas to be equipped with anti-entrapment devices or systems. S.F. 3096, sponsored by Sen. Scott Dibble (DFL-Mpls.), creates programs for government energy conservation investments, establishes a microenergy loan program and modifies provisions allowing guaranteed energy savings contracts. S.F. 3189, carried by Sen. Ron Latz (DFL-St. Louis Park), imposes a \$30 reinstatement fee following revocation of a juvenile's driver's license for a drug offense.

H.F. 3066, carried by Rest, provides for the establishment of precinct caucus dates by the appropriate political party and requires notice to the secretary of state. S.F. 3520, sponsored by Sen. Yvonne Prettner Solon (DFL-Duluth), regulates property rights related to wind energy and permits the solicitation and consideration of public testimony. H.F. 3657, authored by Sen. Julianne Ortman (R-Chanhassen), makes the Carver County Library Board advisory to the Carver County Board. S.F. 3715, sponsored by Sen. Dick Day (R-Owatonna), authorizes the transfer of a nursing home and assisted living facility and related assets to a nonprofit corporation and the acquisition of membership interest in the nonprofit corporation. H.F. 3346, carried by Sen. Linda Higgins (DFL-Mpls.), provides assistance to prevent mortgage foreclosure and increases the maximum amount of financial assistance. S.F. 2825, sponsored by Sen. Sandra Pappas (DFL-St. Paul), amends the Patient's Bill of Rights to include continuous doula support and information

about evidence-based nonpharmacological pain relief.

In other action, Senators concurred in the other body's amendments to two bills and repassed the measures. S.F. 2775, sponsored by Sen. Leo Foley (DFL-Coon Rapids), requires a utility to notify the city when a customer's heat source has been disconnected. The other body amended the bill to require the city to provide the disconnection information to the police and fire departments within three business days of receiving notice. S.F. 2919, authored by Sen. Don Betzold (DFL-Fridley), modifies and clarifies time requirements for hearings and provides an exception from prehearing discharge for commitment petitions involving persons alleged to be mentally ill and dangerous, to have a sexual psychopathic personality or to be sexually dangerous. Betzold said the Senate included some clean-up provisions in the bill; the other body removed the clean-up language but retained the proposal's core provisions. It is not worth going to conference for the clean-up language, Betzold said.

Senators also acted on several appointments. Members confirmed Dr. Sanne Magnan as commissioner of the Department of Health and Randy Staver as a member of the Board on Judicial Standards. Two members of the Board of Animal Health, Steven Brake and Paul FitzSimmons, were confirmed. Four members of the Environmental Quality Board were confirmed: Jonathon Bloomberg, Julie Goehring, Susan McCarville and Dennis Wenzel. Eleven members of the Board of Electricity were approved: Douglas Fingerson, James Freichels, Kim Huxford, Daniel Klein, Jay Lewis, Timothy Malooly, John McConnell, Richard Owen, Thomas Seanger, Anthony Toft and Joseph Vespa. Twelve appointments to the Plumbing Board were approved: Karl Abrahamson, Rebecca Ames, Steven Christenson, Jim Gander, Lawrence Justin, Kenneth Kammerer, James Kittelson, Allen Lamm, Michael McGowan, Rick Palmateer, John Parizek and Paul Sullwold. Twelve members of the Board of High Pressure Piping Systems were confirmed: James Andrie, Robert Bastianelli, Therese Bozicevich, Patrick Galatz, Mark Geisenhoff, David Grong, Maureen Hanson, Larry Jordan, Mark Kincs, Margaret Larsen, Vicki Sandberg and Larry Stevens, Jr.

# Floor update

Wednesday, April 30

## Policy bills gain

Most of the Wed., Apr. 30, floor session was devoted to discussion of bills containing policy provisions stripped from the omnibus budget bill. Majority Leader Lawrence Pogemiller (DFL-Mpls.) designated the measures Special Orders in order to speed the process along and get the bills into conference committees. Bills on Special Orders may be amended and debated before being voted upon for final passage.

H.F. 3722, sponsored by Sen. David Tomassoni (DFL-Chisholm) is the economic development policy bill. Tomassoni said the measure contains provisions extending unemployment insurance benefits to 13 weeks in three counties, providing for employee workplace communications, changing the name of the Boxing Commission to the Combative Sports Commission, prohibiting the use of construction debris containing gypsum as cover material, establishes a trade policy advisory group and provides for a transit improvement area loan program.

Sen. Claire Robling (R-Jordan) sponsored an amendment deleting the provisions relating to workplace communications. Robling said requiring employers to provide the equipment for employee communications does not belong in statute. Tomassoni countered that the language sets out rules for both employers and employees and if employees misuse computers, they are subject to discipline. The amendment failed on a 24-35 roll call vote. Sen. Amy Koch (R-Buffalo) offered an amendment to delete provisions relating to the transit improvement area loan program. The amendment failed on a voice vote. Sen. Julie Rosen (R-Fairmont) offered an amendment incorporating the governor's strategic entrepreneurial economic development (SEED) program, which she said encourages entrepreneurial activity throughout the state. Rosen said the amendment does not include any appropriations. Tomassoni said many of the programs in the SEED program are already included in agencies' base appropriations. The amendment was approved on a 35-28 roll call vote. Koch offered a second amendment, to delete the extension of unemployment insurance benefits

in three counties, failed on a 20-41 roll call vote. An amendment, offered by Sen. Ray Vanderveer (R-Forest Lake), allows employees to collect up to five weeks unemployment insurance compensation, if the applicant has been paid unemployment benefits based upon wage credits from the employer within the prior four years.

Sen. Rod Skoe (DFL-Clearbrook) moved to reconsider the motion whereby the amendment incorporating the SEED program into the bill was adopted. The motion was adopted. Skoe said the reason for the motion was that the amendment contained a number of blank appropriations. Sen. Dennis Frederickson (R-New Ulm) offered an amendment deleting the blank appropriations in the bill. Members voted first on the portion of the amendment deleting the blank appropriations. The first portion of the amendment failed; Rosen then withdrew the amendment.

Members granted final passage on a 43-21 roll call vote.

Sen. Linda Berglin sponsored a bill, S.F. 3168, containing numerous human services provisions. Members had discussed the measure at a previous floor



Senators Yvonne Prettner Solon (DFL-Duluth), left, and Amy Koch (R-Buffalo) converse in the Senate Chamber during the Thurs., May 1, floor session.

Photo by David J. Oakes

session, but the bill had been laid over. Members adopted two amendments sponsored by Berglin. The first amendment clarified language relating to care coordination and patient education of services relating to services relating to oral health and dental care. The second amendment specifies that prior to placing a participant in unpaid work, the county must inform the participant that the participant will be notified if a paid work experience or supported work position becomes available.

An amendment, sponsored by Sen. David Hann (R-Eden Prairie), sets forth goals for health care reform, limits the provisions to state employees, requires a web site to show the benefits of health care savings accounts, authorizes health care plans based in other states and provides for tax credits. Hann said the amendment is an alternative to the health care reform package debated earlier in the session. Berglin questioned the germaneness of the amendment. The amendment was ruled nongermane.

Sen. Betsy Wergin (R-Princeton) sponsored an amendment requiring hospitals, clinics and medical facilities having custody of a fetus following a miscarriage to provide written notification to the mother of her right to arrange for the burial or cremation of the fetus. The amendment was adopted on a voice vote.

Rosen offered an amendment requiring commissioner of human services to conduct a study and report to the Legislature on recommendations to reduce rate disparities between nursing facilities in various regions of the state. The amendment was adopted on a 61-0 roll call vote.

Wergin also sponsored an amendment prohibiting saline abortions. Berglin opposed the amendment. Berglin said the bill has mostly noncontroversial provisions suggested by the department, but the amendment seems to regulate private health insurance. Berglin questioned the germaneness of the amendment. The amendment was ruled not germane. Sen. David Senjem (R-Rochester) appealed the ruling of the chair. The ruling was upheld on a 36-28 roll call vote.

Koch offered an amendment prohibiting state funding for saline abortions. Berglin opposed the amendment. The amendment failed on a 27-37 roll call vote.

The measure gained final passage on a 55-9 roll call vote. The bill was laid on the table to await the arrival of the companion bill from the other body.

S.F. 2651, sponsored by Sen. Tom Saxhaug (DFL-Grand Rapids), is the omnibus stand lands and game and fish bill. The forest provisions, the base of the bill, creates a Minnesota forests for the future program, authorizes alternative recording of state forest roads, and provides for expedited exchanges of public land. Saxhaug offered, and members adopted, an amendment adding housekeeping language to the bill and requiring the commissioner of natural resources to consult with the chairs and ranking minority members of the legislative environment and natural resources finance panels on proposed allotment reductions from appropriations from the forest management investment account. Sen. Dan Skogen (DFL-Hewitt) offered an amendment permitting organizations that operate aquatic farms to organize as agricultural cooperatives. The amendment was adopted.

Sen. Satveer Chaudhary (DFL-Fridley) offered an amendment adding the game and fish provisions to the bill. The provisions include proposals from the Dept. of Natural Resources as well as Senators' initiatives. It contains a number of provisions relating to aquaculture and viral hemorrhagic septicemia.

Sen. Don Betzold (DFL-Fridley) offered an amendment to the Chaudhary amendment removing a provision creating an exemption to the state land acquisition procedure statute. Under the Chaudhary amendment, land contiguous to land within the Carlos Avery and Lamprey Pass Wildlife Management Areas is exempted from the normal procedure. Betzold questioned the necessity of exempting a small amount of property from a procedure of general applicability. The general procedure has worked well for the entire state, but it has not worked with regard to specific parcels adjacent to the management areas, Chaudhary said. The discretion of the local government has been abused only in the case of the Avery and Lamprey Pass areas, he said. Landowners adjacent to the areas cannot develop their land, but the city has not indicated it wants to buy the land to make it suitable for development, Chaudhary said. The landowners want to sell the property to the state, and the state is willing to buy it for addition to the management areas, he said, but the city is blocking the sale. We should facilitate preserving open space in the Metro Area, especially when we have willing sellers and buyers, he said. Betzold

said the general process is designed to work for everyone. If the general process is not working, then it should be changed for everyone, he said. Sen. Julianne Ortman (R-Chanhassen) supported the Betzold amendment, saying local officials are closer to the situation. They need the flexibility to handle the situation and the affected parties should hold local officials accountable, rather than running to the Legislature when the result is not one they like, she said.

The Betzold amendment to the amendment was adopted on a roll call vote, 43-21. The remainder of the Chaudhary amendment was adopted on a voice vote.

Sen. Ellen Anderson (DFL-St. Paul) offered an amendment that she said represented a compromise between interested parties on a provision relating to the wetland bank credit and conservation easements. The amendment was adopted. Skogen offered an amendment containing the lands provisions, which had been reviewed by the lands subcommittee. The amendment was also adopted.

The measure was granted final passage, 64-0. After the vote, Saxhaug moved to substitute Chaudhary as the chief author of the bill. The procedural maneuver makes Chaudhary the presumptive Senate chair of a conference committee on the bill, if the other body does not accept the Senate version.

S.F. 3385, carried by Chaudhary, contains the environment policy, the proposed citizens' heritage council and provisions relating to the Pollution Control Agency. Members adopted an amendment removing all the forestry, fish and game and lands provisions. The bill regulates ballast water, modifies solid waste provisions, modifies licensing requirements for individual sewage treatment system professions, restricts construction debris as cover material, modifies requirements for air emission permits and modifies toxic chemical release reporting requirements. Members adopted an amendment, offered by Anderson, similar to the one adopted for the previous bill relating to the wetland bank credit and conservation easements. The amendment was adopted.

Koering sponsored an amendment to adjust the lease rate increase on Ski Gull, a nonprofit recreational facility in Cass County. Chaudhary opposed the amendment because of the cost.

# Floor update

Members temporarily laid the bill on the table and acted on several procedural motions to designate bills as Special Orders.

Returning to S.F. 3385, members continued the debate on the lease rate increase cap for Ski Gull. The amendment was adopted.

The bill was granted final passage on a 56-2 roll call vote.

In other action, members granted concurrence and repassage of a number of bills. S.F. 3564, authored by Sen. Steve Murphy (DFL-Red Wing), corrects a typographical error relating to the transitional rate of special fuel excise tax on compressed natural gas. S.F. 3443, sponsored by Sen. Paul Koering (R-Fort Ripley), designates June 27 as Korean War Armistice Day.

## Crime, transportation bills okayed

After an evening recess, Senators resumed their consideration of omnibus policy bills, Wed., Apr. 30.

H.F. 2996, carried by Sen. Linda Higgins (DFL-Mpls.), is the omnibus crime prevention bill. Each year, the Department of Corrections releases around 7,000 offenders, Higgins said. They face a number of obstacles that make it hard for them to get a job, find housing or obtain necessary employment licensure, she said. She said Legislators on the crime prevention and judiciary panels of both bodies have been concerned about the situation and have studied how to help. A working group created last year, she said, made a number of recommendations, which were then introduced this year. However, a fiscal note on the proposal made it clear how many of the initiatives we cannot afford right now, she said. The proposals were scaled back, Higgins said, and what we can afford to do is in H.F. 2996.

The central piece of the bill permits persons convicted of or adjudicated delinquent for a crime to petition a court for a certificate of good conduct. To obtain a certificate, under the bill, the person must have completed the sentence imposed, not be required to register as a predatory offender, demonstrate rehabilitation, not be abusing alcohol or controlled substances, and show that issuing the certificate is in the public interest. Under the proposal, the certificate relieves the person of state-imposed collateral sanctions relating to eligibility for housing, employment or professional licensing. The bill provides for

revocation of the certificate if the person is subsequently convicted of a crime.

In addition to the certificate of good conduct provisions, the bill includes a number of other policy proposals. It removes an expiration date on Internet access to Bureau of Criminal Apprehension data, directs the commissioners of corrections and employment and economic development to develop a marketing plan to attract private employers to hire inmates through MINNCOR, authorizes the judicial branch to accept electronic payment methods, and requires courts to inquire whether a person convicted of a crime is a veteran with a diagnosis of mental illness. The bill also prohibits private employers from using non-conviction criminal records in making employment decisions, requires the commissioner of corrections to review guidelines for revocation of parole and supervised release, and creates a working group to study controlled substance laws. The measure removes two appropriations riders, one requiring the Board of Public Defense to hire new attorneys and support staff and one requiring the District Courts to establish new drug courts.

Sen. Ron Latz (DFL-St. Louis Park) offered an amendment exempting the I-35W bridge collapse from the single-event total cap on state liability. The conference committee on the bridge collapse compensation bill has not met in three weeks, Latz said, because the other body has not called a meeting. Time is running out and we need to have a "plan B" to offer the survivors, he said. The Senate conferees and the policy chairs with jurisdiction over the issue agree that eliminating the single-event liability cap is good public policy in general, he said. However, the amendment does not go that far, it only lifts the cap for one event, Latz said. The amendment was adopted.

An amendment requiring the state court administrator to convene a study group to consider the impact that a presumption of joint physical custody would have on children, parents and the state's finance was offered by Sen. Kathy Saltzman (DFL-Woodbury). There are many fathers who do not feel they are sufficiently involved in their children's lives, because of the way parenting time was computed, she said. Saltzman said she asked to carry a bill creating a presumption of joint physical custody after its original author, former Sen. Thomas Neu-

ville, left the Senate for a judgeship. The amendment does not move forward with joint physical custody, she said, but it does bring all the important stakeholder groups together. The courts are already planning to study the issue as part of a more comprehensive examination of family law issues, said Sen. Mee Moua (DFL-St. Paul). We should not mandate the study when the courts are already acting on the idea, she said. Saltzman said potential members of the study group acknowledge the courts' efforts, but that a group dedicated to the issue of joint physical custody could more closely examine the issues and get ahead of the issue. The amendment prevailed on a 42-22 roll call vote. Members later amended the amendment, at Moua's request, to change the recipients of the study group's report to include both the budget and policy panels with jurisdiction over judiciary issues.

Sen. Don Betzold (DFL-Fridley) offered an amendment adjusting the time for a commitment hearing. Betzold said the provision is in response to a Minnesota Supreme Court decision. A similar provision was passed as an independent bill, he said, but a technical deficiency was noted when the bill was presented to the governor for signature. I had to ask the governor to veto my bill, Betzold said. He said the amendment proposes the correct language. The amendment was adopted. Moua offered an amendment containing technical provisions requested by the Dept. of Corrections. The amendment was adopted.

An amendment modifying a victim's statement regarding an offender's petition for a certificate of good conduct was offered by Sen. Warren Limmer (R-Maple Grove). Under the bill, the victim statement is to describe any conduct of the offender that has occurred after the offender's sentencing and that is relevant to the issue of whether the offender has been rehabilitated, including the effect of the conduct on the victim. The amendment removes the language describing the content of the victim statement. It is important to let a victim provide a fuller statement about the offender and whether the victim believes a certificate should be granted, Limmer said. The purpose of the hearing is to talk about whether the offender has been rehabilitated after serving the sentence, Higgins said, opposing the amendment. The bill indicates a preference for the sentencing judge, if still avail-

able, to serve as the judge at the petition hearing, she said. The judge will already have the past information available, and what is relevant is what has happened since the offender has re-entered society, Higgins said. This is about going forward, she said. The amendment was rejected, 19-42.

Limmer also offered an amendment prohibiting local units of government from adopting ordinances or policies prohibiting or restricting governmental units, officials, or employees from sending to or receiving from federal immigration authorities information regarding the citizenship or immigration status, lawful or unlawful, of any individual. The amendment also prohibits local units of government from restricting federal, state or local government employees from inquiring about a person's immigration status; sending immigration information to, or requesting or receiving information from, the United States Immigration and Customs Enforcement Agency; maintaining immigration information; and exchanging immigration information with any other federal, state, or local governmental unit. It is important for law enforcement to enforce the law, which requires determining an individual's immigration status, Limmer said. Requiring local law enforcement to do the work of federal officials breaks down trust between communities' residents and local law enforcement, said Sen. Scott Dibble (DFL-Mpls.). The amendment was not adopted, 27-36.

Sen. Julianne Ortman (R-Chanhassen) offered an amendment delaying the effective date of the certificate of good conduct provisions from 2008 to 2010. The amendment also delays the effective date of a provision prohibiting private employers from using non-conviction criminal records in making employment decisions until 2010. There is not much time between now and this summer for our criminal justice system to adjust to these changes, Ortman said. We might not be ready for this in three months, she said. Ortman cited estimates of the costs of processing petitions for certificates of good conduct and said the judicial system is already overburdened. Higgins said proponents have worked closely with agencies that are affected by the proposals. They all know this is coming and they are ready to act, she said. We do not need to wait for two years, Higgins said, especially when we know the need for the

certificates is now. The amendment was defeated on a voice vote.

An amendment making it a gross misdemeanor to drive a vehicle recklessly and in a way that results in the death of a person was offered by Sen. Michael Jungbauer (R-East Bethel). There are a lot of distractions on the road and we need to reinforce the importance of focusing on safe driving, Jungbauer said. Moua said gross misdemeanors have financial impacts for the state. It may be good policy, but we do not know what it will cost to enforce, she said. The amendment was not adopted, 16-47.

H.F. 2996 was granted final passage, 61-3.

Senators also granted final passage to H.F. 3800, an omnibus transportation policy bill. Senators had previously granted preliminary passage to the bill's companion measure on General Orders, Mon., Apr. 28. The bill was granted final passage, 51-13.

Additionally, members considered several bills on General Orders. S.F. 3058, sponsored by Sen. Ann Rest (DFL-New Hope), authorizes Urban Partnership Agreements to provide for user fees for use of high-occupancy vehicle lanes and dynamic shoulder lanes. Rest said the bill is needed in order for the state to receive federal dollars for congestion reduction. Rest said that to improve efficiency and provide more options to individuals traveling in a trunk highway corridor, the bill authorizes the commissioner of transportation to charge user fees to owners or operators of single-occupant vehicles using dynamic shoulder lanes and any designated high-occupancy vehicle lanes. Members adopted an amendment, offered by Rest, establishing an I-35W high-occupancy vehicle and dynamic shoulder lane account and specifying the allocation of revenue in the account.

Sen. Ray Vandever (R-Forest Lake) offered an amendment changing the allocation of revenue to provide funds to the trunk highway fund. Rest opposed the amendment and said one of the conditions imposed by the federal government is that the funds be spent in the corridor. The amendment failed on a 16-45 roll call vote. The bill was then granted preliminary approval.

H.F. 3486, sponsored by Sen. Steve Murphy (DFL-Red Wing), reallocates proceeds of fees collected since 2005 under the International Fuel Tax Agreement.

Murphy offered an amendment containing all of the transportation policy language except language relating to Real ID. Murphy said the language, contained in an earlier bill, H.F. 1351, was vetoed because of the Real ID provisions. He said after adopting the amendment, the plan was to send the measure to the other body, which would concur with the Senate amendment and send the bill to the governor.

Sen. David Senjem (R-Rochester) offered an amendment to delay imposition of the gasoline tax increase until September of this year. Murphy opposed the amendment and said that delaying the increase would not significantly lower gasoline prices. The amendment failed on a 17-44 roll call vote.

The measure was given preliminary passage on a voice vote.

Sen. David Tomassoni (DFL-Chisholm) sponsored a bill, S.F. 2468, changing the name of Minnesota Technology, Inc. to Enterprise Minnesota, Inc. Tomassoni said the measure updates language to reflect the changes made in state agency organization and to reflect the mission of the organization. The measure was also approved.

Senators also adopted and repassed four conference committee reports. H.F. 3477, authored by Sen. John Marty (DFL-Roseville), provides for the regulation of lending practices and defaults for manufactured housing. Marty said the bill provides mortgage protections for manufactured housing borrowers similar to those provided for other home mortgage borrowers. S.F. 2369, sponsored by Rest, requires criminal history background checks on volunteer coaches and volunteers involved in supervising extracurricular school activities. S.F. 2881, carried by Sen. Linda Scheid (DFL-Brooklyn Park), regulates contracts for deed, regulates rates of interest on contracts and regulates mortgage lending. Scheid said the bill makes adjustments in the predatory lending laws enacted last year. S.F. 3674, authored by Moua, is the revisor's bill and corrects erroneous, ambiguous and omitted text, corrects obsolete references and eliminates redundant, conflicting and superseded provisions.

In other action, Senators granted final passage to four bills on the Senate Calendar. H.F. 3195, carried by Sen. Ellen Anderson (DFL-St. Paul), establishes the state's intent to participate in a cap and trade program for greenhouse gas emis-

# Floor update

sions. The bill was granted final passage, 43-21. S.F. 3366, authored by Sen. Linda Berglin (DFL-Mpls.), modifies the phase-in of rebased nursing facility operating cost payment rates. The bill was granted final passage, 57-6. S.F. 3193, sponsored by Rest, modifies provisions governing access to adoption records and original birth certificates. The bill was granted final passage, 48-16. S.F. 1128, authored by Sen. Sharon Erickson Ropes (DFL-Winona), modifies the use of personal sick leave benefits. The bill was granted final passage, 53-11.

## Thursday, May 1

### State government bill okayed

Senators granted final passage to a miscellaneous state government bill on the floor, Thurs., May 1. The Senate also concurred in amendments to bills passed by the other body, and granted final passage to five additional bills.

Sen. Ann Rest (DFL-New Hope) explained that the contents of H.F. 3494, the miscellaneous state government bill, are almost all provisions removed from finance omnibus bills or passed by the Senate already. The bill has three articles dealing with state government, lawful gambling, and elections.

Sen. Chris Gerlach (R-Apple Valley) offered an amendment deleting provisions removing salary caps for agency heads and other senior executive officials. The amendment was not adopted. Sen. Claire Robling (R-Jordan) offered an amendment changing a requirement for state employers to grant paid time off for employee blood donations to permissive authority to grant the paid time off. There are costs to the employer beyond the lost employee time, she said, and we should not make taxpayers pay people to donate blood. Rest opposed the amendment, saying the lost time is minimal in light of the public benefits of blood donation. The amendment failed, 23-40.

An amendment removing a provision relating to equitable compensation relationships was offered by Sen. Michael Jungbauer (R-East Bethel). The provision essentially raises wages across the board, which has a domino effect of magnifying budget crunches at all levels of public employment, he said. We should only raise salaries for positions where we need to in order to recruit talent, he said. Sen. Sandra Pappas (DFL-St. Paul) said the

provision simply clarifies the data collection and analysis requirement by mandating the use of a recognized classification analysis system and a point allocation system. The amendment was defeated, 17-45.

Sen. Warren Limmer (R-Maple Grove) offered an amendment requiring the chair of a legislative budget panel to make any document requested or prepared by the chair available to the panel's ranking minority member as soon as the document is completed. The amendment was adopted. Sen. David Senjem (R-Rochester) offered an amendment reducing the contribution limits for judicial candidates. Under the bill, the judicial candidate contribution levels are the same as the maximums for gubernatorial candidates, \$2,000 in an election year and \$500 in other years; the amendment reduces the maximum to the level for attorney general candidates, \$1,000 in an election year and \$200 in other years. The amendment was adopted, 50-15.

An amendment reducing the FY 09 appropriation for the Legislature by 10 percent was offered by Sen. Geoff Michel (R-Edina). We face a tremendous shortfall this biennium and an even larger one next cycle, he said. This is about doing our part in resolving the shortfall, Michel said. This is not a budget bill, it is a policy bill, said Sen. Don Betzold (DFL-Fridley). The omnibus budget reconciliation package contains cuts to the Legislature, he said, so we are proposing to do our fair share. Majority Leader Lawrence Pogemiller (DFL-Mpls.) said the Senate budget supports necessary staff and provides for necessary technology upgrades to make legislative work easier. The amendment was not adopted, 15-48. Sen. Betsy Wergin (R-Princeton) offered an amendment similar to the Michel amendment, but with a five percent cut. Wergin said her intent was merely to highlight the need to do more than the three percent cut proposed earlier in the budgeting process, without having to go so far as a 10 percent cut. She then withdrew the amendment.

Sen. Gen Olson (R-Minnetrista) offered an amendment designating ice hockey as the state sport. Olson said she was wary of carrying a bill creating another state symbol, especially a state sport. But we are an active state with a tradition of connection to sports, she said, and ice hockey has a unique relationship

to Minnesota. Minnesota is the home of the Hockey Hall of Fame and Sports Illustrated magazine's "Hockeytown, USA," Olson said, and is widely regarded as a state where hockey is grown from the ground up, beginning with vibrant youth leagues. The amendment was adopted.

An amendment requiring voters to provide a photo ID when going to the polls was offered by Sen. Warren Limmer (R-Maple Grove). The amendment also requires voters to verify their citizenship when registering to vote, through use of a passport, birth certificate, or naturalization certificate. Many common financial transactions require consumers to present photo IDs for security, Limmer said, but we do not require similar security for the more significant act of voting. Many naturalized citizens say one of the most precious moments is exercising their new right to vote, he said. Rest opposed the amendment, saying Minnesota is famous for the integrity of its voting system. We do not need this kind of extensive ID requirement, she said. The amendment was defeated, 21-41.

Limmer offered an amendment prohibiting the use of state funds to provide human services to persons who are not legal residents of the United States. There are cities in our state that are ignoring federal immigration laws, Limmer said. State taxpayers should not be required to pay for the public policy decisions made by cities, he said. Sen. Mee Moua (DFL-St. Paul) said the ordinances are proper exercises of local authority and do not interfere with the enforcement of federal immigration laws. The amendment was defeated, 25-36.

H.F. 3494 was granted final passage, 51-13.

In other action, the Senate concurred with changes made by the other body to three bills and repassed the measures. Sen. Yvonne Pretzner Solon (DFL-Duluth) moved that the body accept changes made by the House to S.F. 2706, establishing building energy standards. Pretzner Solon said the changes were technical and aided clarity. Sen. Linda Scheid (DFL-Brooklyn Park) moved that the body accept changes made by the House to S.F. 3132, regarding the release of medical debt information. Scheid said the changes made did not affect the intent of the bill. Sen. Tony Lourey (DFL-Kerrick) moved that the body accept technical changes made by the House to S.F. 3364, changing the

name of the Commission Serving Deaf and Hard-of-Hearing People to the Commission of Deaf, Deaf-Blind and Hard-of-Hearing Minnesotans, and expanding commission duties.

The Senate also passed four bills on the Calendar. H.F. 3411, sponsored by Sen. Debbie Johnson (R-Ham Lake), updates standards for petroleum products and regulates use of a number to advertise grade of gasoline. S.F. 3058, sponsored by Rest, provides for high occupancy vehicle lane and dynamic shoulder lane use and fees. H.F. 3486, sponsored by Sen. Steve Murphy (DFL-Red Wing), is the 2007 omnibus transportation policy bill, without a real I.D. provision. S.F. 2468, changes the name of Minnesota Technology Inc. to Enterprise Minnesota Inc., and is sponsored by Sen. David Tomassoni (DFL-Chisholm).

In addition, members considered bills for preliminary passage on General Orders. S.F. 3140, sponsored by Sen. Kathy Sheran

(DFL-Mankato), modifies boiler operations licensing provisions. Sheran said the bill is needed in order to ensure qualified boiler operators are available for future needs.

S.F. 3056, carried by Sen. Dennis Frederickson (R-New Ulm), provides for the disposition of proceeds from the sale of Dept. of Natural Resources administrative sites and modifies housing requirements for environmental learning centers. Sen. Ann Lynch (DFL-Rochester) offered an amendment including language from a bill aimed at maximizing revenue from school trust fund land. The amendment was adopted and the bill was approved.

S.F. 3122, sponsored by Sen. John Doll (DFL-Burnsville), provides for a limited general dentist license for foreign born graduates of nonaccredited dental programs. In addition, the bill provides for a study of alternative approaches to offering dental coverage to enrollees of public programs.

Scheid authored a bill, S.F. 3594, regulating real estate transactions, defining title insurance and regulating closing agents. Scheid offered, and members adopted, an amendment deleting a provision relating to notaries public at real estate closings. The bill was approved on a voice vote.

The Senate also adopted and repassed three conference committee reports. S.F. 3138, authored by Lynch, changes provisions for handling genetic information from newborn screening, sets forth requirements for providing information to parents, details parental options, and requires a report. S.F. 3441, carried by Moua, limits testimony of domestic abuse advocates without the consent of victims, unless ordered by the court. S.F. 3492, authored by Sen. Tarryl Clark (DFL-St. Cloud), extends the duration of orders for protection and restraining orders after multiple violations or continued threats.



*Senators John Doll (DFL-Burnsville) and Sandy Rummel (DFL-White Bear Lake) confer during the Senate's Wed., Apr. 30, floor session.*

Photo by David J. Oakes

# Committee update

## Finance

### County based purchasing okayed

Senators on the Finance Committee, chaired by Sen. Richard Cohen (DFL-St. Paul), heard six bills, Mon., Apr. 28. All the bills were recommended to pass and sent to the full Senate.

S.F. 3181, sponsored by Sen. Tony Lourey (DFL-Herrick), modifies county-based purchasing requirements. The composition of a mediation panel is modified, and a report is mandated. The bill also extends a single plan managed care arrangement until 2010.

Sen. Steve Murphy (DFL-Red Wing) offered an amendment to establish county-based purchasing plans as a default status for Winona, Olmsted, Houston, Fillmore, and Mower Counties.

Mike Podulke, Olmsted County Commissioner, said it was a chance to learn how the program would work in an urban county, and those individuals that did not make a choice are likely to be the most appropriate people for the county plans.

Sen. Linda Berglin (DFL-Mpls.) said a few county-based programs are running in the red, and business should be given to providers based on performance, not organization.

Phil Griffin, representing U Care Minnesota, said it was inappropriate to debate the issue in the Finance Committee, and because these plans are not required to have reserves, county tax payers must bail out any losses.

The amendment was adopted.

Lourey also presented H.F. 3372. The bill makes technical changes and corrections to the Health Care Administrative Simplification Act of 1994. The bill also allows the commissioner of health to waive certain group purchasers from the uniform transaction standards under certain conditions.

S.F. 3673, Lourey's third bill of the day, establishes a community consortium pilot project to study how long-term care systems can be better integrated. The proposal directs ten percent appropriated in the next biennium to the nursing home moratorium fund, nursing home facility performance grants, and the service development grant fund for financing of the study.

Cohen said that he thought the bill would affect budgeting in the next biennium, but Patti Cullen of the Long Term Care Imperative said the funds are for specific projects, not part of baseline budgets.

An amendment suggested by counsel, and adopted by the committee, removes a special revenue fund and transfers the money to the general fund for the commissioner of health to direct accordingly.

S.F. 3294 requires local government or state agencies to repay any state money received for an emergency management project in excess of the match money granted to it by the Department of Public Safety. The proposal is sponsored by Sen. Sharon Erickson Ropes (DFL-Winona).

S.F. 3122, sponsored by Sen. John Doll (DFL-Burnsville), provides for credentialing of foreign-trained dentists. Graduates of non-accredited programs must complete the clinical licensure examination and meet all other applicant requirements to receive a limited general dentist license. The individual must practice for three consecutive years in Minnesota under a licensed dentist's supervision. The bill also directs the commissioner of human services to study alternative approaches to offering dental coverage to public program enrollees. The date the report is due was moved by amendment from Dec. 15, 2008 to Jan. 15, 2009.

S.F. 3056, sponsored by Sen. Dennis Frederickson (R-New Ulm), allows revenue from sales of Department of Natural Resources administrative sites to be used for improvement or relocation of current sites. Current law requires sale revenue to be deposited in the land acquisition account for land acquisition only, according to DNR Assistant Commissioner Bob Meier. Frederickson said it was an incentive for the department to pursue consolidation efforts. The bill also makes exceptions for space requirements at environmental learning centers to better accommodate adults at these facilities.

### Omnibus environment bill gains

The Senate Finance Committee met to consider three bills, Tues., Apr. 29. The panel, chaired by Sen. Richard Cohen (DFL-St. Paul), moved the omnibus environment and natural resources policy bill and a bill establishing a felony for disarming a peace officer to the floor.

S.F. 2647 makes it a felony to intentionally disarm a peace officer against the officer's will, punishable by five years in prison and/or up to \$10,000. Author Sen. Ann Lynch (DFL-Rochester) said 2007

was the deadliest year for peace officers since 1989, with the exception of 2001.

Sen. Satveer Chaudhary (DFL-Fridley) presented the omnibus environment and natural resources policy bill, S.F. 3385. Fiscal staff said there is no impact on the general fund, and a \$5 million loss in revenue is expected to the game and fish fund. The state lands article contained in the bill will result in increased revenue to the state due to land sales, according to the analyst.

Sen. David Tomassoni (DFL-Chisholm) offered an amendment to direct additional walleye stocking, provided for in the bill, to Leech Lake. The proposal, a bill authored by Sen. Mary Olson (DFL-Bemidji), failed on an 8-9 divided voice vote.

Sen. Ellen Anderson (DFL-St. Paul) offered an amendment to provide grants to local governments that need financial assistance to upgrade public wading pools. Mandatory implementation of pool safety measures passed in the Senate last week. The amendment provides \$50,000, half from the metro parks fund and half from a state trails fund. Up to \$10,000 would be available per project. Anderson said the one-time grants are from available fund balances. The amendment was adopted.

Anderson also offered an amendment clarifying language requiring the Minnesota Pollution Control Agency to provide follow-up information to those who have received notice of a gasoline tank leak. Anderson said the amendment satisfies all parties. The amendment was adopted.

The committee began discussion on S.F. 3190, a bill holding miscellaneous state government provisions sponsored by Sen. Ann Rest (DFL-New Hope). The bill was laid over for further discussion.

### State government bill sent to floor

The Finance Committee heard a miscellaneous public safety omnibus report, Wed., Apr. 30. The committee, chaired by Sen. Richard Cohen (DFL-St. Paul), also continued discussion of a miscellaneous state government provision bill. Both bills were recommended to pass.

S.F. 3190, sponsored by Sen. Ann Rest (DFL-New Hope), contains three articles of provisions removed from finance bills or that have been recommended to pass by the committee process. Six of the provisions have already passed the Senate.

Two provisions have not yet had committee recommendations, according

to counsel. The first excludes the value of donated food to a nonprofit food shelf from inclusion in revenue calculations if donated for subsequent distribution at no charge. The second appropriates \$65,000 for the construction of a workers memorial on the Capitol grounds.

The state government article contains provisions modifying commissioner salary caps and state employee equitable compensation measures, establishing Minnesota Milestones in Sesquicentennial Commission planning and budget processes, modifying state surplus land appraisal and sales procedures, requiring a report from the Office of Enterprise Technology regarding assistance provided to state agencies in planning and managing information systems, granting paid time off for state employees to donate blood, and including appellate court appointments in the Commission on Judicial Selection process.

A lawful gambling article authorizes use of certain medications for horse racing, and clarifies the definition of a gambling device.

The third article, dealing with elections, modifies limits for judicial election contributions, and authorizes a general fund transfer to the Help America Vote Act account.

Cohen offered an amendment to appropriate \$60,000 to the Capitol Area Architectural and Planning Board to design and construct a memorial to Hubert H. Humphrey in the Capitol area. The amendment was adopted.

H.F. 2996, sponsored by Sen. Linda Higgins (DFL-Mpls.), is the public safety omnibus bill. The bill includes three sections with financial impact, according to Higgins. The first establishes a certificate of good conduct for qualifying individuals released from prison. A \$240 fee is established for the certificate. The second section authorizes the judicial branch to accept credit cards for fees and payments ordered by the courts and to impose a transaction fee. The third strikes language from last year's legislation requiring the Board of Public Defense to hire 34 more attorneys and 11 support staff. The section is in anticipation of budget cuts to the board, explained Higgins. The bill has a net neutral impact on the general fund, according to a fiscal analyst.

Sen. Leo Foley (DFL-Coon Rapids) offered an amendment removing a requirement to establish additional drug

courts, and freeing the corresponding appropriation for the courts to administer. The amendment was accepted.

The committee accepted an amendment by Sen. Michelle Fischbach (R-Paynesville) changing a reference to the radio board in statute from the Safety Radio System Planning Committee, a previous name, to the current title of Statewide Radio Board. The language is a provision of Sen. Joe Gimse (R-Willmar) that is in the Finance Committee.

## Judiciary Budget Division

### Omnibus crime bill approved

A package of crime prevention provisions gained the approval of members of the Judiciary Budget Division, Tues., Apr. 29. The panel, chaired by Sen. Leo Foley (DFL-Coon Rapids), advanced the measure, H.F. 2996, to the full Finance Committee.

Sen. Linda Higgins (DFL-Mpls.), chief author, said the bill contains policy provisions that were included in the omnibus budget bill but removed on the Senate floor to keep the budget bill clean. The bill also includes initiatives that were not "ready for prime time" when the budget bill was being considered, she said. The measure removes an expiration date on Internet access to Bureau of Criminal Apprehension data, directs the commissioners of corrections and employment and economic development to develop a marketing plan to attract private employers to hire inmates through MINNCOR, authorizes the judicial branch to accept electronic payment methods, and requires courts to inquire whether a person convicted of a crime is a veteran with a diagnosis of mental illness. The bill also prohibits private employers from using non-conviction criminal records in making employment decisions, removes an appropriations rider requiring the Board of Public Defense to hire new attorneys and support staff, requires the commissioner of corrections to review guidelines for revocation of parole and supervised release, and creates a working group to study controlled substance laws.

A major element of the bill is the creation of a certificate of good conduct, Higgins said. The bill permits persons convicted of or adjudicated delinquent for a crime to petition a court for the certificate. To obtain a certificate, under the bill, the person must have completed the

sentence imposed, not be required to register as a predatory offender, demonstrate rehabilitation, not be abusing alcohol or controlled substances, and show that issuing the certificate is in the public interest. Under the proposal, the certificate relieves the person of state-imposed collateral sanctions relating to eligibility for housing, employment or professional licensing. The bill provides for revocation of the certificate if the person is subsequently convicted of a crime.

Members discussed the fiscal implications of the certificate of good conduct provisions. The bill requires certificate petitioners to pay a \$240 filing fee. A fiscal note on the proposal projects \$1.2 million fee revenue in FY 09, but expenses totaling \$1.326 million: \$1.16 million for the courts and \$166,000 for the Dept. of Public Safety. The bill appropriates a total of \$1.2 million for certificate of good conduct activities. Senate Fiscal Analyst Chris Turner said the expenses and revenue will need to be reconciled before the bill is considered in the Finance Committee. He advised the panel that the appropriation be split between the courts and the department to fully fund the department's projected expenses, which were substantiated in greater detail. The costs to the courts can be considered in a broader discussion of funding judicial operations, he said. The bill was amended to split the \$1.2 million appropriation, \$166,000 to the department and \$1.034 million to the courts.

## Rules and Administration

### Economic development bill gains

The Rules and Administration Committee, chaired by Sen. Lawrence Pogemiller (DFL-Mpls.), met briefly Mon., Apr. 28, to consider a provision in H.F. 3722. The bill, authored by Sen. David Tomassoni (DFL-Chisholm), contains numerous provisions relating to economic development in the state. However, the bill needed to come before the committee because of a provision calling for Legislators to be appointed to a trade policy advisory group. Tomassoni said a bill passed last year established a working group to discuss the state's role in trade policy and the establishment of the advisory group was one of the recommendations. Members approved the measure and advanced the bill to the Senate floor.

# Committee update



Following their tour of the Capitol, Senator Kathy Sheran meets with Mankato's Mt. Olive Lutheran School sixth graders in the Rotunda, Tues., Apr. 29.

Photo by David J. Oakes

## Senate audit report heard

Members of the Rules and Administration Committee met Wed., Apr. 30, to accept the Senate audit for FY 2007. The audit, performed by the firm of Virchow, Krause and Company, LLP, is done annually to ensure Senate financial transactions comply with accounting standards. Jim Murray, of the audit firm, said that because of changes in auditing standards, additional documentation will be required for future audits. The audit, as presented to the panel, found that the Senate met the accounting standards and had no material problems. The panel, chaired by Sen. Lawrence Pogemiller (DFL-Mpls.), adopted a motion to accept the audit and discussed the appointment of a small working group to ensure a smooth transition to the new audit documentation requirements.

## Pension bill gains

The Rules and Administration Committee, chaired by Sen. Lawrence Pogemiller (DFL-Mpls.), met briefly Thurs., May 1, to take action on two bills captured under Joint Rule 2.03, the rule dealing with late bills.

S.F. 2720, sponsored by Sen. Don Betzold (DFL-Fridley), is the omnibus pension bill. Betzold explained that the bill was late because members of the Legislative Commission on Pensions and Retirement were unable to meet until after the second deadline. The measure was approved by the commission last week and was heard by the State and Local Government Operations and Oversight Committee Wed., Apr. 30. Members approved a motion to accept the committee report and send the bill to the Committee on Finance.

The second bill, S.F. 3857, sponsored by Sen. Ann Rest (DFL-New Hope), con-

tains several miscellaneous bills relating to local government. Rest said the underlying bill, relating to ditches in Hennepin County, was noncontroversial. However, because of the need to find a vehicle for the miscellaneous local government bills, the measure was amended to include bills ranging from allowing pets to accompany their owners at outdoor cafes and restaurants to providing for business energy use accountability. Committee members adopted the bill's committee report and advanced the measure to the full Senate.

## State and Local Government Operations and Oversight

### Compensation, pension bills gain

The State and Local Government Operations and Oversight Committee met Wed., Apr. 30, to consider appointments and to take action on three bills.

The panel began by discussing S.F. 3793. The bill, sponsored by Sen. Tarryl Clark (DFL-St. Cloud), proposes a constitutional amendment for a council to prescribe salaries for Legislators, judges and constitutional officers. Clark explained that currently there is a statutory provision for a compensation council, but the Legislature must act on the recommendations of the council. The bill eliminates the need for the Legislature to approve compensation recommendations. Under the bill, the council is also to set the per diem living expenses for Legislators. Clark said removing the need for the Legislature to approve salary increases removes much of the awkwardness of the process.

Former Sen. Roger Moe spoke in support of the measure. Moe said a commission looking at ways to improve the legislative process also looked at Legislative compensation. He said the current salary for Legislators has not been changed since 1999 and that the salary may act as a deterrent to individuals running for office. In addition, Moe said the commission recommended that the salary be increased substantially, but that per diem payments be eliminated.

The bill was approved and advanced to the Rules and Administration Committee.

The committee approved the appointments of Felicia Boyd and Hilda Betterman of the Campaign Finance and Public Disclosure Board.

Sen. Don Betzold (DFL-Fridley) sponsored the omnibus pension bill, H.F. 3082. The bill contains the recommendations of the Legislative Commission on Pensions and Retirement. Betzold said the first portion of the bill makes changes in post-retirement provisions relating to the post-retirement adjustment mechanism. The bill also specifies that if the post-retirement fund falls below 80 percent funded in one year or below 85 percent funded in two consecutive years, there would be a flat 2.5 percent post-retirement adjustment and the fund assets would be transferred to the individual retirement funds. The bill also updates the post-retirement options program and creates a return to work agreement program within the Teachers Retirement Association. Betzold said the bill mandates a joint and survivor benefit form, makes numerous administrative changes, expands the Minnesota State Retirement System-corrective plan coverage, makes changes to provisions of the Minnesota State Retirement System unclassified retirement program and provides for Public Employees Retirement Association members whose employer has become a private, rather than a public employer. Other changes include modification of provisions relating to financial and actuarial reporting, retirement savings programs, and public employee police and fire retirement plans. Finally, Betzold said there were a number of provisions relating to individuals.

A representative of Education Minnesota opposed the portion of the bill authorizing the merger of the post-retirement fund with active funds should the balance fall below a certain amount. Betzold said benefits like retirement under the Rule of 90, in which an employee's combined years of service and age equal 90, cannot be sustained over the long term.

The measure was advanced to the Finance Committee.

Committee Chair Ann Rest (DFL-New Hope) sponsored a measure, S.F. 3857, authorizing an alternative transfer procedure in Hennepin County for drainage system management. Rest offered, and members adopted, an amendment containing local government policy provisions that will serve as an omnibus policy bill. The amendment contains provisions allowing companion dogs to accompany persons patronizing outdoor areas of food and beverage service establishment, providing for business energy use accountability, increasing the fee charged by county registrars for any document affecting two or more units in a condominium, and allowing the Minneapolis Park and Recreation Board and the Minneapolis City Council to impose a public land dedication fee on new commercial and industrial development. Members also adopted an amendment removing provisions of the bill relating to commuter rail development. The bill was approved and advanced to the Senate floor.



Thursday, May 1, was a popular day for rallies at the Capitol. Left, several dozen Iraq war protesters march down John Ireland Boulevard on their way to the Xcel Energy Center. Center, Kelly Schmidt of Minneapolis dances in front of the Capitol during festivities marking the annual National Day of Prayer. Right, Jimmy Riso, from Mexico, pounds on his homemade drum in front of the Capitol, during a rally addressing immigration issues.

Photos by A.J. Olmscheid

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# Senate Briefly

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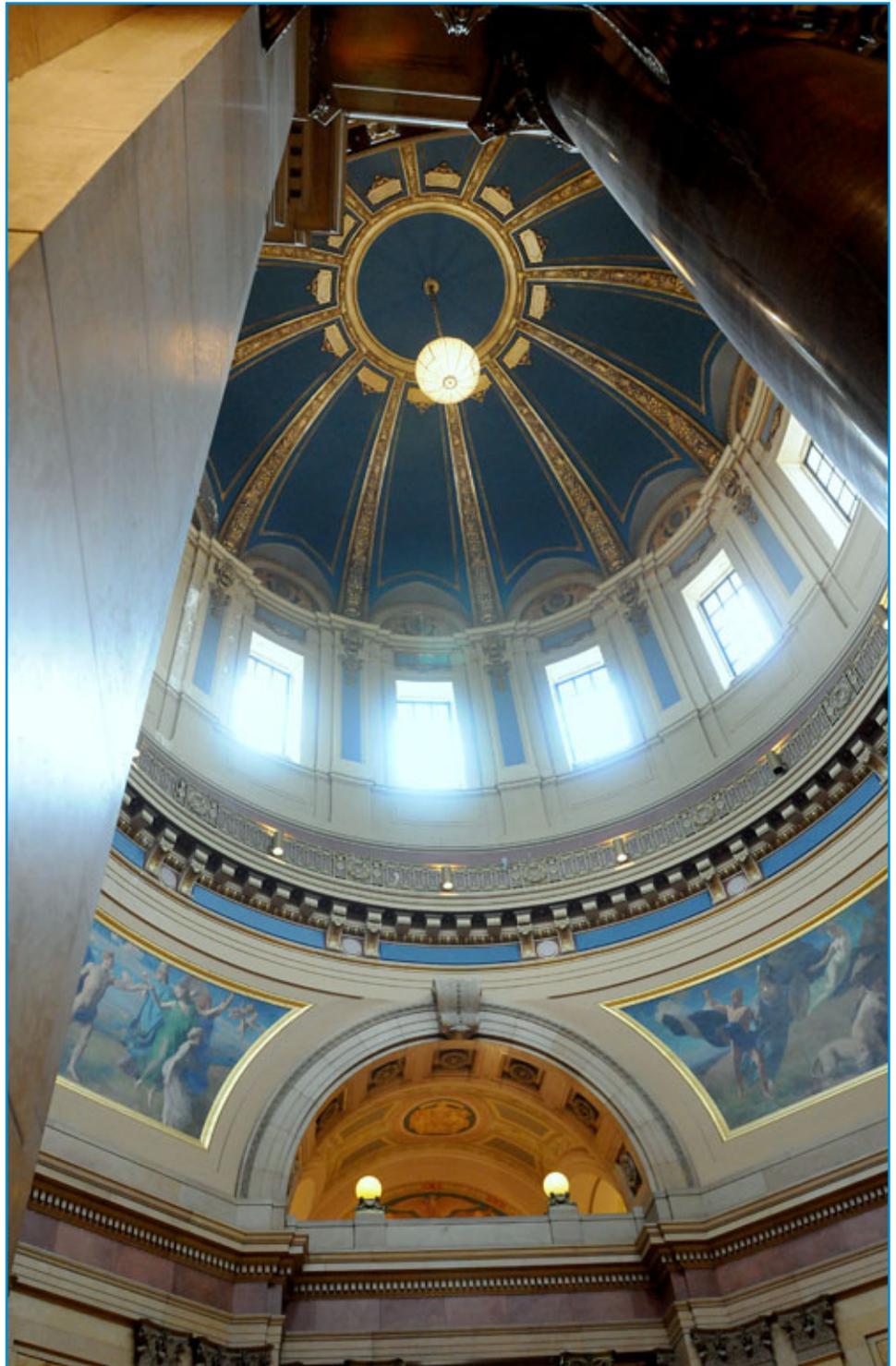
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*In anticipation of Minnesota's 150th birthday, May 11, the chandelier is illuminated high above the Capitol Rotunda, Fri., May 9.*

*Photo by A.J. Olmscheid*



May 9, 2008

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# Senate Highlights

## Conference spending scrutinized

Recent allegations surrounding a state department's involvement in funding a national conference was the focus of a special joint meeting of the Senate Environment, Energy and Natural Resources Budget Division and the House Environment and Natural Resources Finance Division, Fri., May 9. The panels, chaired by Sen. Ellen Anderson (DFL-St. Paul) and Rep. Jean Wagenius (DFL-Mpls.), heard from officials in the Dept. of Natural Resources and the legislative auditor. The allegations surround the annual conference of the North American Wildlife Enforcement Officers Association, held in St. Paul in mid-July 2007.

The allegations are "ones we are not taking lightly," said Commissioner Mark Holsten, DNR. He said the department has initiated internal investigations. Because of the strictures surrounding internal investigations, he said, the department cannot answer all the questions the panel members may ask. Due to the severity of the allegations and the possible consequences, we need to act cautiously, Holsten said. We will provide as much information as we can when we can, he said.

Holsten said the allegations fall into three identified topics: the financing of the conference, possible conflict of interest issues, and alleged data practices violations. On the financing, we are trying to put together the paper trail, which

stretches over two years and involves over 200 employees, Holsten said. He said the department is collaborating with the legislative auditor on the conflict of interest allegations and has asked the Dept. of Employee Relations about contracting with an external firm to conduct a separate vetting of the issue. The data practices issue involves the possibility that a newspaper reporter did not receive all the information he requested and was legally entitled to receive, Holsten said. We are investigating whether the reporter got everything, and if not, who was involved in withholding information, he said.

Assistant Commissioner Larry Kramka and Chief Financial Officer Denise Anderson reviewed the details of more than \$180,000 in state spending on the conference. The expenses did not include allocating salaries to conference-related activities, Kramka said. A breakdown of the expenses, provided by the agency, indicated that the expenses included registration, lodging, parking, travel and meals for all of the state's 204 conservation officers to attend, as well as similar expenses for 40 non-licensed DNR staff and 60 volunteers who were facilitating the conference. The expenses also included \$1,728 for a conference website and a \$35,500 grant to the Minnesota Conservation Officers Association. Kramka said the grant was for services rendered by the MCOA in preparing for and putting on the conference, and was disbursed on a reimbursement basis, rather than as a block grant. Hosting the conference was an agreement between two private parties, MCOA and NAWEOA, Ellen Anderson said. We need to know how the state ended up on the hook for paying to fulfill the agreement, especially when the private parties ended up making a profit on the event, she said.

Col. Mike Hamm, the chief conservation officer, said he decided to require all the conservation officers to attend because the training available at the national convention is superior to state or local offerings. This was a unique opportunity for training experiences, keynote presentations and interaction with colleagues from across the continent, he said. Wagenius said she was concerned about the message being sent by taking the entire corps of conservation officers out of the field for at least three days—and as many as five days when travel time is included—at the height of the summer recreation season.

All of the factors were considered, Hamm said, but the unique opportunity weighed in favor of having everyone attend. He said the department does have mandatory training for all officers frequently, but schedules the training to be held at least twice. It is not a common practice for us to pull all the officers from the field for training simultaneously, he said. Kramka said Legislators should not focus solely on training at the conference. Many of the events not designated as training fall within the category of employee development, he said.

Legislative Auditor Jim Nobles said he learned of the allegations through a newspaper article. The same day, he said, he notified Holsten that the Legislative Auditor's Office would begin an investigation. We will use the full panoply of resources at our disposal to investigate the allegations raised and any that arise during our investigation, Nobles said. He said the office will move expeditiously, but does have other ongoing investigations to conclude before full attention can be devoted to the conference matter. We will seek documents from the department and private groups, he said. Nobles clarified that the office will not hold public hearings or issue interim reports, and documents surrounding its work will be classified as nonpublic while the investigation proceeds. However, once we complete our investigation and issue a final report, he said, everything will be public data unless we have reason to classify it.

## Delta exec heard

Conversations surrounding the merger of Northwest Airlines and Delta Air Lines continued, Mon., May 5, as members of the Business, Industry and Jobs Committee met with Delta's president and chief financial officer, Ed Bastian.

The future of the merged airlines is a topic of great importance to our employees, customers and host communities, Bastian said. The merger creates a global network and the financial stability to compete in a changing marketplace, he said. Bastian called the combination of Northwest and Delta "a merger of addition, not subtraction." Other airline mergers have failed because they were proposed out of necessity or vulnerability, he said, while Northwest and Delta have strategically chosen to merge when they are strong. Merging gives the companies the financial strength to fight the chal-

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lenges facing the industry, he said. Bastian said there will be casualties in the airline industry, but Delta and Northwest do not plan to be among them. We will be positioned to take on the customers of failed airlines, he said, and benefit from the ability to reduce administrative costs, streamline processes, achieve economies of scale with vendors and add revenue through new routes and services.

Bastian addressed concerns about the future of the Northwest hub at Minneapolis-St. Paul International Airport and of airline service in Minnesota generally. The hub will remain “full and vibrant,” he said, because of its excellent geographic location and proximity to the headquarters of dozens of Fortune 1000 companies. The Twin Cities are positioned to have non-stop access to more locations, Bastian said, by leveraging Delta’s strengths in

Europe, Africa and South America. Both Delta and Northwest have proud histories of serving small communities, he said. The combined airline will be the domestic carrier serving the most small communities, he said. The economic model of hubs and spokes depends on traffic from small communities feeding into the hubs, Bastian said. We have long-standing investments in the customers, facilities and employees of our hubs and their surrounding communities, he said, and we do not plan to undo the efforts.

Because the merged airline will use the Delta name and Atlanta headquarters, Bastian acknowledged that Minnesotans are concerned about the impact of the merger on Minnesota employment. Even with an Atlanta headquarters, we will have major international, national and regional employment centers in

Minnesota and elsewhere, he said. The exact list of employment functions that will be located in Minnesota is not yet final, he said, but the merger’s “impact on employees at Delta and Northwest is uppermost on our minds.” Bastian noted that Delta has a history of working with its employees, including never undergoing a strike in its 80-year history. Treating employees at both companies with dignity, respect and fairness is a guiding principle in the merger, he said. The merger plan includes setting aside stock in the combined company for employees to have an unprecedented ownership stake in an airline, Bastian said. Additionally, the airline plans to bring its employees up to industry compensation standards, which both airlines lag now, he said. The airline has pledged to respect employee preferences on representation and will honor Northwest’s existing collective bargaining agreements until the post-merger labor relations situation is resolved, he said.



*Delta Air Lines President Ed Bastian appears before members of the Business, Industry and Jobs Committee, Mon., May 5, to address concerns regarding the merger of Northwest Airlines and Delta.*

Photo by A.J. Olmscheid

### **Compensation amendment gains**

Members of the Rules and Administration Committee, chaired by Sen. Lawrence Pogemiller (DFL-Mpls.), met Thurs., May 8, to consider a resolution regarding peak oil and two bills proposing amendments to the state Constitution.

S.F. 3793, authored by Sen. Tarryl Clark (DFL-St. Cloud), is a proposal for a constitutional amendment to establish a citizens’ council to prescribe salaries for Legislators and constitutional officers. Clark said, “We now have a compensation council that makes recommendations for legislative and constitutional officer salaries, but the Legislature must enact legislation and the governor must sign the bill for the recommendations to take effect.” The current system presents an ongoing challenge, both through public perception and an inherent conflict of interest, Clark said. She said the proposal takes Legislators out of the process completely and allows a citizen council to study the full range of factors contributing to compensation. Passage of the measure is aimed at addressing the increasing difficulty of recruiting candidates and retaining office holders.

Clark offered an amendment, which was adopted, removing the judicial branch from the jurisdiction of the compensation council and limiting the 16 member council to no more than four past office holders.

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Sen. Gen Olson (R-Minnetrista) said the proposal is asking the people to give the compensation council the authority to implement its recommendations. Sen. Keith Langseth (DFL-Glyndon) also spoke in support and said, "Compensation should not be so high that it is the reason candidates run, but it should not be so low that people are discouraged from serving."

The bill was recommended to pass and advanced to the Senate floor.

Members also considered a proposal, S.F. 3072, for a constitutional amendment to allow the Legislature to call a Special Session, with a limited agenda, for no more than seven Legislative Days, upon agreement of a two-thirds majority of both bodies. Sen. Ann Rest (DFL-New Hope), the bill's author, said, "Thirty-three other states have procedures whereby the Legislature can call a Special Session." Current law allows only the governor to call a Special Session, but in case of extraordinary circumstances there should be a way for the Legislature to hold a Special Session, she said. Rest said the bill originally allowed either the presiding officers or a majority of both bodies to call a Special Session, but the proposal was amended in committee to increase the needed

majority and to eliminate the provisions allowing presiding officers to initiate a Special Session.

Langseth said that the language was essentially meaningless, because if circumstances were so extraordinary, the governor would call a Special Session before the two-thirds majority could be obtained.

Sen. Dennis Frederickson (R-New Ulm) said that there is already one constitutional amendment scheduled to be on the ballot and that usually, the more constitutional questions put to the voters, the greater the likelihood the questions will fail.

Sen. David Senjem (R-Rochester) questioned the need for a constitutional amendment. Rest responded that it was a question of the balance of powers between the branches of government. By having the ability to call a Special Session, there is an assertion that the legislative branch is truly an equal branch of government.

Members laid the bill over for further discussion and possible amendment.

The panel also advanced a resolution, H.F. 995, memorializing the governor to take action to prepare a plan to meet the challenges of peak oil. Sen. Jim Carlson (DFL-Eagan), chief author, said, "There

is a major storm coming and we need the vision to see through the storm." He said the point of maximum production (peak oil) will occur sometime between now and 2040 and that now is the time to begin preparing for the effects of declining oil supplies. He said increasing demand, declining oil resources and falling oil production will create a global crisis. Carlson said the resolution calls upon the governor to recommend funding and give direction to state departments for the development of a response plan as soon as possible.

Sen. Linda Berglin (DFL-Mpls.) said it is unusual for the Legislature to ask a governor to do a particular task; it is the governor who develops proposals and seeks funding. However, Senjem said that discussing the resolution will focus attention on the problem.

Members adopted an amendment deleting a provision advocating the adoption of a global oil depletion protocol and altering language to specify that the governor task appropriate state departments to develop a statewide assessment to evaluate the impact of a decline of petroleum availability and higher prices. The measure was approved and advanced to the Senate floor.



Senators Mary Olson (DFL-Bemidji) and Ron Latz (DFL-St. Louis Park) consult in the Senate Chamber during the Thurs., May 8, floor session.

Photo by David J. Oakes

# Floor update

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Monday, May 5

## I-35W bridge compensation fund, home foreclosure relief bills gain

One of the highlights of the Mon., May 5, floor session was final passage of the bill providing compensation to victims of the I-35W bridge collapse. Sponsor Sen. Ron Latz (DFL-St. Louis Park) said there had been drastic differences between the Senate version and the language of the other body.

The conference committee version, H.F. 2553, expedites payments to victims and avoids litigation without accepting any liability on the part of the state, said Latz. A fund of \$24 million provides up to \$400,000 in compensation to most survivors. The bill also lifts the \$1 million per incident cap, retroactive to Aug. 1, 2007. A fund of \$12.64 million in supplemental appropriations is established to compensate for excess economic loss not compensated by the first fund. A grant of \$610,000 is made to Waite House to provide services to youth and families of youth who were on a school bus when the bridge collapsed. An appropriation of \$750,000 is made to finance administration of a three attorney panel appointed by the state Supreme Court chief justice that will determine compensation amounts. The deadline for claimants to file a claim is Oct. 15, 2008.

Much of the balance of the floor action focused on bills on General Orders. All of the bills were granted preliminary passage.

A great deal of debate centered on a bill providing relief for homeowners facing foreclosure. Sen. Ellen Anderson (DFL-St. Paul) said S.F. 3396 is a response to the record number of home foreclosures currently taking place. Anderson said the bill, the Minnesota Subprime Foreclosure Deferment Act of 2008, is aimed at helping Minnesotans save their homes. She said the rate of foreclosure has not been seen since the Great Depression of the 1930s. About 12,000 families will be helped by the bill, Anderson said. Anderson said some 40,000 families are facing foreclosure. Anderson said, "Our communities are being hit hard by foreclosures." In addition, she said foreclosures lead to lowered values and more crime in hard hit neighborhoods.

Anderson said the bill allows homeowners, who received subprime loans between 2001-2007, to request a defer-

ment of their foreclosure for up to 12 months. The bill requires shared responsibility between homeowners and lenders. The homeowner must make reduced payments and, in exchange, the lender gets payments on a home without the home's losing value. Anderson offered an amendment that requires a homeowner to seek assistance from a foreclosure counselor, allows a lender to choose between negotiating and deferring the foreclosure and allows the lender to cancel the deferment if the homeowner does not accept a negotiated agreement. Anderson said one of the major difficulties in negotiating loan modifications is getting out-of-state lenders to the table. She clarified that the measure does not apply to loans originated by a state or federally chartered bank, savings bank, credit union, or an organization majority owned by one or more credit unions. The amendment was adopted on a 40-16 roll call vote.

Sen. Chris Gerlach (R-Apple Valley) said the bill is not targeted to those who have been victims of fraud, will impact the secondary lending market, and will have implications on the credit markets in the state.

An amendment, offered by Anderson, changes the name of the bill to the Subprime Borrower Relief Act of 2008. The amendment was adopted. Anderson offered a third amendment requiring foreclosing lenders to provide written notice of deferment to all parties who request notice of foreclosure or who are listed as a holder of a security interest in the property.

Gerlach offered an amendment requiring those who request a deferment to demonstrate that they were the victims of fraud or misrepresentation in the origination of the foreclosed loan. Gerlach said the purpose of the bill is to limit the deferments to those who were victims of fraud, but the bill does not state that purpose. Anderson opposed the amendment and said, "Lenders were providing easy credit and many people did not understand what they were getting into." She said the bill targets subprime loans and negative amortization loans. Sen. Rod Skoe (DFL-Clearbrook) spoke in support of the amendment and said the language in the bill is too expansive. The amendment failed on a 25-35 roll call vote.

Sen. Julianne Ortman (R-Chanhassen) said the bill is making statutory changes to contractual language and is

unconstitutional. She said the bill goes outside the scope of Legislative authority. Anderson said previous bills to provide remedies to foreclosures have been upheld by the U.S. Supreme Court.

An amendment, sponsored by Gerlach, requires borrowers to show an inability to make full payments of principal and interest on the foreclosed loan. Gerlach said the amendment is an attempt to narrow the focus of the bill, rather than allowing everyone to be able to defer their loans. The amendment failed on a 26-38 roll call vote.

Sen. Warren Limmer (R-Maple Grove) offered an amendment specifying that, during the deferment period, no real estate taxes may be paid with respect to the property subject to the eligible federal loan from any escrow account. Limmer said if businesses are not going to be paid under the terms of the mortgage, then government should go without payments also. The amendment failed on a 13-49 roll call vote.

The bill was granted preliminary passage on a 34-29 roll call vote.

H.F. 3372 updates uniform billing and electronic claim practices and allows the commissioner of health to permit certain group purchasers to be exempt from the uniform transaction standards if necessary. The proposal is sponsored by Sen. Tony Lourey (DFL-Kerrick).

S.F. 3493 provides a technical correction to flood relief legislation. The bill requires local governments or state agencies to repay any state money received for an emergency management project in excess of the match money granted to it by the Department of Public Safety. The proposal is sponsored by Sen. Sharon Erickson Ropes (DFL-Winona).

S.F. 3467, sponsored by Sen. Linda Scheid (DFL-Brooklyn Park), is an omnibus miscellaneous commerce provision bill. The bill includes numerous technical changes and corrections, Scheid said. Scheid offered an amendment that increases a vehicle seller's document fee limit to \$75, clarifies language regarding cancer screening, allows individuals to electronically enroll in Medicare supplement plans, allows for a merger of underwriting associations and allows an individual to sell timeshares under supervision of a limited broker licensee.

H.F. 2877 establishes a felony penalty for intentionally disarming a peace officer against the officer's will, punishable by five

# Floor update

years in prison and a fine up to \$10,000. The proposal is authored by Sen. Ann Lynch (DFL-Rochester).

Members also granted final passage to several bills on the Calendar. S.F. 3140, authored by Sen. Kathy Sheran (DFL-Mankato), makes a number of changes to boiler operations licensing procedures. S.F. 3056, carried by Sen. Dennis Frederickson (R-New Ulm), modifies permanent school fund provisions, provides for the disposition of proceeds from the sale of Dept. of Natural Resources administrative sites and modifies requirements for environmental learning centers. S.F. 3122, sponsored by Sen. John Doll (DFL-Burnsville), provides for a limited general dentist license for graduates of non-accredited dental programs and provides for a study of alternative approaches to offering dental coverage to enrollees of public programs. S.F. 3594, authored by, regulates real estate transactions and regulates closing agents. H.F. 3376, carried by Sen. Patricia Torres Ray (DFL-Mpls.), makes technical changes relating to the Minnesota family investment program, child care assistance and the child care assistance sliding fee scale.

In addition, members acted on a number of conference committee reports. S.F. 2379, authored by Sen. Thomas Bakk (DFL-Cook), makes a technical change in eminent domain provisions. Bakk said the other body receded from its amendments and the bill is the same as when it first passed the Senate. S.F. 2909, sponsored by Sen. Rick Olseen (DFL-Harris), allows tenants to pay utilities if a landlord fails to do so. S.F. 3303, carried by Sen. Linda Higgins (DFL-Mpls.), creates a nonprofit riverfront development corporation. S.F. 3563, carried by Erickson Ropes, clarifies human services licensing fine provisions.

Finally, members granted final passage to the human services policy bill. H.F. 3222, sponsored by Sen. Linda Berglin (DFL-Mpls.), was passed last week. The purpose of repassing the House File is to add the language of S.F. 3168, send the measure to the other body and allow for the appointment of a conference committee. The bill gained final passage on a 56-10 roll call vote.

## Wednesday, May 7

### Omnibus tax bill passed

Senators used the first portion of the Wed., May 7, floor session to grant final

passage to the omnibus tax bill. Other action included final passage of measures on the Calendar and preliminary passage of bills on General Orders.

H.F. 3149, carried by Sen. Thomas Bakk (DFL-Cook), is the omnibus tax bill. Senators first approved a procedural motion, offered by Bakk, amending the bill to include the language of the tax bill, S.F. 2869, passed by the Senate, Apr. 3. Under the state Constitution, revenue bills must arise in the other body; the Senate tabled its bill after passing it, in order to await the House File.

Sen. Pat Pariseau (R-Farmington) offered an amendment removing language expanding the transit taxing district to include the entire Metropolitan Area. The residents of the communities being added, especially in Farmington and Lakeville, need to be heard before they are included in the taxing district, she said. Sen. Scott Dibble (DFL-Mpls.) opposed the amendment. People who live outside the taxing district are using transit services, especially park and ride lots, paid for by people within the district, he said. It is a matter of simple fairness to add communities that use the services to help pay for them, he said. The amendment was defeated, 17-47.

Sen. Geoff Michel (R-Edina) offered an amendment reducing the corporate income tax by one percentage point a year for ten years, when the rate falls to zero. Minnesota companies are cutting jobs here and expanding elsewhere, Michel said. He noted that Medtronic is cutting over 300 jobs in Minnesota, 3M is expanding in Texas rather than Minnesota, and the post-merger headquarters of Northwest and Delta will be in Georgia. States across the country, and even other nations, are reducing their corporate income taxes to grow jobs, he said. In a recessionary economy, Michel said, growing jobs should be our number one priority. If corporate taxes were the only factor businesses cared about, then South Dakota would be a corporate Mecca, Bakk said. But that is not the case, he said, because corporations care about a number of items, not just taxes. He acknowledged that corporate taxes are notoriously volatile and revenue stability is a desirable feature of future revenue policy. We need to have a discussion about stabilizing our revenues and how corporate taxes fit into the mix, he said. But the place for the discussion is not on the Senate floor, Bakk said. He noted that the amendment

also does not replace the revenue it would cut in the short-term, leaving the budget unbalanced. The amendment failed on a 30-34 roll call vote.

Sen. David Hann (R-Eden Prairie) offered an amendment creating a gas tax holiday for July- October 2008. Minnesota families and businesses would save needed money under the amendment, Hann said. The amendment was defeated, 18-42. Sen. Julianne Ortman (R-Chanhassen) offered an amendment providing a phased-in subtraction of military retirement pay from state income tax calculation. The amendment was defeated, 27-32. Sen. Warren Limmer (R-Maple Grove) offered an amendment excluding Social Security benefits from income taxes. The amendment was not adopted, 24-37. Sen. Betsy Wergin (R-Princeton) offered an amendment providing for a transfer of the positive unrestricted balance in the health care access fund to the general fund. Under the amendment, the transferred funds must be used to pay for the costs of state-financed health care programs. The amendment was ruled out of order as not being germane to the bill; the ruling was upheld by the body, 39-19.

Ortman offered an amendment prohibiting valuation increases, for two years, for property tax purposes. Homeowners deserve a little relief in this housing market, Ortman said, especially when many homeowners are not seeing their market values rise. Bakk said that valuation is only part of the story in calculating property taxes. The amendment does not actually freeze property taxes, he said. The amendment failed on a 17-42 roll call vote. Sen. Ray Vandever (R-Forest Lake) offered an amendment capping property taxes as a percentage of income. The amendment was rejected, 18-37. Sen. Dan Sparks (DFL-Austin) offered an amendment repealing a deduction of a school district's wind-energy production tax revenue from its general education aid. The amendment was adopted, 31-30.

Sen. Julie Rosen (R-Fairmont) said she continued to be disappointed that the bill ends the JOBZ program. Greater Minnesota has benefited from the program, she said. It is wrong to take away a viable economic development tool from Greater Minnesota, Rosen said, while subsidizing growth at the Mall of America.

The tax bill, H.F. 3149, was granted final passage, 35-27.

Senators granted final passage to four bills on the Senate Calendar. S.F.



*Senate President Pro Tem Dennis Frederickson (R-New Ulm), left, visits with Senate President James Metzger (DFL-South St. Paul) at the President's Desk during the Thurs., May 8, floor session.*

Photo by David J. Oakes

3396, authored by Sen. Ellen Anderson (DFL-St. Paul), permits homeowners with subprime mortgages to receive foreclosure deferments. The bill was granted final passage, 37-27. The remaining three bills drew few or no dissenting votes. H.F. 3372, carried by Sen. Tony Lourey (DFL-Kerrick), changes provisions for uniform medical billing forms and electronic claim filing. H.F. 3493, sponsored by Sen. Sharon Erickson Ropes (DFL-Winona), requires local communities that have received disaster relief assistance to repay any state money received that is in excess of the FEMA and state match money granted to them. H.F. 2877, carried by Sen. Ann Lynch (DFL-Rochester), makes it a felony to disarm a peace officer.

Three measures were granted preliminary approval on General Orders. H.F. 3367, carried by Sen. Don Betzold (DFL-Fridley), modifies the Open Meeting Law and the Data Practices Act. The bill requires closed meetings to be electronically recorded at the expense of the public body holding the closed meeting; the bill re-

quires the recordings to be preserved for at least three years. Second, the bill permits courts to award attorney fees to prevailing plaintiffs who have sued a public body that has ignored a written Data Practices Act opinion from the commissioner of administration.

Sen. Gary Kubly (DFL-Granite Falls) carried a bill, H.F. 3585, authorizing local governments to engage in community-based energy development projects. The bill prohibits local governments from using eminent domain to acquire property for a C-BED project. The measure also permits counties to enter into agreements for the purchase of electrical energy from one or more projects and enter into agreements with a utility for the purchase and sale of the electrical energy purchased.

H.F. 3574, carried by Bakk, clarifies that the State Building Code is the standard that applies statewide for the construction, reconstruction, alteration, and repair of buildings and other structures governed by the code. It also changes the method of determining whether a municipi-

ality must administer and enforce the State Building Code. Members adopted an amendment, offered by Bakk, permitting the use of ungraded lumber in communities where ungraded lumber is currently permitted. Bakk said the prohibition on ungraded lumber has prevented many communities from adopting the Building Code. The amendment also modifies the insurance requirements for residential contractors and permits the Duluth Entertainment and Convention Center to enter into a construction manager at-risk contract.

### Conference reports adopted

Several major conference committees were also adopted and repassed during the latter portion of the Wed., May 7, floor session.

S.F. 3337, authored by Sen. Yvonne Prettner Solon (DFL-Duluth), is the omnibus energy and telecommunications policy bill. Changes made by the conference committee, Prettner Solon said, include provisions requiring utili-

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Senators Patricia Torres Ray (DFL-Mpls.), left, and Betsy Wergin (R-Princeton) discuss legislation during the Senate's Thurs., May 8, floor session. Photo by David J. Oakes

ties to provide landowners with copies of appraisals before presenting eminent domain petitions, changing the definition of "farm-grown closed-loop biomass," converting the Legislative Electric Energy Task Force into a Legislative Energy Commission, and specifying notice requirements for electric energy projects. She said a broadband mapping project was broadened by the conference committee, and the other body's provisions relating to reporting of high-global warming potential greenhouse gases and disclosing mobile air conditioner leakage rates were accepted by the conferees.

Sen. Amy Koch (R-Buffalo) said she objected to the process that led to the final result. The bill was not heard as an omnibus bill, she said, but as a single-issue bill. Not all of the provisions in the conference report were heard on the Senate floor, Koch said. She noted that Senators tried to offer amendments to various energy bills, but the amendments

were ruled not germane. The amendments might have been germane to an omnibus energy bill, if we had heard one, she said. Amendments are one of the few ways the minority has an opportunity for input on legislation, Koch said. Though this was more about expedience than intentionally slighting anyone, I am disappointed in how this happened, she said. Prettner Solon said she appreciated and understood the concern about process. However, it was the other body that decided to turn the bill into an omnibus measure, she said. S.F. 3337 was repassed, 51-13.

The conference committee report on S.F. 3683, the omnibus agriculture and veterans' policy provisions, carried by Sen. Jim Vickerman (DFL-Tracy), was also adopted and repassed. Vickerman said the conference committee report makes changes to pesticide collection provisions, includes horses in the livestock investment program, makes some changes in the bovine tuberculosis control provisions,

provides protection of reservist-owned business during active service, prohibits discrimination against families of service members, and requires the commissioner of veterans affairs to collect and maintain data about Minnesota residents who have died of service-connected causes while serving in the United States armed forces. The bill was repassed on a unanimous roll call vote.

The omnibus education policy conference committee report, S.F. 3001, was also adopted. Sen. Charles Wiger (DFL-Maplewood), chief author, said the Senate's age 18 drop-out language was retained, while there was a compromise on physical education standards language to allow individual districts to determine the standards. Senate language on literacy was maintained and Senate language on state and school district technology standards was also retained, he said. Wiger said language providing for comprehensive sex education was dropped from the bill. In

addition, he said a provision relating to No Child Left Behind was also dropped.

Several members had questions on provisions in the bill relating to school performance report cards and to student engagement. Sen. Sandy Rummel (DFL-White Bear Lake) said it is necessary to get an accurate picture of successful methods of engaging students. Wiger also noted that the designation of ice hockey as the state sport is included in the final conference report. The bill was repassed, 45-20.

S.F. 2942, the omnibus higher education policy conference committee report, carried by Sen. Sandra Pappas (DFL-St. Paul), was also adopted. Pappas said all of the provisions that were in the Senate bill only were accepted, as were provisions that were similar in each bill. She said the conferees also accepted provisions from the other body relating to the disclosure of alcohol or drug offenses to parents, requiring student members of the MnSCU Board of Trustees to be enrolled, requiring a member representing labor to be on the MnSCU Board of Trustees, and authorizing the use of a revenue bond fund by MnSCU colleges as well as universities. The bill also contains a clarification of a teaching requirement for the loan forgiveness program and modifies a study on the state loan program to include information on the attendance of low income students, Pappas said. The measure was repassed on a 64-0 roll call vote.

Members also adopted the conference committee report on S.F. 651, the omnibus public health bill. Sen. John Marty (DFL-Roseville) said there are three major items remaining in the bill. The measure specifies that every patient receiving maternity care has the right to continuous support of a doula of her choice so long as the doula performs doula services within an accepted scope of practice and the hospital's standard of care. In addition, the bill requires physicians, midwives and other licensed health care professionals providing prenatal care to women to include, as part of the prenatal education, information regarding all methods of pain relief, including evidence-based nonpharmacological methods. The bill also bans products containing polybrominated diphenyl ethers beginning this year, products containing commercial decabromodiphenyl ether beginning in 2011 and children's products containing phthalates beginning in 2009. However, Marty said there is a process for exemptions for prod-

ucts containing polybrominated diphenyl ethers. The measure was repassed on a 45-20 roll call vote.

H.F. 3172, authored by Sen. Ann Rest (DFL-New Hope), makes a number of changes in elections and campaign finance provisions. Rest said the bill is identical to the Senate measure except for one provision. The provision defines visual campaign advertisement as professionally produced visual campaign advertisements. The conference committee report was adopted and the bill was repassed.

H.F. 2996, sponsored by Sen. Linda Higgins (DFL-Mpls.), is the omnibus public safety bill. Higgins said the conferees accepted many Senate provisions, along with provisions from the other body, including a provision permitting sex offenders being held for a commitment hearing to elect to stay in a facility operated by a county or the Dept. of Corrections, rather than in the Minnesota Sex Offender Program facility. The conference committee did not accept a number of provisions, she said, including provisions from the other body relating to fireworks and predatory offenders on social networking sites. Among Senate initiatives not adopted, Higgins said, were the creation of a certificate of good conduct and a prohibition on employer use of non-conviction criminal information.

We will be the second state in the nation to enact diversion legislation for veterans with post-traumatic stress disorder, Higgins said. She said the bill represents Minnesota's effort to take the lead on taking care of veterans who get in trouble with the law and have post-traumatic stress disorder. The core of the original bill was comprised of recommendations relating to reentry of offenders who have served their sentences, she said. Though the provisions were dropped from the final product, Higgins said, Legislators will continue to work on the issue. We have about 750,000 Minnesotans, or 20 percent of our adult population, with criminal records, she said. The bill was repassed, 61-2.

Sen. David Tomassoni (DFL-Chisholm) presented the conference committee report on H.F. 3722, the omnibus economic development policy bill. He said many provisions were refined by the conference committee to address concerns raised by the governor or the administration. Among the provisions changed was language governing workplace communications, Tomassoni said. He said the proposal was modified sufficiently to render it noncontroversial. The bill was repassed, 57-6.

S.F. 3669, authored by Sen. Patricia Torres Ray (DFL-Mpls.), requires the commissioner of transportation to report to the Legislature on mitigating the effects of transportation construction projects on



From left, Willie Mae Demmings of Minneapolis, Steve Rood of Plymouth, and Crystal Lind of Minneapolis participate in a Minnesota Kinship Caregivers Association rally in the Capitol Rotunda, Tues., May 6, to raise awareness for grandparents and relatives raising children.

Photo by A.J. Olmscheid

# Floor update

small businesses. Torres Ray said the bodies differed on what information should be included in an information packet to be distributed to businesses, but that the conferees finally settled on the other body's version. The bill was repassed, 61-0.

S.F. 3235, sponsored by Sen. Mary Olson (DFL-Bemidji), is the omnibus data practices bill. Olson highlighted several modified or added provisions. The bill increases slightly the penalties for intentional violations of the Data Practices Act, allows for the sharing of aggregate education data between the Dept. of Education and the Office of Higher Education, regulates business screening services and provides that data on an applicant for appointment to a public body is private data, except for the applicant's name, city of residence, education, training, employment history, volunteer work, awards, honors, and prior government service. The bill was repassed, 60-0.

## Thursday, May 8

### Liquor, paint bills repassed

Senators used the first portion of the Thurs., May 8, floor session to adopt the conference committee reports on two measures relating to liquor and paints.

S.F. 3672, authored by Sen. Dan Skogen (DFL-Hewitt), is the omnibus liquor bill. The measure adds PedalPubs to the limousine and bus exemptions in the open bottle law, permits farm wineries to manufacture distilled spirits, clarifies the ability of strong beer to be sold on the State Fairgrounds, authorizes the issuance of a liquor license to a Minneapolis restaurant despite its proximity to churches, and provides for a later bar closing time during the Republican National Convention. The bill was repassed, 42-20. S.F. 3775, carried by Sen. John Doll (DFL-Burnsville), establishes a paint stewardship pilot program to collect and process used architectural paint. The bill was repassed, 48-17.

In other action, Senators granted final passage to three bills on the Calendar. H.F. 3367, carried by Sen. Don Betzold (DFL-Fridley), requires closed meetings to be electronically recorded and permits courts to award attorney fees to prevailing plaintiffs who have sued a public body that has ignored a written Data Practices Act opinion. H.F. 3585, sponsored by Sen. Gary Kubly (DFL-Granite Falls), authorizes local governments to engage

in community-based energy development projects. H.F. 3574, carried by Sen. Thomas Bakk (DFL-Cook), changes the method of determining whether a municipality must administer and enforce the State Building Code.

In addition, four bills were granted preliminary passage on General Orders. H.F. 3955, sponsored by Sen. Tony Lourey (DFL-Kerrick), provides for three older adult services community consortium demonstration projects. Members adopted an amendment, offered by Lourey, permitting the commissioner of health to waive rules on a time-limited basis in order to achieve demonstration project goals. Sen. Ron Latz (DFL-St. Louis Park) offered an amendment addressing what he described as two loose ends from the I-35W bridge collapse compensation conference report. The amendment provides that payments made to the victims are not to be counted as income, assets, or resources for purposes of eligibility for health care and mainte-

nance programs. The amendment also clarifies that insurance companies are not obligated to pay future health care costs if the health care costs were to be compensated by the state. The amendment was adopted.

S.F. 3281, authored by Sen. Sharon Erickson Ropes (DFL-Winona), creates a Veterans Health Care Advisory Council to provide the Department of Veterans Affairs with advice and recommendations on providing veterans with quality long-term care and the anticipated future needs of Minnesota veterans.

H.F. 3420, carried by Sen. Mee Moua (DFL-St. Paul), makes technical corrections to procedures and fees charged by county registrars of title for registering supplemental declarations of common interest communities. Sen. Linda Scheid (DFL-Brooklyn Park) offered an amendment containing the content of S.F. 2912, making changes in foreclosure laws and providing for foreclosure prevention coun-



Senators Keith Langseth (DFL-Glyndon), left, and Dick Day (R-Owatonna) converse in the rear of the Senate Chamber during the Thurs., May 8, floor session.

Photo by David J. Oakes

selling. The amendment was adopted. Latz offered, and members adopted, an amendment providing for transfer on death deeds and other suggestions from the State Bar Association Real Property Section.

Sen. Ann Rest (DFL-New Hope) sponsored H.F. 3699, which provides for discretionary partial recounts, specifies recount and post-election review procedures and changes voting system requirements. Rest offered, and members adopted, an amendment correcting laws enacted earlier this year regarding absentee ballots and permitting the secretary of state to transfer funds as required to administer the Help America Vote Act.

### Minimum wage increase gains

The Senate returned from an early evening recess Thurs., May 8, to consider several conference committee reports. Sen. Ellen Anderson (DFL-St. Paul) explained the provisions of the conference committee report on S.F. 875. The measure provides for an increase in the minimum wage, Anderson said. Anderson said the Senate raised the minimum wage in two steps, but the other body had a 15 cent per hour higher minimum wage for each step. Anderson said the governor had concerns about not including a tip credit and about indexing the minimum wage to inflation. Anderson said the compromise included dropping the indexing provision and providing for a training wage for younger workers. The measure increases the minimum wage to \$6.75 per hour for large employers on July 24 this year and to \$7.75 next year. For small employers the rate increases to \$5.75 this year and \$6.75 next year.

Sen. Claire Robling (R-Jordan) said she voted to increase the minimum wage last year, but things have changed a great deal since that time. There are many things increasing expenses for businesses this year and adding more costs with a minimum wage increase is not a good idea, she said. Robling said businesses will have no choice but to increase prices or lay off workers. The people most likely to be laid off are the minimum wage workers, Robling said. Sen. Linda Higgins (DFL-Mpls.) said that workers need protection, too. Higgins said with the minimum wage at \$6.75, a worker would have \$270 per week before taxes. With apartment rents averaging \$800 per month and gasoline at \$3.65 per gallon, employees are struggling,

Higgins said. The measure was repassed on a 40-18 roll call vote.

H.F. 3494, sponsored by Sen. Ann Rest (DFL-New Hope), the state government conference committee report, was adopted and repassed. The measure incorporates Minnesota Milestones goals and indicators in state budget preparation, requires state agencies with information and telecommunications technology projects to register with the Office of Enterprise Technology and requires the office to monitor progress on the projects. The bill also requires the Office of Enterprise Technology to report to the Legislature regarding its approval process for state agency technology requests and the assistance provided to state agencies. The conference committee report also provides additional duties for the Sesquicentennial Commission, modifies state surplus land procedures, provides up to three hours of paid leave for state employees to donate blood, modifies financial statement requirements for charitable organizations, modifies horse racing medication regulations and clarifies the definition of gambling device. The measure was repassed, 55-4.

The conference committee report on S.F. 3166, sponsored by Sen. Patricia Torres Ray (DFL-Mpls.), was taken from the table. The report had been placed on the table earlier in the day because of concerns raised about one provision. However, the concerns were addressed and the report was adopted. The measure modifies child welfare and licensing provisions, adopts a new Interstate Compact for the Placement of Children and repeals the old compact, regulates child and adult adoptions, regulates children in voluntary foster care for treatment and provides targeted case management services to children with developmental disabilities. The bill was repassed on a 41-17 roll call vote.

Senators also considered a number of gubernatorial appointments. Members approved the appointments of Thomas L. Johnson to the Workers' Compensation Court of Appeals and A. Hilda Bettermann and Felicia Boyd to the Campaign Finance and Public Disclosure Board. The appointments of Patricia DeJarlais, Anita Otten Louise Wilson, Jim Bartholomew and Janet Schutz to the Board of Teaching were approved. In addition, members approved the appointments of Bari Amadio, Denis Biagini, Margaret DiBlasio, and

Dorothy Suomala to the Board of the Perpich Center for Arts Education. Bruce Kramer, Mary Mackbee, Diane Rauschenfels and Daniel Sullivan were approved for appointment to the Board of School Administrators.

### Entire collection of laws online

Researchers now have online access to the entire work product of over 150 years of legislative activity in Minnesota. The Office of the Revisor of Statutes has put online every session law enacted since the First Territorial Legislature met in 1849. Though users have long had online access to the current version of Minnesota Statutes, only recent years' collections of session laws were available. Session laws from 1983 forward are displayed in full text; session laws until 1982 are displayed as PDF images of the print volume.

Regular users of the Minnesota Statutes may not realize that the multi-volume set does not represent the full work of the Legislature. The session laws are comprised of each act of the Legislature, passed and enacted into law. They are gathered together in annual volumes titled "Laws of Minnesota," containing every act of the Legislature, organized chronologically. The statutory set, on the other hand, includes only laws of a general and permanent character, organized topically. Much of what appears in session law is intended to be included in the statutory set—revisions to, repeals of, or additions to existing statutes. However, many session laws are not meant to be included in the statutes, such as appropriations measures or laws affecting only one community.

The session laws are available at: <https://www.revisor.leg.state.mn.us/laws/>

### Capitol Report: on air, online

Explore current policy issues and hear lawmakers discuss current legislative proposals by watching "Capitol Report," a weekly public affairs program produced by Senate Media Services. The program includes interviews with Legislators, agency heads and prominent policy experts. It also features historical and informational features about the Senate, the Capitol and Minnesota.

"Capitol Report" airs weekly on public television affiliates on cable access channels across Greater Minnesota. It is also available online, with archives going back to 2000: <http://www.senate.mn/media>

# Committee update

## Education

### Appointments advance to floor

The Committee on Education met Wed., May 7, to review board appointments and to hear two bills. The committee, chaired by Sen. Charles Wiger (DFL-Maplewood), approved all appointments and recommended both bills to pass.

Senators interviewed one appointee to the Board of School Administrators. Bruce Kramer, associate dean at the University of St. Thomas, is a re-appointee. He said his interests are in accountability and service to the board regarding licensure. Appointees Mary Mackbee and Diane Rauschenfels were interviewed in February, and appointee Daniel Sullivan was unable to attend.

Four appointees to the Board of the Perpich Center for Arts Education were not able to attend, so Executive Director Nathan Davis fielded questions from the committee members. He said the board is solid and benefits from a diversity of backgrounds and expertise in management. The appointees are Bari Amadio, Denis Biagini, Margaret DiBlasio, and Dorothy Suomala.

Wiger said the committee has done due diligence and has made site visits to the school.

Three appointees to the Board of Teaching, Janet Schutz, Patricia DeJarlais, and Louise Wilson, spoke on behalf of their nominations. Appointees Jim Bartholomew and Anita Otten were interviewed by the panel in February.

Schutz is a re-appointee. Schutz said she approaches her work from the manager, employee and administrative perspective.

DeJarlais teaches middle school math in Minneapolis. DeJarlais said she represents classroom teachers and it is her goal to ensure that students have highly qualified teachers.

Wilson, who is chair of the Department of Education at Bethel College, briefly remarked on proposed standards for new teachers.

Sen. Kathy Saltzman (DFL-Woodbury) presented S.F. 3316, modifying when teachers must request a leave of absence to teach at a charter school. The proposal is also part of the education policy bill, said Saltzman.

Sen. Sandra Pappas (DFL-St. Paul) presented S.F. 3349, updating language for a responsible family life and sexuality

education program, including requirements for curriculum to be medically accurate and age-appropriate. Pappas said the provision had been removed from the omnibus policy bill because it had not been heard in both bodies, but Pappas said she thought there was agreement among Senators of both parties that the language is acceptable.

Tom Prichard of the Minnesota Family Council said he was concerned about language that only addressed reducing sexually transmitted infection and diseases and pregnancy. An oral amendment was adopted to reword the purpose of the program to "prevent and reduce sexually transmitted diseases and pregnancy."

Prichard said that abstinence until marriage needs to be emphasized in the language as well.

Pappas said the curriculum was focused on healthy relationships and respect, not just sex, and was geared toward an age group thinking about dating, not marriage.

## Finance

### County based purchasing gains

Senate Finance Committee members, chaired by Sen. Richard Cohen (DFL-St. Paul), met Tues., May 6, to consider bills ranging from state health care programs county based purchasing to construction code modifications.

H.F. 3034, sponsored by Sen. Linda Scheid (DFL-Brooklyn Park), is primarily aimed at correcting technical and grammatical errors in the 2007 Construction Code and Licensing provisions. The measure modifies provisions relating to the electrical, plumbing, water conditioning, boiler, residential contractor and remodeler and high-pressure piping provisions. Scheid said the measure also provides for inspections of manufactured home installations. The panel adopted an amendment deleting a provision requiring continuing education for manufactured housing installers.

Scheid also brought an amendment specifying that the prohibition on waterless urinals is to be lifted once the Plumbing Board amends the code to regulate low-flush and water free urinals. Language in the bill lifts the prohibition on both waterless urinals and air admittance valves. "I did not seek out the amendment, the amendment found me,"

Scheid said. She said there has been interest in repealing the prohibition in the media and in the environmental community. The bill retains the prohibition on air admittance valves, Scheid said. Jack Beuschel, president of Studor, Inc., the company that distributes air admittance valves, explained the mechanics of the devices, which provide another type of waterless urinal. Former Sen. Dave Johnson, representing the Minnesota Pipe Trades, said that air admittance valves sometimes fail and allow sewer gas to escape. The amendment failed. The bill was approved and sent to the full Senate.

However, Sen. Sandra Pappas (DFL-St. Paul) later moved to reconsider the vote whereby H.F. 3034 was recommended to pass. The motion was adopted. Pappas said she wanted to re-offer the amendment relating to waterless urinals and air admittance valves. Pappas said the amendment would let stand the decision of the Plumbing Advisory Board prohibiting air admittance valves. Beuschel said the device has not been considered by the Plumbing Board which consists of entirely different members. In addition, he said that if the prohibition is not removed, the board has said it will not consider the device. It's a Catch-22, said Beuschel. No action was taken on the amendment or the bill because of time constraints.

S.F. 3787, carried by Sen. Rick Olseen (DFL-Harris), establishes a driver and vehicle services technology account and imposes a technology surcharge. Members adopted an amendment increasing transaction fees by \$1.75 for vehicle registration, issuance of certificates of title, transfer of interest of ownership and other vehicle transactions. Olseen said the Division of Driver and Vehicle Services is using a 1982 computer system and needs to update the technology in the division. He said the surcharge is scheduled to sunset in four years. Pat McCormack, Driver and Vehicle Services, said a new system is needed for the division to adequately carry out its responsibilities. McCormack also said that the governor has proposed using \$12 million from another fund for the technology update. The bill was approved and advanced to the Senate floor.

Two measures relating to state health care programs county based purchasing requirements were also heard by the committee. S.F. 3322, authored by Sen. Yvonne Pretzner Solon (DFL-Duluth), improves management of state health

care programs and modifies managed care contracting. Prettner Solon said the bill is in response to recommendations made by the legislative auditor. Prettner Solon said the measure also limits managed care administrative expenses and modifies county-based purchasing. S.F. 3031, sponsored by Sen. Ann Lynch (DFL-Rochester), revises requirements for county-based purchasing for state health care programs. Sen. Linda Berglin (DFL-Mpls.) offered an amendment specifying that preferential treatment for county-based purchasing end Jan. 1, 2010. Lynch opposed the amendment and said that the five counties in the southeast portion of the state are well positioned to take advantage of county-based purchasing. Berglin said there are nonprofit organizations that are equally efficient as county-based purchasing and the department has asked the preferential treatment be ended. The amendment failed. Both measures were recommended to pass.

### Health care access fund constitutional amendment heard

The Finance Committee continued discussion of H.F. 3034, sponsored by Sen. Linda Scheid (DFL-Brooklyn Park), Thurs., May, 8. The committee, chaired by Sen. Richard Cohen (DFL-St. Paul), moved an additional three bills.

Scheid's bill is primarily aimed at correcting technical and grammatical errors in the 2007 Construction Code and Licensing provisions. The measure modifies provisions relating to the electrical, plumbing, water conditioning, boiler,



*With an oversized prop reinforcing her message, Sen. Sandy Rummel (DFL-White Bear Lake) leads a coalition of Legislators and others during a press event in front of the Capitol, Tues., May 6, which was intended to underscore the need for safe baby products legislation.*

Photo by A.J. Olmscheid

residential contractor and remodeler and high-pressure piping provisions. The panel adopted an amendment by Sen. David Tomassoni (DFL-Chisholm) that prohibits air admittance valves but does not prohibit the Plumbing Board from studying air admittance valves and making recommendations. The bill provided a total repeal of the prohibition. The amendment also removed a prohibition on waterless urinals, allowing the board to establish rules.

Two bills received their first hearing. Finance is the committee of original jurisdiction for both bills, and subsequently these bills are not subject to any deadlines, said Cohen.

S.F. 3835, sponsored by Sen. Linda Berglin (DFL-Mpls.), amends the state constitution to dedicate proceeds of the health care access fund to the Minnesota-

Care program and to increase access to health care in underserved populations and geographical areas of the state. The fund proceeds have been targeted to shore up the general fund, said Berglin, despite the fact that the fund is already dedicated.

Todd Johnson of Allina Hospitals and Clinics and said that if the provider tax won't go away, they would prefer the money go toward its intended use.

Mary Jo George, Minnesota Nurses Association, said that current law prohibits transfers, but has not been enforced.

The bill was recommended to pass and re-referred to the Rules and Administration Committee.

S.F. 3871 is

sponsored by Sen. LeRoy Stumpf (DFL-Plummer). The bill provides clean up provisions for education finance and one section regarding statutory operating debt to address a drafting error, according to Sen. Charles Wiger (DFL-Maplewood). An amendment was adopted to delete language modifying a date for transmission of clerk records including proposed property taxes. The bill was recommended to pass.

The omnibus pension bill, sponsored by Sen. Don Betzold (DFL-Fridley), contains 17 articles related to pensions and retirement funds. Betzold outlined the contents of S.F. 2720 and noted that an article related to withholding of membership dues may be in conflict with the governor. The committee moved two amendments providing clarifying language to the bill. The bill was recommended to pass.

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# Senate Briefly

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*As Legislators inside wrap up the 2008 session, fireworks fill the evening sky behind the Capitol, Sun., May 18, closing a week-long celebration of the state's sesquicentennial.*

*Photo by David J. Oakes*



May 19, 2008

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# Senate Highlights

## Central Corridor funding passed

The Senate met for a rare Sunday session, May 18, to complete business for the 85th Legislative Session. Senators tackled several must do items, including a budget balancing bill, a tax bill and a new bonding proposal, before the final gavel came down.

The Senate took up the bonding bill, H.F. 4072, sponsored by Sen. Keith Langseth (DFL-Glyndon). An amendment was adopted to reflect an agreement between legislative leaders and the governor for an additional \$105.5 million in bonding. The amended bill provides \$20 million to acquire land for Vermilion State Park, \$3.4 million for state building asset preservation, \$70 million for the Central Corridor, \$2 million for the Old Cedar Avenue Bridge, \$10.1 million for a new veterans nursing facility, and technical changes to previous bonding language. The bill was passed 50-17.

The body adopted a conference committee report for H.F. 3346, sponsored by Sen. Linda Higgins (DFL-Mpls.). The bill increases the cap on no-interest loans to assist with preventing foreclosure. The conference committee report removed a provision related to utilities that passed separately in both bodies. The bill passed 60-0.

A conference committee report on H.F. 3376, sponsored by Sen. Patricia Torres Ray (DFL-Mpls.), was adopted. The bill makes changes to Minnesota family

investment program work participation and addresses federal compliance with child welfare statutes. The conference committee report removed controversial language regarding sudden infant death syndrome and certain variances, according to Torres Ray. The bill passed 51-5.

## Budget balancing bill passed

Early evening activity at the Sun., May 18, floor session focused on passage of H.F. 1812, the omnibus supplemental appropriations bill. Sen. Richard Cohen (DFL-St. Paul), chief author, said the measure is part of a global agreement negotiated with the governor. He said the education spending bill passed earlier has been incorporated into the measure and essentially holds E-12 education harmless. The bill also provides for a \$50 million loan from the health care access fund to be paid back from recaptured health care savings, Cohen said. He said the bill makes \$355 million cuts to the overall budget with additional cuts to health and human services and the judiciary. The governor rejected the non-tax revenues, Cohen said, even though the revenues had been agreed to by both bodies. He said a major change from the earlier Senate proposal is that the current bill does not use any monies from the cash flow account, but will instead use \$500 million from the budget reserve. He said the agreement includes a number of reductions in smaller appropriations. The conference committee report solves the nearly \$1 billion shortfall and leaves about \$6 million on the bottom line, Cohen said.

Sen. Michael Jungbauer (R-East Bethel) said, "It appears the only thing we are reducing spending on is what is taken and used for something else." He said using the \$15 million in the airports fund is poor public policy. Jungbauer said the funds are user fees to be used to repair airports. Cohen said he didn't disagree, the original bill had a number of non-tax revenues that were rejected by the governor.

Sen. Ray Vandever (R-Forest Lake) said the bill does not cut spending enough and sets the state up for even more difficulties next year. He also said using funds designated for a specific purpose to solve the shortfall is not good policy.

Cohen said in order to solve a nearly \$1 billion shortfall through cuts alone it would be necessary to make severe cuts in education, higher education and health

and human services because that is where the major expenditures are; no one has volunteered a proposal to make drastic cuts to education. He said most of the cuts are in the area of health and human services and there have been complaints from both sides of the aisle about those cuts. Sen. David Hann (R-Eden Prairie) said, "We are willing to spend money we don't have and come back next year to an even worse shortfall." Cohen and Sen. Linda Berglin (DFL-Mpls.) agreed and said next year—a budget setting year—will present difficult challenges.

Sen. LeRoy Stumpf (DFL-Plummer) spoke in support of the education funding portion of the bill and said between 2001 and 2009 there will be over a \$1 billion increase in property taxes. "We have shifted the responsibility for education to property tax payers and we have tried to mitigate the effect in this bill on property tax payers," Stumpf said.

Sen. David Senjem (R-Rochester) said the problems will be worse next year and will require more hard work because structural imbalances were not addressed. However, Sen. John Marty (DFL-Roseville) said most of the cuts are aimed at the most vulnerable Minnesotans, the sick, the old and the poor.

The bill was granted final passage on a 56-11 roll call vote.

## Tax bill approved

The third major piece of legislation needed to complete the session, H.F. 3149, the omnibus tax bill was taken up by the Senate after a mid-evening recess, Sun., May 18. The bill, sponsored by Sen. Thomas Bakk (DFL-Cook), provides for homestead credit state refunds, provides for aids to local governments, provides property tax exemptions and credits, modifies the JOBZ program, modifies green acres provisions and provides for aggregate resource preservation property tax law.

Bakk said the measure limits increases in city and county property taxes to 3.9 percent annually for the next three years. Bakk said the measure also provides an additional \$60 million in local government aid and \$25 million for direct property tax relief to homeowners. The measure is expected to save \$78.5 million in property taxes this year, Bakk said. He said the measure also changes the calculation of taxes for foreign operating corporations and provides a modest increase in E-12 education funding.

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*Flanked by the governor and other legislative leaders, Senate Majority Leader Lawrence Pogemiller (DFL-Mpls.) addresses members of the Capitol Press Corps in the Governor's Office, Sun., May 18, following an announcement that a budget balancing deal had been struck.*

Photo by David J. Oakes

Sen. Linda Berglin (DFL-Mpls.) said much of local government spending is for human services programs and providing property tax relief will result in less for the most vulnerable. Sen. Ron Latz (DFL-St. Louis Park) said the bill removed provisions expanding the transit taxing district, with the result that people living outside the taxing district use transit, but don't pay for it. In addition, Latz said the cap on property tax levies will hurt local government services. Latz said the cap ties the hand of local officials to respond to the needs of their communities.

The conference committee report was adopted and the bill was repassed on a 56-11 roll call vote.

H.F. 3796, sponsored by Sen. Tarryl Clark (DFL-St. Cloud), proposing an amendment to the state constitution authorizing a council to establish salaries for Legislators, was considered as a Special Order. Under the bill, the council also establishes compensation for constitutional officers.

Clark said there is an inherent conflict of interest in the current system of

setting compensation for elected officials. She said there is a Compensation Council that makes recommendations about Legislators' salaries, but Legislators sit on the council and the Legislature must enact the recommendations. Clark said the bill specifies that recommendations made by the citizens' council would be binding and would not need to be acted upon by the Legislature.

Clark offered an amendment specifying that the council set the base pay for Legislators and constitutional officers, with other types of compensation set by law.

Sen. Geoff Michel (R-Edina) said the timing of the bill was questionable. He said, "We should not be talking about our own salaries on the last night of the session." Michel said with a looming shortfall on the horizon, it is not the time to be talking about legislative salaries.

Clark said that the Legislature's work is to balance the budget, provide for health care and education funding and to develop a tax bill. "It is only when the

main work of the Legislature is done that we should take up this type of bill," Clark said.

Sen. Dennis Frederickson (R-New Ulm), said, "One of the most difficult things to do is to set salaries." He said the Compensation Council has worked diligently to make recommendations over the course of the last ten years, but for one reason or another, those recommendations have not been acted upon. Frederickson said the composition of the proposed 12 member council is very balanced and limits the number of former elected officials to no more than four. He said it is something that should be put to the people and they should decide.

Clark moved to lay the bill on the table. The motion was adopted.

Members also took up the conference committee report on S.F. 2651. The bill, authored by Sen. Satveer Chaudhary (DFL-Fridley), is the omnibus game and fish, lands and forestry policy bill. The report was adopted and repassed on a unanimous roll call vote.

# Senate Highlights

The body also adopted and repassed the conference committee report on S.F. 2492. The measure, sponsored by Sen. Ellen Anderson (DFL-St. Paul), provides funding for environment and natural resources projects recommended by the Legislative-Citizens Commission on Minnesota Resources. Anderson said the funds allocated by the bill, about \$23 million, are proceeds from the environment and natural resources fund supported by the State Lottery. The bill was repassed on a 67-0 roll call vote.

Sen. Kathy Saltzman (DFL-Woodbury) explained the conference committee report on S.F. 2597. The measure requires school boards to seek information from prospective teachers and the Board of Teaching about disciplinary actions against the teachers. Saltzman said the bill also includes provisions relating to background checks for volunteer coaches. The bill was repassed on a unanimous roll call vote.

Members also granted final passage to the annual revisor's bill. The measure, H.F. 4166, sponsored by Sen. Mee Moua (DFL-St. Paul), corrects miscellaneous oversights, inconsistencies, ambiguities, unintended results and technical errors.

The final gavel came down on the 2008 Legislative Session at 11:48 p.m. when members adopted the motion to adjourn sine die.



*A formation of F-16 fighter jets fly low over the Capitol at precisely 1858 hours (6:58 p.m.) as part of a state sesquicentennial event, Sun., May 18.*

Photo by David J. Oakes

## Floor update

### Monday, May 12

#### **DVS technology surcharge gains**

The first portion of the Mon., May 12, floor session was devoted primarily to processing bills on the Calendar and General Orders.

Two bills on General Orders were granted preliminary passage. S.F. 3787, authored by Sen. Rick Olseen (DFL-Harris), establishes a driver and vehicle services technology account and imposes a technology surcharge of \$1.75 per transaction. Olseen said the surcharge will expire in four years, under the bill. He said the current computer system was implemented in 1982 and is very out of date. Olseen said a computer system is needed, not only to increase efficiency and effectiveness, but also to increase security. The governor advocates using funds from the trunk

highway fund, rather than implementing the surcharge, Olseen said, but the trunk highway funds are desperately needed for our roads and highways.

Sen. Steve Murphy (DFL-Red Wing) spoke in support of the measure. He said a decision was made several years ago to use money in the trunk highway fund for roads and bridges, rather than for other purposes. He said modernizing the computer system will provide additional protection for consumers. Sen. David Hann (R-Eden Prairie) said, "I don't think the question is whether we need an upgraded computer system, the debate is creating a new revenue stream to fund the project." "This is an example of the failure to set priorities, that we cannot find \$12 million out of a \$35 billion budget to fund a needed technology upgrade everyone agrees is needed," Hann said. Olseen said

the Division of Vehicle Services is a fee based division, their operations are funded through user fees and this is an appropriate increase.

The measure was given preliminary passage on a 35-30 roll call vote.

H.F. 3783, sponsored by Sen. Linda Scheid (DFL-Brooklyn Park), regulates insurance fees, coverages, contracts, filings and forms. The measure also regulates financial planners, motor vehicle retail installment sales, service contracts, real estate appraisers, domestic mutual insurance companies and collections agencies. Scheid said the bill was approved on General Orders last week, but she had taken the bill from the Calendar in order to offer an amendment specifying a Jan. 1, 2009, effective date. The amendment was adopted and the measure granted preliminary approval.

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Several bills on the Calendar gained final passage. H.F. 3955, carried by Sen. Tony Lourey (DFL-Kerrick), modifies provisions relating to home health care providers and promotes community-based care for older adults through the establishment of community consortiums. S.F. 3281, authored by Sen. Sharon Erickson Ropes (DFL-Winona), creates the Veterans Health Care Advisory Council. H.F. 3420, sponsored by Sen. Mee Moua (DFL-St. Paul), revises procedures and fees charged by county registrars of title for registering supplemental declarations of common interest communities. H.F. 3699, authored by Sen. Ann Rest (DFL-New Hope), provides for discretionary partial recounts, specifies recount and post-election review procedures and changes voting system requirements.

Members also granted concurrence and repassage to one bill. S.F. 2941, authored by Sen. John Marty (DFL-Roseville), changes provisions for prescribing and filing drugs. The measure was granted concurrence and repassage.

## Dogs, pension bills approved

Senators used the afternoon portion of the Mon., May 12, floor session to adopt a conference committee report on dog regulations and to grant final passage to the omnibus pension bill.

S.F. 2876, sponsored by Sen. Ellen Anderson (DFL-St. Paul), enhances regulations governing dangerous dogs. She said the conferees comprised on a Senate proposal to permit dogs at outdoor cafes. Under the compromise, local governments may adopt ordinances permitting dogs, she said, but the state law ensures that the ordinances retain state health standards. Additionally, the compromise language requires the ordinances to permit individual restaurants to opt out and ban dogs, she said. The conference committee also adopted the other body's position on not changing the law enforcement dog exemption to the dangerous dog law. We comprised on the timelines for dog owners' hearings and security requirements, Anderson said. The bill was repassed, 59-0.

One bill was granted final passage as a Special Order. S.F. 2720, authored by Sen. Don Betzold (DFL-Fridley), is the omnibus pension bill. Betzold reviewed the many provisions of the bill, which was assembled by the members of the Legislative Commission on Pensions and Retirement.

Betzold offered two amendments. The first amendment removes a provision permitting Legislators in the MSRS Unclassified Plan to make the election to the MSRS General Plan after 10 years, as other Unclassified Plan participants may. Sen. David Tomassoni (DFL-Chisholm) said it was unfair to treat Legislators differently from other participants who have served the state for at least 10 years. Betzold said Legislators are different, because they are elected officials, not employees. The amendment was adopted. The second amendment expands the criteria that must be considered before a school district selects a vendor of 403(b) plans. The amendment was adopted.

Sen. Ray Vandever (R-Forest Lake) offered an amendment setting a \$500 annual limit on state contributions to Legislators' deferred compensation accounts. Vandever said putting a limit in statute ensures that another part of legislative compensation requires floor action, rather than being alterable by committee. The amendment was defeated, 16-44.

Our public pension funds have some problems, said Sen. Betsy Wergin (R-Princeton). On an aggregate basis, they are underfunded by more than \$6 billion, she said. The figures are not going to improve anytime soon, based on market performance, she said. We need to look at the broader picture, but it will not be a fun ride, she said. Wergin said she was optimistic that needed changes would happen soon. Betzold said the problems are not insurmountable. Sometimes the source of the problem is the economy, sometimes it is bad decision making, he said.

The bill was granted final passage, 46-16, and then laid on the table to await its companion from the other body.

Senators also concurred in the other body's amendments to one bill. S.F. 1128, carried by Sen. Sharon Erickson Ropes (DFL-Winona), expands the permissible use of sick leave benefits to include an employee's spouse, sibling, parent, grandparent or stepparent. Erickson Ropes said the other body clarified that the existing permitted use, to care for children, also includes adult children. The bill was repassed, 48-12.

## Health care reform bill repassed

The evening floor session, Mon., May 12, consisted primarily of processing conference committee reports.

The conference committee report on H.F. 3391, the health care reform bill, was adopted and the measure repassed. The bill, authored by Sen. Linda Berglin (DFL-Mpls.), establishes a statewide health improvement program, establishes health care homes, establishes a care coordination payment, and increases reimbursements to primary care physicians in underserved areas. The measure also requires a workforce shortage study, establishes requirements for interoperable health records, establishes an electronic prescription drug program, and establishes a value-based benefit set and design for health benefits. Finally, the bill provides for health care payment restructuring, requires uniform standards, establishes an affordability standard, requires development of employee subsidies for health coverage, establishes a health care reform review council and establishes Section 125 Plans for purchasing health care insurance with pre-tax dollars.

Berglin said the bill does not contain health care recapture fees, does not contain cost containment goals, does not contain hospital assessment fees, does not contain a Health Care Transformation Commission and does not include the level three payment reform.

Berglin said the measure does contain significant reform with an estimated future savings of 10 percent. In addition, the public health portion of the bill will not be funded by assessments on hospitals, but grants will be available in 2010 to focus on obesity and tobacco use prevention, she said. Berglin said the bill still contains the provisions for health care homes and the Dept. of Health will develop up to 15 baskets of care. Another portion of the bill aims at increasing enrollment in MinnesotaCare through outreach to those who are eligible, Berglin said. The measure appropriates about \$12.8 million from the health care access fund this fiscal year and \$180 million from the fund for the next biennium, Berglin said.

Sen. Julie Rosen (R-Fairmont) said the bill still contains reform initiatives that will get the ball rolling for more major health care reform. Rosen said there was significant compromise in the conference committee and significant elements remain in the bill, including Section 125 Plans and health care savings plans.

Sen. David Hann (R-Eden Prairie) said the bill did not include reform, but simply expanded access to public pro-

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grams. He said true reform would allow the marketplace to work better and provide true transparency.

The bill was repassed on a 53-13 roll call vote.

H.F. 3222, also carried by Berglin, is the Dept. of Human Services policy bill. Berglin said the conference committee report included language relating to grieving parents that was just slightly changed from the Senate version and that provisions relating to the Minnesota family investment program were moved to another bill. The conference committee report was adopted and the bill repassed on a 45-6 roll call vote.

Members also reconsidered the vote whereby S.F. 3138 was repassed. The adoption of the conference committee report was also reconsidered. Sponsored by Sen. Ann Lynch (DFL-Rochester), the bill, which relates to genetic information, was then sent back to conference committee. Lynch said the other body had

concerns about the measure, thus the bill needed to go back to conference.

Senators granted concurrence and repassage to one bill, S.F. 2833. The bill, sponsored by Sen. Geoff Michel (R-Edina), requires public pools and spas to be equipped with anti-entrapment devices or systems. Michel said the other body added language requiring the Dept. of Health to do an inventory of the number of pools, the types of drains and the costs of retrofitting the pools. In addition, the other body added language exempting swimming ponds until 2011. The bill was repassed on a unanimous 60-0 roll call vote.

Members also began discussion, but took no action on, the omnibus education funding bill. H.F. 6, authored by Sen. LeRoy Stumpf (DFL-Plummer), is the E-12 education funding portion of the omnibus budget balancing bill. Stumpf said the education finance portion of the budget balancing bill was agreed to by all parties

and it was decided to send the language forward on its own. Stumpf said that when there is a significant budget problem, some may ask why education is not being cut. He said there will be reductions in programs and there will be larger class sizes, but the bill is a modest effort to hold education harmless.

## Tuesday, May 13

### Gestational carrier bill passed

Senators met Tues., May 13, to take up concurrences and two bills on the Calendar.

Sen. Linda Higgins (DFL-Mpls.) moved to concur to changes made by the other body to S.F. 2965, a bill to regulate gestational carrier arrangements. The amendments accepted require a woman on a public health program to report compensation, and may require the intended parents to reimburse the Department of Health for costs incurred. Language ad-



Senate Page Carissa Masloski delivers a message to Senator Sharon Erickson Ropes (DFL-Winona) during the Mon., May 12, floor session.

Photo by A.J. Olmscheid

dressing compensation was removed, and language was added clarifying that the surrogate may not be genetically related. The bill passed 41-22.

Sen. Ann Rest (DFL-New Hope) moved to accept changes made by the other body to S.F. 3193, modifying access to adoption records and original birth certificates. The changes revert to current law conditions under which an adult adoptee may have access to original birth records. The bill passed 53-13.

Under a suspension of the rules, H.F. 3082, the omnibus pension bill, passed 50-16. The bill is sponsored by Sen. Don Betzold (DFL-Fridley).

The body then took up two bills on the Calendar.

A Dept. of Commerce technical bill, H.F. 3783, sponsored by Sen. Linda Scheid (DFL-Brooklyn Park), was passed 57-7.

S.F. 3787 establishes a \$1.75 fee per title and license transaction with the Division of Driver and Vehicle Services to fund replacement of the agency's computer database. The bill, sponsored by Sen. Rick Olseen (DFL-Harris), passed 34-31.

## Real ID prohibition gains

Senators considered several bills on Special Orders during the course of the afternoon floor session, Tues., May 13. Sen. Mee Moua (DFL-St. Paul) said H.F. 3807 was originally the whistleblower bill, but was amended in the Finance Committee with language from S.F. 984. The bill now contains language prohibiting the state from implementing the federal Real ID Act, Moua said. Sen. Warren Limmer (R-Maple Grove) said in 2005 the federal government enacted the Real ID Act and mandated the states to create driver's licenses that comply with federal regulations. Limmer said 33 states have taken positions against the Real ID Act. Limmer said the cost to Minnesota is estimated to be between \$60 and \$90 million and the federal government is not providing any funding. Limmer said opposition to Real ID comes from both liberal and conservative groups, ranging from the ACLU to the Cato Institute.

Sen. Joe Gimse (R-Willmar) said states are authorized to use homeland security funds for implementation of Real ID. Limmer said there are limited homeland security funds allocated to Minnesota and the cost exceeds the amount from the federal government. Gimse said there are identity theft and document forgery issues

with Minnesota's drivers licenses and identification cards. He said Real ID is just one part of the solution to identity theft and document forgery in the state. Gimse said Minnesota's identification cards are at the crux of the issue because they are easy to obtain. He said Minnesota does not have the ability to secure identity documents.

Sen. Steve Murphy (DFL-Red Wing) said there are only two states that have started to implement any part of the Real ID Act. He said Minnesota's identity cards are among the most secure in the nation. He said changing technology will allow even more secure IDs. Murphy said the federal government is only providing about three percent of the necessary funding.

"Real ID will make our country safer," said Sen. Bill Ingebrigtsen (R-Alexandria). He said implementing Real ID will make it easier to deal with the illegal immigration issue. It will be one more tool and our citizens want us to start protecting them, Ingebrigtsen said. "Let's step up and let people know we are willing to protect our borders," he said.

Sen. Mary Olson (DFL-Brainerd) said, "I'm not sure our citizens want us to make this kind of expenditure." The federal law is not only an unfunded mandate for the state, but also an unfunded mandate on local governments, she said. Minnesota takes the privacy of its citizens very seriously, but if we implement Real ID then the privacy of our citizens is only as good as the weakest link, Olson said.

Gimse offered an amendment making it an aggravated forgery, a felony, to use forged or false documents. Sen. Don Betzold (DFL-Fridley) questioned the germaneness of the amendment. He said the amendment has nothing to do with the underlying bill. Gimse said the whole debate is about identity because you can't talk about identity without talking about identity theft. Betzold countered the amendment was for an entirely different subject and accomplishes an entirely different purpose. The amendment was rule not germane. Gimse offered a second amendment requiring fingerprints to be included on Minnesota driver's licenses. The amendment was ruled not germane.

The bill was granted final passage on a 50-16 roll call vote.

H.F. 4223, carried by Sen. Ann Rest (DFL-New Hope), is the miscellaneous local government bill. The measure

contains provisions relating to business energy accountability, subordinate service districts, drainage system transfers, interim uses in zoning, charter commissions, title registrars' fees and common interest communities. At Rest's request, members adopted the other body's language, rather than the Senate language. Rest said the other body omitted provisions that were included in other legislation and made some minor, grammatical corrections. The bill was granted final passage, 55-7.

H.F. 3034, sponsored by Sen. Linda Scheid (DFL-Brooklyn Park), corrects technical and grammatical errors in a law enacted last year that consolidated Building Code enforcement and licensing provisions. The bill also repeals a prohibition on waterless urinals, allowing the Plumbing Board to develop rules in the area, Scheid said. Sen. Claire Robling (R-Jordan) offered an amendment repealing a prohibition on air admittance valves. The Plumbing Board is qualified to determine if air admittance valves are appropriate, she said. The decision should be left with the board as a group of highly qualified professionals designed to deal with this sort of issue, Robling said. The issue of air admittance valves has gotten a lot of exposure, said Sen. Sandra Pappas (DFL-St. Paul). She said previous consideration indicated air admittance valves are not safe. Air admittance valves fail at a rate of about two percent, said Sen. Dan Larson (DFL-Bloomington). Failure means releasing sewer gas into occupied areas, he said. There is sound reason air admittance valves have been repeatedly rejected, Larson said. The amendment was rejected, 18-41. The bill was granted final passage, 57-5.

## Education funding bill passed

A bill adjusting the state's spending on education gained Senate approval during the evening hours of the Tues., May 13, floor session.

Before beginning consideration of the education funding bill, Senators received an update on the negotiations with the governor. We have been involved in "long, extensive conversations," said Majority Leader Lawrence Pogemiller (DFL-Mpls.). We have solid agreement on cutting spending by about \$300 million, using \$450 million of the budget reserve and closing corporate tax loopholes, he said. We are almost there, but have encountered an inability to close the deal,

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Pogemiller said. The other body was about to begin passing a series of bills earlier today, he said, but the governor asked for more time and more meetings. Discussions throughout the day, including examining a number of computer runs, did not result in a global agreement, he said. He said legislative leaders remain willing to talk with the governor, even as the Legislature proceeds in passing funding and tax bills.

H.F. 6, carried by Sen. LeRoy Stumpf (DFL-Plummer), is the supplemental education finance bill. Members had begun their consideration of the measure the previous night, though the bill was not procedurally before the Senate. Sen. Betsy Wergin (R-Princeton) said she was concerned about the creation of winners and losers in the general approach to education funding last year and reinforced in the current bill. In addition to favoring special education, we have too many little pots and silos of money for school funding, she said. The state needs to do a better job distributing education dollars, Wergin said. Stumpf noted that special education is a federal mandate. Students need special education services, which are expensive to provide, he said. The obligation to pay for special education should not rest entirely on local school districts, Stumpf said. The conference committee report was adopted and the bill repassed, 55-10.

In other action, Senators adopted a conference committee report on a bill relating to Social Security numbers. S.F. 2390, authored by Sen. Don Betzold (DFL-Fridley), modifies restrictions on the collection and use of Social Security numbers. The original bill was motivated by a problem in a state law protecting individuals' Social Security numbers, Betzold said. The problem affected the ability to get a person's own credit report, he said. He said the conference committee report is very similar to the Senate position. As amended by the conferees, the bill allows



**Sen. Kevin Dahle (DFL-Northfield) examines examples of falsified driver's licenses during floor debate, Tues., May 13, on state compliance with the federal Real ID Act.**

Photo by David J. Oakes

the release of an individual's Social Security number when the release is incidental to a larger transaction and is necessary to identify the individual in order to accomplish a legitimate business purpose, other than marketing. The measure also allows the use of Social Security numbers in human resources and payroll administration and clarifies that the restrictions on using or releasing Social Security numbers do not apply to purposes specifically authorized or allowed by a state or federal law that includes restrictions on the use and release of individuals' information. The bill was repassed, 54-3.

## Omnibus budget bill discussed

As the evening of Tues., May 13, progressed, Senators began discussion of the conference committee report on H.F. 1812, the omnibus budget balancing bill. The conference committee report was not

before the Senate, because members were waiting for the other body to take action.

Sen. Richard Cohen (DFL-St. Paul) said the other body had fewer cuts and in the conference committee give and take, the resulting compromise has fewer cuts than the Senate version. However, we have less in new spending in the bill than the governor had in his proposal, he said. The biggest change is there is no longer an education article because the spending is contained in H.F. 6, Cohen said. He said in the area of higher education, the bill does not cut the ACHIEVE program and in health and human services the bill has about the same amount as the Senate bill, but configured differently. In the area of agriculture and veterans, there is a bit of additional funding, Cohen said. He said there are quite a few changes in the environment area, particular in the green energy programs. A major change in the economic development area is an increase in the transfer from the workers compensation

special fund to the general fund, he said. We were able to provide a little more for corrections facilities, and in the area of state government, we removed the limit on assistant commissioners, Cohen said.

Under the measure, \$200 million from the budget reserve and \$350 million from the cash flow accounts are used to stem the budget shortfall, Cohen said.

Sen. David Hann (R-Eden Prairie) said a provision in the bill allowing the state to use a portion of nonprofit health care providers' reserves is a cost shift to private insurers. He said the contracts were negotiated in good faith, but the state's actions are very questionable. Sen. Linda Berglin (DFL-Mpls.) said the provision is no different than actions taken with assigned risk plans. Hann said the provision sends a terrible message to businesses and may be unconstitutional.

Cohen said there is no question this is a difficult year, but the interesting thing is that the level of cuts are about the same as the governor's proposal. The difference is that the Senate upholds the state's obligation to the health care access fund, Cohen said.

Several bills were considered for final passage on Special Orders. S.F. 2809, carried by Sen. Scott Dibble (DFL-Mpls.), provides civil and criminal penalties for smoking in a nonsmoking hotel room. The bill allows hotels to recover full damages for the cost of cleaning the rooms, Dibble said. He said the current law allows for only \$100 to be recovered and the actual cost is usually much higher. The measure was passed on a 46-16 roll call vote.

S.F. 3322, authored by Sen. Yvonne Prettner Solon (DFL-Duluth), specifies state health care programs county-based purchasing requirements. Prettner Solon said the bill is the result of recommendations made by the legislative auditor and will bring more transparency to the process. Prettner Solon offered an amendment delaying the effective date of a provision in the bill relating to a fee. The amendment was adopted. The bill was passed on a 55-5 roll call vote.

In other action, Senators approved the appointments of David Boyd and Phyllis Reha to the Public Utilities Commission.

Finally, Senators considered a bonding bill, H.F. 4072, carried by Sen. Keith Langseth (DFL-Glyndon). As received from the other body, the bill appropriated \$40 million to the University of Minnesota for asset preservation and \$60 million to the Minnesota State Colleges and Universities for asset preservation. Langseth offered an amendment replacing the asset preservation appropriations with a \$70 million bonding appropriation for the Central Corridor light rail transit project. Langseth said the Central Corridor project is vital. Federal funds are at risk if we do not provide the state share, he said. Sen. David Hann (R-Eden Prairie) offered an amendment to the amendment providing \$10 million to design, construct, furnish, and equip a 100-bed nursing facility at the Minneapolis Veterans Home. Langseth opposed the amendment, but acknowledged the project is important. We will be taking bonding projects individually, he said. After further discussion, the bill was tabled.

## Thursday, May 15

### Green solutions, Metropolitan Council terms bills repassed

The Senate held a floor session Thurs., May 15, to take up conference committee reports and one bill on General Orders.

S.F. 2605, sponsored by Sen. Kathy Saltzman (DFL-Woodbury), provides for staggered terms for the Metropolitan Council. Changes made in the conference committee reinstated language allowing the governor to remove members at his discretion. The bill passed 54-0.

H.F. 3195, sponsored by Sen. Ellen Anderson (DFL-St. Paul), establishes the Legislative Greenhouse Gas Advisory Group, requires studies and reports to the Legislature regarding cap and trade and program for greenhouse gases. Anderson said the language was changed to make it very clear that no cap and trade agreements entered into under the Midwestern Greenhouse Gas Accord are effective in Minnesota until approved by a law enacted by the Legislature. Members repassed the bill 41-22.

S.F. 3138, authored by Sen. Ann Lynch (DFL-Rochester), changes provisions for handling genetic information from newborn screening. Lynch said the changes made by the conferees relate to the information provided to parents while in the hospital. She said the measure more clearly delineates the options available to parents. Lynch said all the stakeholders are in support of the measure. The bill was repassed on a vote of 51-12.

Sen. Mee Moua (DFL-St. Paul) explained the conference committee report on H.F. 3420. The bill revises procedures and fees charged by county registrars of title for registering supplemental declarations of common interest communities. Moua said amendments were added on the Senate floor providing for transfer on death deeds, modifying the Uniform Probate Code and adding language relating to mortgage foreclosure. Sen. Linda Scheid (DFL-Brooklyn Park) said the mortgage foreclosure language provides for foreclosure prevention counseling, and prescribes pre-foreclosure and foreclosure notices. The bill was repassed 64-0.

H.F. 995, sponsored by Sen. Jim Carlson (DFL-Eagan), is a resolution requesting the Legislature and the governor to study and prepare for Peak Oil, the world's

point of peak oil production. The resolution was recommended to pass 44-13.

### Statewide school employee health insurance pool proposal okayed

In the late afternoon portion of the Thurs., May 15, floor session, the Senate recommended to pass a statewide school district insurance pool proposal by a vote of 47-25.

Sen. Don Betzold (DFL-Fridley) presented H.F. 1875, establishing a statewide school employee insurance pool to purchase fully insured products. The bill differs from last year's proposal, which created a self-insured pool, said Betzold. The entity is a public corporation governed by a board of directors. A \$4 million appropriation from the budget reserve, to be paid back over ten years, is designated to establish the entity. Six plans would be negotiated through collective bargaining offering different rates and coverage. Any district that purchases insurance must purchase through the pool, said Betzold.

An author's amendment was adopted clarifying language and ensuring that the pool would not take on any risk of a self-insured entity.

Sen. Terri Bonoff (DFL-Minnetonka) offered an opt-out amendment providing that upon petition of 15 percent of employees, a vote must be held to allow a district to opt out of the pool. The opt-out would hold for five years, and a vote could not be held more than every two years. Betzold said allowing school districts to opt out when costs may be low and opt in when their costs rise defeats the purpose of the pool. The amendment failed 27-37.

Sen. Kathy Saltzman (DFL-Woodbury) offered an amendment deleting the language in the bill and inserting language directing the commissioner of finance to study inclusion of public school employees into the state employee group insurance pool. The amendment failed 29-36.

## Friday, May 16

### Revised ed policy bill passed

Senators met Fri., May 16, for a floor session to take up four items, including a modified education policy bill.

S.F. 3871, sponsored by Sen. Charles Wiger (DFL-Maplewood), was amended to carry a modified omnibus education policy bill to address concerns of the governor, who vetoed the first policy bill.

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Included in the bill are proposals to incorporate a half-credit of physical education in graduation standards, increase the drop out age to 18, adopt ice hockey as the state sport, require a reading instruction assessment of new teachers, and require academic achievement plans to address disparities. The bill passed 59-0.

Sen. Linda Scheid (DFL-Brooklyn Park) moved concurrence to changes made to S.F. 3594, regulating real estate transactions and closing agents. Changes made by the other body reestablish certain forms of money such as cashier's checks for closing transactions, said Scheid. The bill passed 58-0.

S.F. 3535, sponsored by Sen. Rick Olseen (DFL-Harris), establishes an Office of Pupil Transportation Safety. A lieutenant state trooper, three additional troopers and a minimum of fifteen inspectors, three more than are staffed under current law, would staff the office. A working group is established to coordinate with the office to establish best practices. The bill carries a fiscal note of \$575,000 in trunk highway funds.

Sen. Michael Jungbauer (R-East Bethel) offered an amendment to ensure the new troopers are drawn from additional trooper positions already established this session. The amendment was adopted.

The bill was passed, 59-5.

H.F. 1724, sponsored by Sen. Patricia Torres Ray (DFL-Mpls.), creates a registry for naturopathic doctors that have completed a four-year accredited naturopathic program and have met other qualifications. \$8,000 in fiscal year 2009 is appropriated from the state government special revenue fund to the Board of Medical Practice for the registration of naturopathic doctors. An author's amendment was passed to clarify language regarding an advisory council and specify the council appointments must balance traditional naturopaths, naturopathic physicians, and professional association members.

Sen. Steve Dille (R-Dassel) offered an amendment, which was adopted, to move the effective date for registry to 2009. The amendment would allow the advisory council to work for one year and make changes to the registry before implementation, said Dille. The date change is language adopted in the Finance Committee, but not included in the first amendment adopted, according to Sen. John Marty (DFL-Roseville).

Sen. Jim Vickerman (DFL-Tracy) moved an amendment to appropriate

\$25,000 in fiscal year 2009 from the state government special revenue fund to the commissioner of health for the naturopathy work group. The amendment was adopted.

The bill was passed, 60-3.

## Omnibus pension bill repassed

Senators began the early evening portion of the Fri., May 16, floor session by adopting conference committee reports and repassing bills.

H.F. 3082, carried by Sen. Don Betzold (DFL-Fridley), is the omnibus pension bill. Betzold said the Senate and House bills were almost identical. He said the Senate did not accept a House provision containing a teacher retirement increase, but did provide for a study of the issue. In addition, there is clarifying language about the deduction of union dues and deletion of a section regarding Legislator's pay, Betzold said. The measure was repassed 57-8.

Sen. Steve Murphy (DFL-Red Wing) carried H.F. 3800, the omnibus transportation policy bill. Murphy said the conference committee report does not contain the primary seat belt provision, the requirement for booster seats, or the design build changes contained in the Senate bill. Murphy said the graduated teen driver's license provisions are still in the bill. He said a provision allowing a bridge over Highway 36 in North St. Paul to be named after the longtime mayor, the late William "Bill" Sandberg from the other body was accepted, as was a requirement that the driving curriculum contain information on driving near large trucks. The bill also creates the Office of Pupil Transportation Safety in the Dept. of Public Safety, Murphy said.

Sen. Julie Rosen (R-Fairmont) spoke in support of the measure and said the graduated driver's license will help teens become better drivers. However, Sen. David Senjem (R-Rochester) said he opposed the graduated license provisions. "I trust that our young people are responsible enough to drive carefully," Senjem said. Murphy responded that Minnesota leads the nation in the number of youth fatalities and that the graduated license gives young people time to gain experience. The bill was repassed on a 62-5 roll call vote.

S.F. 100, sponsored by Sen. Richard Cohen (DFL-St. Paul), was granted concurrence and repassage. The bill

authorizes the University of Minnesota to spend state-appropriated funds on stem cell research and states that it is the policy of the state of Minnesota to support basic and applied research to develop techniques for the isolation, derivation, production or testing of stem cells. Cohen said the changes made by the other body were minor and included a strengthening of the prohibition on cloning. Members concurred with the amendments and repassed the bill on a 40-27 roll call vote.

The conference committee report on S.F. 3360 was also adopted and repassed. The bill, sponsored by Sen. Leo Foley (DFL-Coon Rapids), increases the penalty for attending an animal fighting event and changes provisions prohibiting animal fights. Foley said the Senate bill had a misdemeanor penalty, while the other body had a felony penalty. He said the conference committee compromised by setting a gross misdemeanor penalty. The bill was repassed on a 64-1 roll call vote.

## Saturday, May 17

### Foreclosure relief bill gains

The first portion of the Sat., May 17, floor session was marked by periods of activity punctuated with recesses in which Senators waited for the other body to complete action on bills.

Senators began by adopting a resolution, S.R. 232, sponsored by Majority Leader Lawrence Pogemiller (DFL-Mpls.) and Minority Leader David Senjem (R-Rochester), commemorating the life and work of former Senators who have died during the past year. Members stood for a moment of silence in honor of J.A. "Joe" Josefson, Howard A. Knutson, Harveydale Maruska, Howard I. Nelson and Dallas Sams.

The body then took up a conference committee report for S.F. 2368, sponsored by Sen. Paul Koering (R-Fort Ripley). The bill requires authorization before relocating or closing regional treatment centers or state-operated nursing homes. The original Senate language required notification of closing costs, Koering said. He said the measure also provides compensation to the Dept. of Health from the enterprise reserve fund for any resulting relocation. The bill passed 43-13.

Sen. Ellen Anderson (DFL-St. Paul) moved to concur with amendments made by the other body to S.F. 3396. The bill, known as the Minnesota Subprime Bor-

rower Relief Act of 2008, allows qualified mortgage borrowers to defer foreclosure for up to one year by making reduced payments. The amendments set an income limit of \$250,000 for eligibility and require borrowers to be legal United States residents, said Anderson. Several members said the bill interferes with contracts between borrowers and lenders and oversteps the state's authority. Anderson said it is estimated that the bill will aid 12,000 Minnesotans stay in their homes. Sen. Linda Higgins (DFL-Mpls.) said preventing foreclosures helps stabilize neighborhoods. The bill was repassed 34-33.

Two routine end-of-session resolutions were adopted unanimously. The first allows the Secretary of the Senate and the Rules and Administration Committee to conduct interim business, and the second provides for the delivery of bills to the governor after adjournment.

Two measures were considered as Special Orders. H.F. 413, sponsored by Sen. Thomas Bakk (DFL-Cook), moderates contracts between outdoor sporting equipment manufacturers and dealers. The bill requires manufacturers to show good cause

before canceling an agreement. Surrounding states have similar provisions, according to Bakk.

An amendment was adopted to address concerns of manufacturers. The amendment makes numerous modifications, including removing the burden of proof from the manufacturer, better defining watercraft and watercraft exemptions, establishing a net cost repurchase amount for cancellations without good cause, exempting clothing from buybacks, reducing the time period for a buyback, and allowing participation in annual training seminars to be required. The bill was granted final passage 52-12.

H.F. 3090, sponsored by Sen. Steve Murphy (DFL-Red Wing), was the second bill considered as a Special Order. The bill authorizes the commissioner of transportation to establish four positions in the unclassified service at the deputy and assistant commissioner, assistant to commissioner or personal secretary levels. In addition, the bill specifies the commissioner or a deputy commissioner must be licensed as a professional engineer. Murphy offered, and members adopted, an amendment

extending the "Dimmler amendment" to up to ten miles per hour over a 55 or 60 miles per hour speed limit. The "Dimmler amendment" specifies that violations within the ten miles per hour range need not be recorded. The final portion of the amendment provides for the construction of a new interchange at marked Trunk Highway 52 and 65th Street Northwest in the city of Rochester. The measure was passed on 44-12 roll call vote.

Members also adopted the conference committee report on S.F. 3096. The bill, authored by Sen. Scott Dibble (DFL-Mpls.), creates programs for government energy conservation investments, establishes a microenergy loan program, modifies provisions allowing guaranteed energy savings contracts, modifies provisions relating to green economy activities and creates a Green Jobs Task Force. The measure was repassed 52-11.

Senators also adopted a resolution, S.R. 176, sponsored by Senjem, expressing the sense of the Senate concerning the establishment of an Autism Task Force.



Participating in a 24-hour vigil, police officers stand guard at the Peace Officer Memorial on the Capitol grounds as part of the annual National Police Memorial Day, Thurs., May 15.

Photo by A.J. Olmscheid

# Floor update

## Environment bill repassed

Upon reconvening late in the evening, Sat., May 17, members began considering the conference committee report on S.F. 3056, sponsored by Sen. Dennis Frederickson (R-New Ulm). The bill originally made changes in permanent school fund provisions, provided for the disposition of the proceeds from the sale of administrative sites and modified environmental learning center provisions.

Frederickson said the measure, as agreed upon by the conference committee, contains several additional provisions. The conference committee report modifies recreational vehicle and watercraft provisions, modifies campfire provisions, provides for alternative recording for state forest roads, establishes the Minnesota forests for the future program and provides for the expedited exchanges of public lands. In addition, the measure also provides for wetland banking credits, provides for the regulation of ballast water, modifies

licensing provisions for individual sewage treatment system professionals, provides for petroleum release notification, modifies toxic chemical release reporting requirements, modifies access site acquisition authority and modifies air permit provisions.

The conference committee report was adopted and the bill repassed 63-1.

Senators also confirmed the appointments of Margaret "Peggy" Leppik, Kris Sanda, Roger Scherer and Mary Hill Smith to the Metropolitan Council. The appointments of Kernal C. Buhler and Jesse M. Overton to the Minnesota Racing Commission were also approved. Members also approved the appointments of all the notaries public in the state.

## Health care reform package ok'd

Members returned after another recess, Sat., May 17, to take up the conference committee report on the health care

reform package, S.F. 3780. The original health care reform bill had been vetoed by the governor and the latest iteration was worked out in negotiations on the final end of session agreement. Sen. Linda Berglin (DFL-Mpls.), chief author, said the measure expands health care coverage for 12,000 Minnesotans. She said 7,000 individuals will be enrolled in public programs and 5,000 will be able to obtain private health care coverage. The measure expands MinnesotaCare coverage for individuals without children who earn up to 250 percent of the federal poverty level.

Berglin said the bill retains language establishing a statewide health improvement program, establishing health care homes and requiring a workforce shortage study. In addition, the measure retains provisions establishing requirements for interoperable health records, establishing an electronic prescription drug program and providing for health care payment restructuring. Berglin said the bill also



Fourth-graders from St. Paul's Horace Mann Elementary School participate in flower planting on the Capitol grounds, Thurs., May 15.

Photo by A.J. Olmscheid

requires recommendations for an essential benefit set for health benefits, establishes a health care reform review council and establishes Section 125 Plans to allow individuals to purchase health insurance with pre-tax dollars.

The bill contains funding for a 20 percent tax credit for low income individuals who purchase insurance through a Section 125 Plan, Berglin said. There is also a \$1 million appropriation for one-time grants for employers who want to offer insurance, she said. Berglin said the bill lowers the premiums for Minnesota-Care, but not as much as in the previous bill. She said it is expected there will be a savings of about 13 percent by 2015. Berglin said the bill is a first step in health care reform, but that every journey begins with just one step.

The conference committee report was adopted and the bill repassed on a 62-5 roll call vote.

In addition, members adopted the conference committee report on S.F. 3363. The measure, sponsored by Sen. Richard Cohen (DFL-St. Paul), provides for state government budget information dissemination, modifications and requirements. Cohen said many of the more controversial provisions, such as the inclusion of inflation in budget forecasts and the appeal of fiscal notes, have been removed from the bill. The measure requires disclosure of the status of fiscal note requests, requires a forecast of cash flow for the general fund, specifies the format for detailed budget estimates of expenditures and requires the establishment of a budget working group. Cohen said the measure does include language from the other body specifying that state employees in the classified service are expected during their work hours to be

nonpartisan resources to all decision makers.

The measure was repassed on a 45-22 roll call vote.

H.F. 2748, sponsored by Sen. Ann Lynch (DFL-Rochester), was granted final passage as a Special Order. The bill provides for health cooperative contract oversight, requires the administrative services unit to apportion the amount necessary to purchase medical professional liability insurance coverage and authorizes fees to be adjusted to compensate for the apportioned amount. Lynch offered, and members adopted, an amendment providing a sunset date of Dec. 31, 2011, or at the conclusion of the commissioner's next scheduled procurement process, for the county-based purchasing entities covered by the bill. The bill was granted final passage on a 52-7 roll call vote.

# Committee update

## Business, Industry and Jobs

### Cal. emissions opponents heard

Opponents of a measure providing for the adoption of California's low-emission vehicle standards had their say, Mon., May 12, before the Business, Industry and Jobs Committee. Chair James Metzen (DFL-South St. Paul) said he had earlier told the measure's author, Sen. John Marty (DFL-Roseville), that no hearing on the bill would be heard until the other body advanced the companion measure to the floor. That happened last week, Metzen said, and the hearing was scheduled. Metzen said he learned late last week and over the weekend that Marty would not be ready with proponents for the hearing. It was too late to cancel the hearing, he said, so the plan was modified to have one hearing for the opponents and a later hearing for the proponents. We will not act until both sides have had their say, Metzen said.

States have two options to regulate emissions, said Laura Dooley of the Alliance of Automotive Manufacturers. They can either follow the federal program or the California program, she said. If a state opts for the California program, it must cede authority to California and adopt

all future changes made by California legislators and regulators, she said. Auto manufacturers believe the federal program does a better job of accomplishing the shared goals of preserving the environment, attaining energy independence and reducing greenhouse gas emissions, Dooley said. The federal program will result in at least a 30 percent reduction in automotive greenhouse gas emissions, she said. She noted that the California program does not support flex-fuel vehicles or E85 infrastructure, which Minnesota has a strong tradition of supporting. The California program requires manufacturers to document that flex-fuel vehicles are actually being filled with E85 gasoline, which is logistically difficult or impossible to document, she said. Adopting the California program will mean a significant reduction in the choices available to Minnesota vehicle buyers, Dooley said. Minnesotans sales break down to about 55 percent light trucks and SUVs and 45 percent passenger cars, she said, while California's ratio is about even, or perhaps gives passenger cars a slight preference. California decision makers are not taking Minnesota consumers' needs and preferences into account when crafting their program, she said. Dooley noted that no

Midwestern state has adopted the California program. Most of the 12 states that have adopted the California program are in the Northeast or on the Pacific Coast, she said.

Farming is structured around certainty and uncertainty, said Kevin Papp, president of the Minnesota Farm Bureau. We need certainty to operate, but we have to deal with a lot of uncertainty, he said. Papp said the proposal is fraught with uncertainty. Proponents of the California program say it will help the ethanol industry, he said, while opponents say the bill could mean the death of ethanol. We need certainty that ethanol will thrive in Minnesota, he said. Any disincentive to sell flex-fuel vehicles leads to uncertainty about the market, Papp said, and could result in the state's E85 infrastructure crumbling. Farmers are not against clean air, he said. We believe we have a vital stake in preserving natural resources, but we need to look out for our markets, he said.

Auto dealers are caught in the middle of the battle, said Alyssa Schlander, Minnesota Auto Dealers Association. Dealers cannot get product from any source other than the manufacturer, she said. If manufacturers will not be able to offer certain models in Minnesota, but consum-

# Committee update



Senators Chris Gerlach (R-Apple Valley) and Debbie Johnson (R-Ham Lake) read a list of bill summaries during the Senate's Fri., May 16, floor session.

Photo by David J. Oakes

ers want the models, dealers are left in a bind, she said. Manufacturers are already holding back specific models from states that have adopted the California program, Schlander said. Minnesota has the most E85 stations in the nation and the second-highest percentage of flex-fuel vehicles, she said, but the California program moves in the opposite direction. California and the states adopting the California program have the lowest percentages of flex-fuel vehicles, she said. Schlander said dealers support the federal program, because the aggressive standards apply nationwide. One region may have more demand for light trucks, while another region has a higher demand for passenger vehicles, she said. A national standard is more balanced and attuned to regional demands, she said, while the California program requires the standards to be met within the boundaries of each state. Under the California program, dealers could no longer engage in the common practice of dealer trades, Schlander said, where dealers trade vehicles within their region to meet consumer demand.

## Low emission standards defeated

The Business, Industry and Jobs Committee, chaired by Sen. James Metzen (DFL-South St. Paul), defeated adopting California standards for low emission vehicles by a vote of 7-10, Thurs., May 15.

Sponsor of S.F. 481, Sen. John Marty (DFL-Roseville), explained that states must adopt either the federal Environmental Protection Agency standards, or the stricter California standards, and Minnesota would be the 15th state to adopt the stricter rules, which would affect new cars models starting in 2012.

An amendment was adopted to address concerns of the Minnesota Farmers Union and concerns of the ethanol industry.

Jim Erkel of the Minnesota Center for Environmental Advocacy explained potential environmental and economic problems if no action is taken to address global warming. Erkel explained how California developed its standards, and how the standards would not harm ethanol.

Coralie Cooper of the Northeast States for Coordinated Air Use Manage-

ment testified by phone about the experiences of northeastern states that have adopted the standards. The standards have resulted in a reduction of smog-forming pollution by 16 percent, and reduced greenhouse gas emissions, she said. The regulations have increased purchases of super ultra low emission vehicles, for which emissions may be cleaner than the ambient air, and improved consumer choices and access to cleaner vehicles, Cooper said.

Thomas Peterson of the Minnesota Farmers Union said the union has dropped its opposition to the bill after changes adopted in the amendment. The changes address concerns about farm machinery and ethanol. Peterson said MFU members have expressed support for the legislation and concern about gas prices. Peterson said the California Farmers Union has been working toward more ethanol usage.

Molly Schultz of the Minnesota Environmental Partnership said the bill is a priority of the coalition because of strong public support. Manufacturers have

a history of opposing any environmental regulation, including E85, said Schultz.

Three testifiers opposed to the bill spoke. Opposing testimony was also taken on Monday, May 12. Roger Moore and Bruce Stockman of the Minnesota Corn Growers Association said there is no need to adopt the standards and they may threaten the investments made by corn growers to develop ethanol. California testing is based on different base fuels, said Stockman.

Valerie Jerich of the Minnesota Ethanol Producers Association said the Minnesota Climate Change Advisory Group recommended adoption by one vote, and the group acknowledged it would involve litigation. She also said tracking usage of E85 under the standards is impractical for consumers and dealers.

Tom Workman, executive director of American Bikers Aimed Toward Education, said to vote against the bill.

The different motorcycles would be more expensive to repair, and Minnesota can't choose to exempt motorcycles, he said.

Marty said the legislation does not affect anything other than passenger cars and some light to medium duty trucks.

## E-12 Education Budget Division

### Panel reviews jurisdiction issues

The E-12 Education Budget Division, chaired by Sen. LeRoy Stumpf (DFL-Plummer), met Monday, May 12, to consider jurisdictional issues that have arisen.

An amendment put onto the tax bill Sunday would limit the bond authority and compromise funding for about half of a \$225.8 million plan to update school facilities in Duluth, according to Duluth Superintendent Keith Dixon. The plan

would address a decline in the student population from about 22,000 to 9,600, and reduce 500,000 square feet of excess facilities. Renovation projects and new facilities would remedy \$200 million in deferred maintenance, said Dixon.

The limit undermines the school board's authority, according to Sen. Yvonne Prettner Solon (DFL-Duluth), and hurts a plan that has taken 35 years to formulate.

Tom Melcher of the Dept. of Education said that the adopted language refers to bonds, when it actually should be referring to certificates of participation.

Because the conference committee report has been signed, the bill can no longer be amended, according to staff, and the best option for addressing any unintended impact is through a revisor's bill.

Stumpf also said the conference committee eliminated a wind energy subtraction that addressed equity issues. A study



Senators Julie Rosen (R-Fairmont), left, and Pat Pariseau (R-Farmington) closely examine a supplemental budget comparison during floor debate, Sun., May 18.

Photo by David J. Oakes

# Committee update

that education policy conference committee negotiations had removed from the education policy bill had been added to another finance bill, posing another jurisdictional issue, according to Stumpf, but is no longer included in any bill.

## Finance

### Central Corridor rail revived

The Finance Committee, chaired by Sen. Richard Cohen (DFL-St. Paul), met Mon., May 12, to consider two measures.

S.F. 3815, sponsored by Sen. Keith Langseth (DFL-Glyndon), originally appropriated bond proceeds for asset preservation for the University of Minnesota and the Minnesota State Colleges and Universities. However, members adopted an amendment deleting the original language and inserting language specifying that \$70 million be appropriated from the bond proceeds fund to be used for the Central Corridor light rail transit line to connect downtown Minneapolis with downtown St. Paul.

Sen. Sandra Pappas (DFL-St. Paul) said the proposed light rail line is important, not only for the cities, but for the entire state. Langseth said it was important to begin funding the Central Corridor because, ultimately, \$450 million in federal funds are at stake.

The measure was approved and advanced to the full Senate.

The panel also considered a bill, H.F. 3807, sponsored by Sen. Mee Moua (DFL-St. Paul) that originally granted additional whistleblower protections for employees of the executive branch. Members adopted an amendment deleting the original language and inserting language prohibiting the commissioner of public safety from taking any action to implement or to plan for the implementation of the Real ID Act. Sen. Warren Limmer (R-Maple Grove), co-sponsor of the bill, said there is growing concern about the Real ID Act and that 33 states are opposing some or all of the act's provisions. Limmer said concerns about creating a national ID card center on the cost, estimated to be \$11 to \$15 billion in the first five years, and the potential for violating the U.S. Constitution. Limmer said the jurisdiction for identity cards is under the jurisdiction of the states, not the federal government.

Members advanced the measure to the Senate floor.

### School employee health pool gains

A proposal to create a mandatory statewide health insurance pool for school employees was approved by members of the Finance Committee, Tues., May 13. The panel, chaired by Sen. Richard Cohen (DFL-St. Paul), advanced the bill to the full Senate.

H.F. 1875, sponsored by Sen. Don Betzold (DFL-Fridley), originally modified the board of directors for the Minnesota Comprehensive Health Association. Betzold offered, and members adopted, an amendment replacing the bill's language with the insurance pool proposal. Betzold said the amendment mirrored insurance pool language the Senate had twice approved, with one exception. The change in the amendment is requiring the pool to purchase fully insured health plans, rather than acting as a self-insured entity, he said. Betzold said the shift from self insurance to purchasing fully insured coverage was made to address concerns raised by the Dept. of Commerce. Deputy Commissioner Kevin Murphy said the Dept. of Commerce had raised concerns about the solvency of a self-insured pool. Purchasing fully insured plans resolves the solvency concerns, he said. Pat Sexton, Dept. of Commerce, said the department would now be neutral on the bill.

Sen. Linda Berglin (DFL-Mpls.) raised a concern about a \$4 million appropriation in the bill. Under the bill, the pool's board of directors is given a \$4 million loan from the state's budget reserve via the general fund and has ten years to pay back the state. Under the original proposal, the pool needed the money to start the reserve fund required of self insurers, she said. Now that the pool will be buying insurance, it should not need this much money, Berglin said. We do not have \$4 million to spare, she said. Lee Johansen, Education Minnesota, said the money was needed for administrative expenses related to starting the pool, negotiating with insurance providers and organizing the pool's board of directors.

The original study of the pool proposal recommended against a fully insured model, said Bill Strusinski, representing the Minnesota Service Cooperatives. The service cooperatives serve many school districts and help them control their costs, using a self insured model, he said. Shifting from the service cooperatives to a fully insured model will cost \$111 million a year, Strusinski said. The additional costs

will come from paying the full MCHA assessment, the provider tax and higher administrative costs, he said. Berglin said she preferred the fully insured model, because everyone benefits from MCHA and everyone should pay the full assessment.

The pool proposal is less flexible and offers employers and employees fewer choices, said Grace Schwab, Minnesota School Boards Association. Creating a mandatory pool limits competition and increases costs for many districts, she said. The proposal does not fully address how districts will transition from where they are now to the pool coverage, she said. Teachers who are currently covered by self-insured plans will see cost increases by switching to fully insured plans, said Phil Griffin, representing Preferred One. The proposal eliminates incentives to control costs, he said.

A statewide pool for school employees is a solution to the problems of insufficient coverage and escalating employee costs for insurance, said Jan Alswager of Education Minnesota. It is not the only solution, she said, but it is a step in the right direction. School districts will still negotiate what they will contribute toward insurance, as the employer, she said. Other than the insurance pool, no solutions to control costs and expand coverage have been offered, Alswager said. Johansen said the proposal creates administrative efficiencies by using common plan designs and taking advantage of bulk savings. The state auditor found, two or three years ago, that several school districts saw their premiums fall after switching from the service cooperatives to fully insured plans.

I am skeptical that this proposal will actually result in cost savings, said Sen. Claire Robling (R-Jordan). Districts should be able to structure their own health plans if they think that will result in savings, she said, rather than be forced to participate in the statewide pool. Robling moved to delete a provision requiring districts that offer health insurance to offer it through the pool. The amendment was defeated.

Committee members approved two additional bills and advanced the measures to the full Senate. Carried by Sen. Patricia Torres Ray (DFL-Mpls.), H.F. 1724 provides for registration of naturopathic doctors, defines the scope of practice for registered naturopathic doctors, protects the use of titles used by registered naturopathic doctors, sets continuing



*Sen. Dan Sparks (DFL-Austin), left, reacts as Sen. Dan Skogen (DFL-Hewitt) stacks a pile of papers on his desk during the closing hour of the session, Sun., May 18.*

Photo by David J. Oakes

education requirements and establishes registration fees. Members adopted an amendment, offered by Sen. Jim Vickerman (DFL-Tracy), delaying the effective date of the registration provisions by one year, to July 1, 2009. The amendment also creates a naturopathy work group to study registration and related issues.

S.F. 3535, authored by Sen. Rick Olseen (DFL-Harris), creates an Office of Pupil Transportation Safety in the State Patrol and requires the office to be staffed by at least three state troopers and 15 school bus vehicle inspectors. Members adopted an amendment, at the author's request, making technical corrections and adjusting the FY 09 start-up appropriation to \$575,000 from the trunk highway fund.

### **Wage, sex education bills okayed**

Among the bills advanced by members of the Finance Committee, Fri., May 16, were measures increasing the state's

minimum wage and providing for age appropriate sex education in public schools. The panel, led by Sen. Sandra Pappas (DFL-St. Paul) in the absence of Chair Richard Cohen (DFL-St. Paul), forwarded the three measures it heard to the full Senate.

H.F. 3969, carried by Sen. Dan Larson (DFL-Bloomington), entered the committee as a bill permitting the Secretary of State's Office to transfer funds from its general fund appropriation to the Help America Vote Act account. Sen. Ellen Anderson (DFL-St. Paul) offered an amendment replacing the fund transfer language with a proposal to raise the state's minimum wage. She said the amendment is the same as the conference committee report on a separate minimum wage bill, with one exception. The amendment has a lower increase in the minimum wage for large employers, she said, as a concession to the governor,

who vetoed the prior minimum wage bill. Under the amendment, the minimum wage for large employers will increase to \$7.50 per hour in 2009, rather than \$7.75. The federal minimum wage will be \$7.25 at the same time. Anderson said lowering the increase is an effort to "split the difference."

The governor communicated that he wanted to see an increase in the minimum wage, she said, but that he was opposed to an automatic inflationary increase provision, that he wanted a lower minimum wage for tipped employees, that he wanted a lower increase than Legislators were proposing, and that he opposed an effort to repeal the training wage for teenage employees. Anderson said Legislators moved toward the governor's position by dropping the automatic inflationary increase and keeping the training wage. We met him halfway and still suffered a veto, Anderson said, so the amend-

# Committee update

ment moves even closer to the governor's position by proposing a lower increase. She said she was not proposing a different minimum wage for tipped employees because it would be unfair. Even with tips, many tipped employees are making less than \$8 an hour, she said, which is nearly impossible to live on. However, Sen. Clair Robling (R-Jordan) said a lower minimum wage for tipped employees should be considered. The restaurant industry is already hurting, she said, with increased food costs and fewer consumers eating out.

The minimum wage amendment was adopted and the bill approved.

S.F. 588, authored by Pappas, amends the statute requiring school districts to develop and implement sexually transmitted infections and diseases programs. Pappas offered, and members adopted, an amendment representing the most recent version of the proposal. It is an effort at compromise, she said. Pappas said the

amendment reflected the same language amended onto another bill by the Rules and Administration Committee. Last night, we learned that the other body and the Senate had mismatched bills awaiting floor action, she said. Pappas said S.F. 588 was the appropriate companion to the bill awaiting action in the other body; advancing S.F. 588 is a procedurally necessary move, she said. Committee members made minor grammatical improvements to the bill before advancing it.

The third bill considered was H.F. 2748, sponsored by Sen. Ann Lynch (DFL-Rochester). The bill provides for oversight of rural health cooperatives and provides state-sponsored medical malpractice liability insurance coverage for volunteer physicians and dentists. Members adopted an amendment, offered by Sen. Steve Murphy (DFL-Red Wing), removing the provisions relating to medical malpractice liability insurance because

the language has already been signed into law. Murphy offered a second amendment making a multi-county county-based purchasing health plan in southeastern Minnesota, known as Steadfast, the default managed care plan for public assistance clients in the participating counties. The proposal is traveling as separate legislation and is opposed by the Dept. of Human Services, said Sen. Linda Berglin (DFL-Mpls.). Other legislation should not be put at risk of a veto in an effort to get the Steadfast proposal moving, she said. Lynch said she believed the amendment has addressed most of the department's concerns, though Berglin said she understood the department still had concerns. The amendment was adopted.

## Rules and Administration

### Whistleblower bill gains

The Rules and Administration Committee, chaired by Sen. Lawrence Pogemi-



*Following the adjournment of the 2008 Legislative Session, Senate Sergeant Herb Cook cleans up the remains of a birthday cake in the Senate Retiring Room shortly after midnight, Mon. May 19.*

Photo by David J. Oakes

ller (DFL-Mpls.), met briefly Mon., May 12, to process one bill captured by Joint Rule 2.03. The rule applies to late bills and requires late bills to be considered by the Rules and Administration Committee. H.F. 3807, authored by Sen. Mee Moua (DFL-St. Paul), provides additional whistleblower protection to state executive branch employees. The measure was advanced to the Finance Committee.

### Family life ed bill gains

The Rules and Administration Committee, chaired by Sen. Lawrence Pogemiller (DFL-Mpls.), met Thurs., May 15, to take action on a late bill captured under Joint Rule 2.03.

S.F. 3349, carried by Sen. Sandra Pappas (DFL-St. Paul), modifies the sexually transmitted infections and diseases education program. The bill requires medically accurate and age appropriate information to be included in schools' family life and sexuality education programs, Pappas said. She said the program must emphasize healthy relationships, develop communication skills and promote individual responsibility, under the bill. In addition, the programs are aimed at preventing and reducing both pregnancies and the risk of sexually transmitted infections and diseases, she said. Pappas said both bodies included the language in the omnibus education policy bills, but it was taken out in conference committee because the language might lead to a veto. The omnibus bill was vetoed anyway, Pappas said, and the decision was made to have the measure travel as a stand-alone bill. The measure was advanced to the Senate floor.

In other action, the panel approved language relating to interim per diem, mileage, lodging and travel expenses.

In addition, the committee adopted a motion to withdraw S.F. 2668 from the Judiciary Committee and place the bill on General Orders. Pogemiller explained that the bill, which adds *Salvia divinorum* to schedule IV of the controlled substance schedules, is to be used as a vehicle for the medical marijuana bill. He said the other body's version of the medical marijuana bill is the companion to S.F. 2668.

## State and Local Government Operations and Oversight

### Metropolitan Council, Racing Commission appointees approved

Four appointments to the Metropolitan Council and two appointments to the

Racing Commission were advanced by members of the State and Local Government Operations and Oversight Committee, Thurs., May 15. The panel, chaired by Sen. Ann Rest (DFL-New Hope), recommended the Senate confirm the appointments.

The four appointees to the Met Council are Mary Hill Smith, Peggy Leppik, Kris Sanda and Roger Scherer. All four are re-appointments. Committee members asked all four to address three topics: their position on the recently enacted transportation funding bill, their support for transit and their working relationships with officials at other levels of government in their districts.

Hill Smith chairs the council's transportation committee. She said she has been an ardent supporter of transportation and transit during her entire tenure on the council, since 1993. Hill Smith said she was pleased the Hiawatha Line opened on time and on budget. I am a big supporter of the Central Corridor and hope to soon be talking about light rail in the southwestern suburbs, she said. She thanked Rest for her work on legislation related to the federal Urban Partnership Agreement. New York City did not get legislative support for its proposal in a timely fashion, she said, and mere hours after the deadline, the money was taken away and diverted to proposals from Chicago and Los Angeles. Hill Smith noted that the Metro Area is one of the three most rapidly growing transit regions in the country and a national leader in the use of biodiesel for environmentally friendly transit.

Leppik, a former Legislator, said she understands and supports the Met Council's purpose; additionally, she said she understands and accepts the limitations on the Met Council's authority. The council is a regional body with members who need to represent their districts, she said, but in the end, the members must look at what is good for the entire region. Leppik said she has a particular interest in transportation and environmental issues. We need to plan ahead for managing our water supply, in order to avoid the water wars other regions have experienced, she said. Leppik said she appreciated the Legislature's enactment of the transportation funding bill; she said she extended her gratitude personally to several members who voted to override the governor's veto. I am optimistic the Central Corridor will get worked out between the Legislature

and the governor, she said, expressing her strong support for light rail transit.

Sanda, a former agency head under Governors Al Quie and Arne Carlson, said she has been a strong advocate of both commuter rail and light rail. She said she talked to officials throughout the region about the merits of the Northstar Commuter Rail project and is pleased it will be opening soon. Sanda said she also personally thanked several Legislators for their votes to override the veto on the transportation bill. "You have to stand up for what you believe in," she said, "even when it is not necessarily the party line."

Scherer, also a former Legislator, has served on the Council intermittently since 1978. He said he was "not at odds with the transportation bill." Scherer was CEO of a lumber company that his family still owns. In business, he said, a couple cents a gallon in additional gas tax is not a big cost compared to having your trucks stuck in traffic instead of moving. He expressed his support for the Central Corridor, though he said the current plan has some features that everyone should be aware of upfront. There are three right-angle turns along the line, Scherer said, that will result in squealing as the trains make the turns and in additional wear and tear on both the cars and the rails. There will be additional expenses in the future because of the right-angle turns, he said. Scherer said he regularly attends association and city council meetings in his district. It is important to work with local governments, he said, especially in communities undergoing significant change or growth. Our legislative mandate is to help communities grow within the regional framework, he said.

The two appointees to the Racing Commission are Kernal Buhler and Jesse Overton. Both are new members of the commission. Buhler said key issues facing the commission and the racing community include growing purse sizes and staying up-to-date on technology. Overton said the commission will need to look at how purse structures must be revamped to maintain a high quality racing offering. We need to examine interstate commerce issues and Internet and other off-track betting to find ways to harness that wagering to support the purses at Minnesota facilities, he said.