

SESSION WEEKLY



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SESSION WEEKLY

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Minnesota House of Representatives
Public Information Services
175 State Office Building
100 Rev. Dr. Martin Luther King Jr. Blvd.
St. Paul, MN 55155-1298
651-296-2146 or 800-657-3550 or the
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Director

Barry LaGrave

Editor/Assistant Director

Lee Ann Schutz

Assistant Editor

Mike Cook

Art & Production Coordinator

Paul Battaglia

Writers

Kris Berggren, Nick Busse, Susan Hegarty,
Patty Ostberg, Lauren Radomski

Chief Photographer

Tom Olmscheid

Photographers

Kristin Schue, Andrew VonBank

Staff Assistants

Christy Novak, Susan Xiong

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On the cover: Seniors from the Academy of Holy Angels in Richfield make their way into the Capitol on a snowy day, Feb. 8.

— Photo by: Tom Olmscheid

Hard times hit home

As one lawmaker joins the ranks of the unemployed, House leaders push jobs proposals

By Nick Busse

Call it a sign of the times: the man in charge of passing employment bills has become an unemployment statistic.

Rep. Tim Mahoney (DFL-St. Paul), who chairs the House division that focuses on workforce development, lost his job as a pipefitter last fall.

“Typically, I work right up until session starts,” Mahoney said. “This year, I believe it was Oct. 1 that my last construction job was.”

It’s a common story for Minnesotans who work in construction. The industry has been especially hard hit by the so-called “Great Recession” that has left nearly 218,000 Minnesotans looking for work.

Mahoney has his salary as a House member to fall back on; still, he said his experience has been “difficult and interesting.”

“Any time you lose an income for four months, it’s quite a pinch,” he said.

He isn’t the only one feeling the pinch. This year, lawmakers from both parties have put jobs and the economy at the top of their legislative agendas.

Speaking at a Feb. 4 press conference, House Speaker Margaret Anderson Kelliher (DFL-Mpls) laid out the DFL majority’s three-part “jobs agenda”: a major capital investment package; a “10-point plan” of business tax incentives; and an economic development reform bill.

“We believe it’s very important to do all that we can at the state level to put people back to work,” she said.

Kelliher pledged quick action by the Legislature on the capital investment bill, and said Gov. Tim Pawlenty has committed to work with legislative leaders in a bipartisan way to sign a bonding bill early in the session.

“We’re going to take the governor at his word, that he’s going to work with us,” she said.

Three bills, many strategies

During the interim, members of a special bipartisan House Jobs Task Force called on the expertise of economists, small business owners and community leaders to discuss ways to reduce unemployment. A list of 41 different

“legislative options for creating jobs,” resulted, ranging from direct spending programs to tax credits to regulatory reforms.

Many of these ideas have now been incorporated into the three-part plan. The bonding bill, HF2700, sponsored by Rep. Alice Hausman (DFL-St. Paul), contains nearly \$1 billion in funding for “shovel-ready” construction projects — something State Economist Tom Stinson said is likely lawmakers’ best bet at creating jobs in the short-term.

A floor vote on that bill might come as early as Feb. 15. Though Pawlenty supports a bonding bill, he has called for a much smaller package of \$685 million in general obligation

First Reading continued on page 4

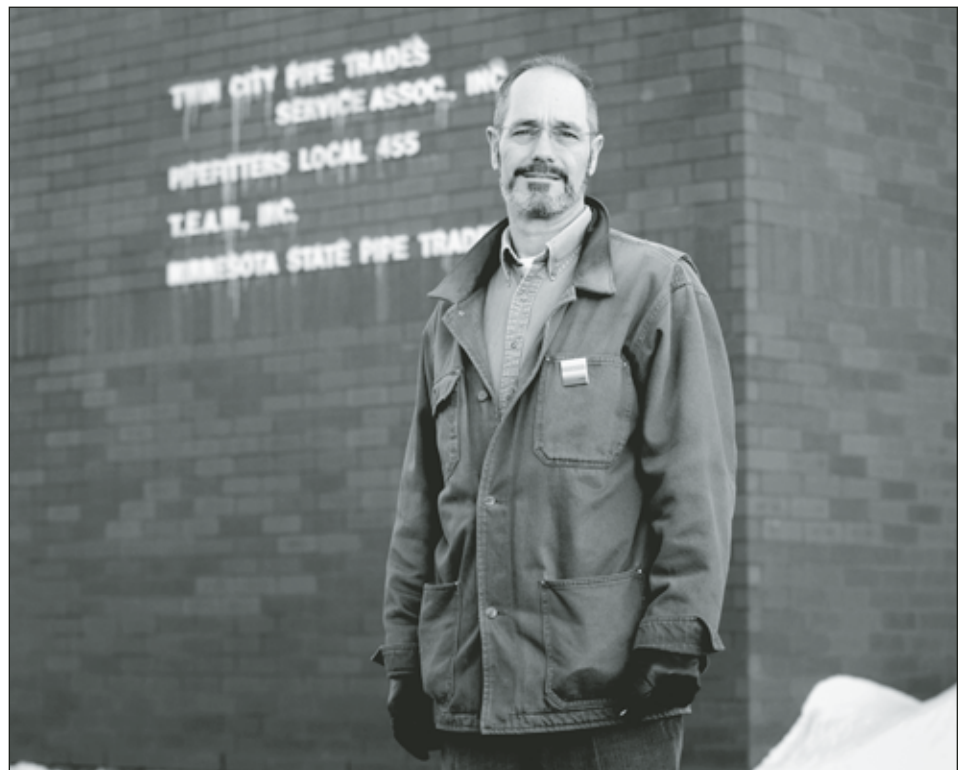


PHOTO BY TOM OLMSCHIED

Rep. Tim Mahoney stands outside the Pipefitters Local 455 union hall in St. Paul. Mahoney, a pipefitter when the Legislature is not in session, lost his job last fall.

First Reading continued from page 3

bonding. He has the option to trim a bonding bill down using line-item vetoes; however, he has publicly threatened to veto the entire bill if he thinks it is too large.

Rep. Ann Lenczewski (DFL-Bloomington), House Taxes Committee chairwoman, said the tax part of the plan will likely include an angel investor credit that has bipartisan support, as well as a historic building rehabilitation credit and an expansion of tax increment financing for local development projects.

The third bill, which has yet to take shape, will be sponsored by Rep. Tom Rukavina (DFL-Virginia), chairman of the House Higher Education and Workforce Development Finance and Policy Division, and will likely include a wage subsidy program similar to one being proffered on the federal level by U.S. Sen. Al Franken. Minnesota used a similar program in the 1980s that paid employers to hire new workers, and Rukavina thinks it can work again. The problem, he said, is cost.

“I tried passing it last year, but of course last year there was no money. And there’s no money this year, to be quite frank. It’s hard to find money,” Rukavina said.

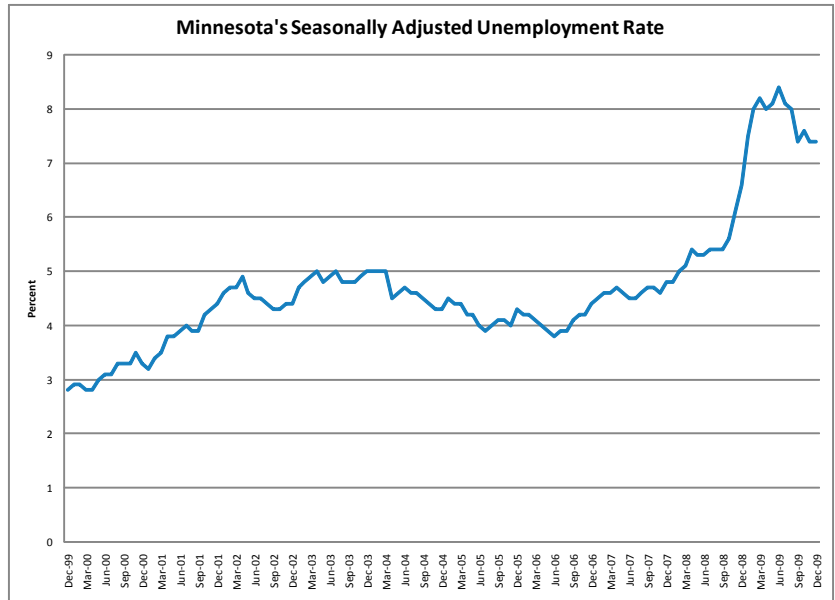
With that in mind, he’s also looking at a number of other economic development reforms, such as loans for manufacturers for purchasing new equipment, converting municipal power plants to wood-burning facilities and storing state money in community banks instead of large-scale institutions.

Opposing views

Members of the House Republican minority tried to get a head start on their own plans to grow jobs in the state. On Feb. 8, Rep. Mark Buesgens (R-Jordan) made a motion to suspend the rules so that the House could vote on a bill to eliminate Minnesota’s corporate franchise tax. The motion failed 81-46.

Rep. Sarah Anderson (R-Plymouth), the House’s lead Republican on workforce development, said Minnesota’s tax and regulatory environment is pushing employers across the border to Wisconsin and other states in search of a more hospitable environment.

“We are an unfriendly environment to



Source: Department of Employment and Economic Development

businesses. We’ve had countless businesses tell us this, time and time again,” she said.

While she appreciates the DFL’s focus on jobs, Anderson said there needs to be a greater focus on the needs of business owners, whom she argues are the only true source of long-term job growth for the state.

“Government can’t create jobs, only the private

sector can create jobs,” she said. Rep. Keith Downey (R-Edina) agrees.

“We’re going to hear two sets of proposals that really show the difference between the DFL strategy of a state version of a stimulus package ... versus our Republican minority packages,

which are going to focus on the private sector,” he said.

For the moment, Minnesotans looking for jobs can do little else but wait. As of December, the seasonally adjusted unemployment rate stood at 7.4 percent — down from its peak of 8.4 percent in June, but still higher than at any other time since the early 1980s.

Moreover, the state’s labor market appears to be headed for a sluggish recovery. At the release of the state’s most recent budget forecast in December, State Economist Tom Stinson said total employment in the state may

not return to pre-recession levels for several more years, and workers’ wages are declining in the meantime.

As for Mahoney, he hopes to find work after session ends, but said he may have to leave the state to find it. He hasn’t had to travel to find work in 20 years, but he’ll go this summer if he has to — anyplace there’s a new pipeline, water treatment plant or refinery being built, he said.

“Wherever it is, if I want to work, I might have to travel there,” Mahoney said adding, “That will be interesting if I’m trying to run a re-election campaign at the same time.”



“We believe it’s very important to do all that we can at the state level to put people back to work.”

— House Speaker Margaret Anderson Kelliher (DFL-Mpls)



“Government can’t create jobs, only the private sector can create jobs.”

— Rep. Sarah Anderson (R-Plymouth)

At a glance: the House jobs plan

1. Bonding bill (HF2700)

- Sponsored by Rep. Alice Hausman
- Nearly \$1 billion in capital investment funding
- Focus on “shovel-ready” construction projects
- To be passed and enacted early in session

2. Tax credit bill

- Sponsored by Rep. Ann Lenczewski
- Tax credits for angel investing, historic rehabilitation projects
- Expanded use of TIF districts for local development
- Focus on high-tech and green jobs

3. Economic development bill

- Sponsored by Rep. Tom Rukavina
- Wage subsidy would pay employers to hire new workers
- Revenue bonds to help manufacturers buy new equipment
- Converting municipal power plants to burn wood

Editor's note: The following Highlights are coverage of select bills heard in House committees and other House activities held Feb. 4-11. Designations used in Highlight summaries: HF-House File; SF-Senate File; Ch-Chapter; and *- the bill version considered by the House or the bill language signed by the governor.

BUDGET

Bonding might complicate cash flow

State budget officials said the drive to get bonding projects moving quickly this year might add to the state's looming cash flow shortages.

Enactment of a bonding bill early during the legislative session could have a "debilitating effect on the state's cash flow position," said Katherine Kardell, assistant commissioner for treasury and debt management at Minnesota Management and Budget.

Kardell spoke at a joint hearing of the House Finance and the House Ways and Means committees Feb. 8. No action was taken.

She explained that the state can't sell bonds without fully disclosing its financial condition, which is hard to do during session because legislative actions can impact the state's finances.

Because the state doesn't typically sell bonds during session, she said funding new projects might require the state to borrow from the General Fund. The state is already facing cash flow shortages because of lower-than-expected tax revenues, and though the General Fund would be paid back once the bonds were sold, the short-term effect would be to exacerbate the cash flow problem, she said.

"If projects are truly ready to go at the drop-of-a-hat, then we have a situation where we need to take that money from the General Fund," she said.

Rep. Alice Hausman (DFL-St. Paul), chairwoman of the House Capital Investment Finance Division and sponsor of the House capital investment bill (HF2700), questioned whether selling bonds during session would actually be a problem. She noted that such a sale occurred last January.

"Just last year we did it — during a very difficult session, when it was very unclear where our budget was going — and it was a very successful bond sale," Hausman said.

Kardell acknowledged that the state did have a bond sale Jan. 13, 2009, but said it was an "extraordinary event."

State Economist Tom Stinson has said that spending bonding dollars as soon as possible might help stimulate the economy and create new jobs. House and Senate DFL leaders have stated that quick passage of a bonding bill is a priority for the session.

— N. BUSSE

CONSUMERS

A hand up from poverty

A hand up — not a handout — is the goal of an anti-poverty bill that won approval from a House division.

Rep. Morrie Lanning (R-Moorhead) sponsors HF2062, which would establish a "Ladder Out of Poverty Task Force" to help Minnesotans who are struggling economically.

Specifically, the task force would make recommendations to the Legislature on policies that would increase Minnesotans' financial literacy, ban predatory lending practices and encourage the accumulation of personal wealth. The task force would sunset on June 1, 2012.

According to Lanning, the bill is shaped by the key findings of the Legislative Commission to End Poverty in Minnesota by 2020's final report. The commission, of which Lanning was a member, studied poverty in the state for more than a year and a half before issuing its findings.

"Let's not let the commission report sit on the shelf and collect dust and have nothing come of it," Lanning said.

The bill would leverage the existing Family Assets for Independence in Minnesota program, which helps Minnesotans gain financial self-sufficiency through education and matched savings programs. FAIM is run by local community action partnerships.

Kim Shaff, FAIM program coordinator for Community Action Partnership of Ramsey and Washington Counties, said the FAIM program stresses education and one-on-one coaching to help people address their "financial barriers."

"This is where they learn how to save, address and reduce debt, understand the importance of fixing and protecting their credit, as well as becoming conscious consumers," Shaff said.

Patricia Olson, program leader for the University of Minnesota Extension, testified in favor of the bill, emphasizing the importance of financial education. She cited a national study that shows greater financial knowledge leads to better cash flow and credit management for families.

"The complexities of making financial decisions to spend beyond what you make are now the crux of what people are challenged with today," Olson said.

The House Labor and Consumer Protection Division approved the bill, which now goes to the House Commerce and Labor Committee. Sen. Michael Jungbauer (R-East Bethel) sponsors the companion, SF1770, which awaits action by the Senate State and Local Government Operations and Oversight Committee.

— N. BUSSE

CRIME

A felony for skimming

Going to a restaurant, grabbing a drink at Happy Hour or even getting cash at the local ATM could make people more vulnerable to identity theft.

Because technology changes, so must the criminal code.

Sponsored by Rep. Debra Hilstrom (DFL-Brooklyn Center), HF2470 would make it a felony for someone to use a scanning device or reencoder to acquire information from payment cards, a driver's license or state-issued identification card with intent to commit a crime.

"This is getting to be a very serious issue. ... We need to allow folks to prosecute for having this material," she said.

Approved Feb. 9 by the House Public Safety Policy and Oversight Committee, the bill was referred to the House Finance Committee. A companion, SF2493, sponsored by Sen. Mee Moua (DFL-St. Paul), awaits action by the Senate Judiciary Committee.

"Skimmers are devices that record credit card information off the magnetic strip on the card," said Assistant Attorney General Al Zdrzil. "What makes them particularly insidious is that they are very small. A handheld skimmer is about the size of a Bic lighter, so it is very easy for somebody who is working in the food or hospitality industry to palm one, and even while they are talking to you at the table they can simply run the strip through the skimmer and you're not even aware of it."

Another common device gets someone's information at a cash machine.

"It is designed to look exactly like the outlet of the ATM, except it's now about a quarter of an inch thicker," Zdrzil said. "If you aren't really paying attention you don't know that as you put your cash card or your credit card

into the ATM, not only is the ATM reading it, but the skimmer is also reading it.”

With the information, criminals will frequently make a new credit card. In one Minnesota instance, the skimmer used illegally made credit cards to purchase gift cards they can use.

Zdrzil said 30 other states have comparable legislation.

— M. COOK

EDUCATION

‘Sprint for the Money’

It’s a rare day when conservative advocacy group EdWatch and Education Minnesota, the state teachers’ union, see eye to eye, but on Feb. 9 representatives of each organization shared similar concerns about the state’s application for federal Race to the Top funds with the House K-12 Education Policy and Oversight Committee.

Race to the Top (RTTT) is a competitive incentive grant that’s part of the American Recovery and Reinvestment Act of 2009. Minnesota is one of 40 states that has submitted an application for a share of \$4.35 billion. RTTT is intended to promote reform of poor-performing schools, recruitment and training of new teachers, and promotion of “common core” academic standards. To date, 415 school districts and charter schools have signed the application that could bring \$330 million to the state’s education coffers.

Critics of RTTT fear the loss of local control over education policy, and believe districts are so desperate for extra funds they’ll agree to proposals based on federal criteria that don’t always match up with state and local policies. One school principal dubbed Race to the Top “sprint for the money,” said Roger Aronson, who represents two statewide principals’ associations.

It’s not worth the “paltry sum of money from the federal government for what is a huge loss of state sovereignty and legislative control,” said Karen Effrem, EdWatch director of government relations.

Lawmakers should scrutinize the RTTT proposals to make sure they reflect the intent of Minnesota’s carefully crafted education law, agreed Jan Alswager, chief lobbyist at Education Minnesota, especially in the areas of teacher evaluation, licensure and professional development.

Committee Chairman Rep. Carlos Mariani (DFL-St. Paul) said he appreciates the federal “challenge” to reform schools and maintain standards, “but I’m also a very parochial, jealous state legislator who feels very strongly that Minnesota education policy should

be determined by Minnesotans, first and foremost.”

— K. BERGGREN

EMPLOYMENT

Unemployment insurance troubles

Confusing application forms, unfair benefits and a frustrating appeals process were some of the complaints leveled against the state’s unemployment insurance system to a House division.

In addition to taking public testimony, members of the House Higher Education and Workforce Development Finance and Policy Division also aired some of their own concerns about UI benefits Feb. 9. No action was taken.

“Our office has been getting a number of calls from all over — and I know other legislators have been getting calls,” said Rep. Tom Rukavina (DFL-Virginia), division chairman.

Paul Marfiz, a commercial painter, described a UI system that penalizes workers for taking work when they can get it. He said his benefits dropped from \$566 a week to \$377 a week because he took occasional painting jobs. Had he not worked, a federal unemployment extension would have provided him with more benefits.

“At \$377, it’s tough to make the bills. And if I work less this year, it’s going to go down even more. So my hands are tied. I don’t know what else to do,” Marfiz said.

Meanwhile, a group of flight attendants for Northwest Airlines (recently merged with Delta) on a special program that allows them

to collect UI benefits while on voluntary furloughs described some of their own problems with the system.

Laurie Gandrud, a council representative for the Association of Flight Attendants, said some flight attendants in the program were forced to go through the full UI appeals process after simple mistakes like checking a wrong box caused their applications to be denied.

“It might have been easier and less expensive if the applicants could have just corrected their mistakes,” she said.

Lee Nelson, director of legal affairs for the state’s UI program, said the amount of UI benefits received by an applicant has been determined the same way since 1936, and is defined by federal law. As to the flight attendants’ complaints, he said the appeals process is necessary because it forces applicants to prove their case with sworn testimony and documented evidence.

— N. BUSSE

ENVIRONMENT

LCCMR projects approved

The Legislative-Citizen Commission on Minnesota Resources receives annual funding from state lottery sales that is distributed to grantees for environmental projects. Commission recommendations form the basis of a bill after requests for proposals are vetted through hours of hearings and peer review.

HF2624, sponsored by Rep. Jean Wagenius (DFL-Mpls), would appropriate \$26 million this biennium, primarily from the lottery’s



PHOTO BY TOM OLMSCHIED

Dawn Shea, front, a Northwest Airlines cabin attendant, tells of her experience applying for unemployment during a Feb. 9 hearing of the House Higher Education and Workforce Development Finance and Policy Division. Other airline employees who testified are, background from left, Laurie Gandrud, Mike Ewald and Amy Lusty.

Environment and Natural Resources Trust Fund. The House Environment and Natural Resources Finance Division approved the bill Feb. 11 and referred it to the House Finance Committee. A companion bill, SF2462, sponsored by Sen. Ellen Anderson (DFL-St. Paul), is scheduled to be heard Feb. 16 by the Senate Environment, Energy and Natural Resources Budget Division.

Eighty-five finalists totaling \$168 million in projects vied for the trust funds. Of those, 48 projects totaling \$26 million were recommended for inclusion in the bill. They include geological studies, wetland and prairie preservation and restoration, birding publications, wildlife habitat research, land acquisition for parks, invasive species projects and environmental education programs.

Projects cross both rural and urban landscapes, as well as cultural differences. For example, \$155,000 is earmarked to advise Hmong families about fish consumption recommendations. The connection between climate change and its impact on the ecosystem would be studied through an agreement with the Will Steger Foundation and a \$250,000 grant.

Rep. Denny McNamara (R-Hastings) offered an amendment to the bill, which he later withdrew, because he feels the LCCMR should hold back a percentage of its spending authority for emergencies. He pointed to last year when funding proposals were due May 1. Just days later, the state's first emerald ash borer was discovered, leaving legislators scrambling to find emergency funding to combat the invasive species.

Wagenius said \$6 million has been requested in other bills, including \$3 million in the pending bonding bill, to combat emerald ash borer and to protect the state's black ash trees.

— S. HEGARTY

FAMILY

ARRA funds supporting families

Federal American Recovery and Reinvestment Act of 2009 funds are creating jobs in the early learning sector — many of them full-time, with benefits — while adding services for about 700 of Minnesota's most at-risk families. The remarks came from Gayle Kelly, Minnesota Head Start Association executive director, speaking before the House Early Childhood Finance and Policy Division Feb. 9.

Minnesota received \$26.1 million in ARRA appropriations designated for child care assistance subsidies and a sliding fee program, quality improvements such as the

Parent Aware pilot rating system and training and resources for caregivers. The money must be spent by Sept. 30, 2010. Of the total, \$15.7 million is for quality improvements and expansion of Head Start and Early Head Start programs, said Kelly, who estimated ARRA funds would generate 163 new Head Start jobs. Three tribal Head Start programs have received funding apart from the state appropriation.

Beyond the numbers are vulnerable children and struggling parents.

Kraig Gratke described the fund's impact on programs he runs as Early Head Start manager with Tri-County Community Action, which serves Morrison, Todd and Crow Wing counties.

Of the young parents Gratke's agency serves, 85 percent experience postpartum or prenatal depression, 70 percent "have drug use of some type," 50 percent have been sexually assaulted and 50 percent are technically homeless, he said.

"What we're seeing in our families with our children coming out of these homes, there's a lot of attachment and bonding issues," Gratke said. "There's a lot of people yelling. There's a lot of negative stuff going on in these environments."

With ARRA grants, Tri-County's Early Head Start will add 64 new spaces to the 130 that exist, and 19 new teachers will serve babies and parents with child care including two new centers, home visits nearly once a week and parent support groups, including one for teenage fathers.

"Here at the Legislature, we don't always get a slice of reality, and that was one of them," said Rep. Nora Slawik (DFL-Maplewood), chairwoman of the House Early Childhood Finance and Policy Division.

— K. BERGGREN

HEALTH

COBRA subsidy extension approved

Lawmakers are considering extending a state subsidy program that helps some unemployed workers keep their health care coverage.

The subsidy helps laid-off workers pay private health care premiums for federal COBRA coverage, thereby keeping them off state programs, said Rep. Paul Thissen (DFL-Mpls). He sponsors HF2562, which would update Minnesota law to reflect COBRA changes enacted by Congress late last year.

Approved Feb. 9 by the House Health Care and Human Services Policy and Oversight Committee, the bill now awaits action by the House Health Care and Human Services

Finance Division

The federal legislation extends a 65 percent premium subsidy to eligible workers who lose their jobs before Feb. 28, 2010. It also extends the time period that workers can receive the subsidy to 15 months.

Thissen would like Minnesota to make similar changes to the 35 percent premium subsidy it offers some residents with COBRA coverage. His bill would extend the availability of the state subsidy through May 2011 and allow funds appropriated in fiscal year 2010 to carry over into fiscal year 2011.

For laid-off workers, the loss of health care coverage can be worse than the loss of income, said Mike Goldman, labor liaison to the Minnesota Dislocated Worker Program. These workers and their families face the challenge of paying for health care on top of other expenses like mortgage payments and putting food on the table, he said.

"The loss of the state subsidy is going to be a crucial breaking point for many families," he said.

The Department of Human Services has approved approximately 1,700 Minnesota households for the state premium subsidy. Goldman said it is a resource available to some unemployed workers, but not to all.

A companion bill, HF2335, sponsored by Sen. Linda Berglin (DFL-Mpls), awaits action by the Senate Health and Human Services Budget Division.

— L. RADOMSKI

HOUSING

Foreclosure moratorium gets OK

A two-year moratorium on residential foreclosures could give struggling homeowners a better shot at keeping their property.

Rep. Jeff Hayden (DFL-Mpls) sponsors HF2604, which would allow people facing foreclosure to stay in their homes as they attempt to negotiate with lenders. Hayden said the legislation is targeted at Minnesotans hit hard by the subprime loan crisis.

"Now, because of that process and the continuing destabilization of the economy, people are now losing their jobs and are unable to make the payments," he said.

Another part of the bill offers protection to renters living in a building under foreclosure. Landlords would need to inform renters of continued utility services and new owners would need to offer fair market rent to existing tenants.

Hayden's bill is unpopular with some banks and other financial institutions that see the legislation as interfering with private contracts between lenders and borrowers. There's

also a concern that efforts to underwrite outstanding loans would dry up credit.

That could be especially harmful to small, family-owned banks that already work closely with borrowers, said David Skilbred, vice president of government relations for Independent Community Bankers of Minnesota.

“They are available to their customers in all situations and foreclosure is an absolute last resort in any time, but especially in these times,” he said.

The House Housing Finance and Policy and Public Health Finance Division approved the bill Feb. 9 and sent it to the House Commerce and Labor Committee. Some members said they believed the group did not have adequate time to discuss the legislation, and an amendment to forward the bill without a recommendation was approved by a 7-5 roll-call vote.

Hayden pledged to work with those in the banking and real estate industries as the bill moves forward.

“This bill has a long ways to go yet. ... There is still a lot of room for negotiation,” he said.

A companion, SF2242, sponsored by Sen. D. Scott Dibble (DFL-Mpls), awaits action by the Senate Health, Housing and Family Security Committee.

— L. RADOMSKI

LAW

Eminent domain law under review

Portions of a 2006 law that gives public service corporations, including utilities, the ability to take private property through a “quick take” process could be repealed.

The House Energy Finance and Policy Division heard testimony Feb. 8 for HF1182, sponsored by Rep. David Bly (DFL-Northfield). The bill was laid over so members could digest last-minute amendments. Action is expected at the division’s Feb. 15 meeting. A companion bill, SF1112, sponsored by Sen. Kevin Dahle (DFL-Northfield), awaits action by the Senate Energy, Utilities, Technology and Communications Committee.

The bill would strike language that exempts public service corporations from several eminent domain policies, such as paying for appraisals and attorney fees.

Property owners began raising concerns when they learned that they could be affected by the proposed installation of either a high-voltage electrical transmission line or an underground crude oil pipeline. Complaints include lower than expected purchase settlements and the lack of reimbursement for ongoing personal and professional losses

due to the condemnations.

Phillip Krass represents several property owners who are at risk of the quick take provision. Of the 1,100 property owners involved in the Flint Hills Resources pipeline project, 850 agreed to an early settlement while 250 went through the process of hearings and negotiations. Those who reached a settlement or a court-awarded amount received between 26 percent and 1,133 percent more than the initial quick take offers, Krass said.

Real estate appraiser John Schmick said the \$1,500 to \$3,000 reimbursement written into law is too low to cover actual appraisal costs. One homeowner complained that he had to wait three years to be reimbursed.

Craig Johnson, intergovernmental relations representative for the League of Minnesota Cities, said a repeal could have unintended consequences and dramatically affect the viability of utility improvement projects by driving up costs, ultimately resulting in higher rates for all.

— S. HEGARTY

LOCAL GOVERNMENT

Update sought of 1941 use deed law

A nearly 70-year-old state law concerning tax-forfeited property needs a facelift.

The proposed use deed reform law, HF1395, sponsored by Rep. Joe Mullery (DFL-Mpls), would update a statute first enacted in 1941 and clarify how such land should be sold or transferred to cities or counties for public use.

The issue has been “troubling us for a number of years,” said Jason Nord, the Department of Revenue program administrator who oversees deed issuance and compliance with the law.

“There are all types of tax-forfeited land parcels, anything from small sliver parcels that are hardly worth anything to very valuable lands in very prominent locations.” Nord spoke at a Feb. 8 joint hearing of the House Civil Justice Committee and the House Local Government Division. No action was taken.

The law contains a tricky reverter clause allowing land parcels found to be out of compliance with the terms of a public use deed after three years to be conveyed back to the state for sale or other use. Because the terms “public use,” “public purpose” and “park” are vague, disputes over compliance have resulted in lawsuits. Because there is an option to withhold a parcel from sale that may be continually renewed, land that could otherwise be sold may be held in limbo for years.

Nord said the department hopes to uphold

the law’s original intent to allow local units of government to create and preserve places of public enjoyment, and that providing such spaces was a public benefit offsetting lost receipts from selling the land at market value.

The bill would clarify conveyance procedures, define more clearly what is meant by “public use,” “public purpose” and “parks,” and provide options for local governments to move tax-forfeited properties into appropriate use, including market-rate development, wetland preservation, correction of blight and development of affordable housing. It would create a 30-year expiration on the reverter, but not until after 2015 in order to allow for possible compliance reviews of older deeds.

A companion bill, SF1126, sponsored by Sen. Mee Moua (DFL-St. Paul), awaits action by the Senate Judiciary Committee.

— K. BERGGREN

TAXES

Tax relief for Haitian help

People donating financially to organizations providing earthquake relief in Haiti can choose to claim the charitable contribution on their 2009 itemized federal tax return, rather than the 2010 return.

HF2763, sponsored by Rep. Ann Lenczewski (DFL-Bloomington), would allow the same accelerated deduction on the state return.

Approved Feb. 8 by the House Taxes Committee, the bill now moves to the House Ways and Means Committee. A companion, SF2352, sponsored by Sen. Tom Bakk (DFL-Cook), awaits action by the Senate Taxes Committee.

The federal special tax relief provision was enacted Jan. 22, to make deductible monetary contributions to qualifying charitable organizations that are assisting with relief efforts in Haiti following the Jan. 12 earthquake.

Only cash contributions made to qualifying charities between Jan. 12, 2010, and Feb. 28, 2010, are eligible for the federal deduction, according to Internal Revenue Service regulations. This includes contributions made by text message, check, credit card or debit card. On its Web site, the IRS provides a database of qualifying charities. Some organizations, such as churches or government agencies, may qualify but are not yet listed on the site.

— L. SCHUTZ

If you have Internet access, visit the Legislature's Web page at: www.leg.mn

VETERANS MESSAGE



PHOTO BY TOM OLMSCHIED

Paul Sample, center, a U.S. Army veteran and a member of the Disabled American Veterans, Chapter 18, in Carlton County, wears his message on his shirt, "We Fought For Your Rights, Now You Fight For Ours." He listens to legislator introductions during Veterans Day on the Hill, Feb. 9.

TRANSPORTATION

Bicyclists could proceed on red

A 2003 law omission could be rectified much to the delight of those who prefer pedal power.

Sponsored by Rep. Phyllis Kahn (DFL-Mpls), HF2616 would allow a bicyclist to enter or cross an intersection against a red light under certain conditions, including the light showing red for an unreasonable amount of time; the bicyclist is unable to trigger the signal to change to green and no other vehicle or person is approaching that could pose a hazard.

"This just gives bicycles the same things that motorcycles have had for the last seven years," Kahn said.

Approved Feb. 9 by the House Public Safety Policy and Oversight Committee, the bill heads to the House floor. A companion, SF2453, sponsored by Sen. Jim Carlson (DFL-Eagan), awaits action by the Senate Transportation Committee.

Kahn said bicycles were included in a 2003 House bill allowing this provision for motorcyclists, but a conference committee removed the bicycle language.

"We emphasize following traffic regulations and stopping at stop signs," said Dorian Grilley, executive director of the Bicycle Alliance of Minnesota. "To that end, we've identified this problem that well-educated cyclists following the rules of the road often encounter, and, like motorcycles, we are often in a situation where we are unable to trip a traffic signal to turn from red to green."

Without the change, Grilley said the possibility exists of bicyclists clogging intersections and inconveniencing other drivers behind them.

Many times while in a left-turn lane, Grilley said he has moved his bicycle into a crosswalk so a vehicle behind him could come up closer and trip the signal sensor so they could both turn on a green arrow.

"There will be more and more experienced bicyclists — if we have our way — that follow the rules of the road and use turn lanes and

signalized intersections. Making this simple change would improve conditions for all vehicle drivers."

— M. Cook

Frequently called numbers

Area code 651

House Public Information Services

175 State Office Building 296-2146

Meeting Hotline, House

175 State Office Building 296-9283

Chief Clerk of the House

211 Capitol 296-2314

House Index

211 Capitol 296-6646

Senate Information

231 Capitol 296-0504

Secretary of the Senate

231 Capitol 296-2344

Voice mail/order bills 296-2343

Senate Index

110 Capitol 296-2887

Meeting Hotline, Senate

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Call House Public Information Services
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Cash flow conundrum

Projected cash shortages will require delicate balancing act

By Nick Busse

Cash flow, an issue typically left in the hands of Minnesota Management and Budget, has emerged as a topic of concern for the Legislature this year. Lower-than-expected tax receipts caused by the recession have dried up the state's cash reserves, forcing state budget officials to get creative to avoid a shortfall.

Over the last two years, MMB officials have been moving money around between different state accounts, using what's called "inter-fund borrowing" to keep the state budget afloat. Now, they're preparing to use more dramatic methods, delaying payments to school districts or even borrowing money from banks in order to keep paying the state's bills.

State Budget Director James Schowalter said the issue of cash flow is separate from — but related to — the state's biennial budget problems.

"Right now, what we're talking about is, on a day-to-day basis, do we have the cash in the bank?" he said.

Schowalter discussed the problem at a joint meeting of the House Finance and Ways and Means committees Feb. 8. He said a deal with even if lawmakers reach Gov. Tim Pawlenty current biennium's billion budget the state will still face cash

flow shortages beginning this spring, and probably again in the fall.

Schowalter said MMB is preparing a number of possible solutions to the problem, and is closely monitoring the daily ebb and flow of money in state accounts. Still, he said the state's cash flow isn't always fully predictable.

"We're trying to deal with a number of different risks and make sure that the Legislature, the governor and the state generally have options, no matter what comes," Schowalter said.

A growing problem

For those who've never heard the term "cash flow," here's how it works.

Every two years, lawmakers enact a biennial state budget. The state constitution requires that the budget be balanced, meaning that spending is less than or equal to tax revenues.

However, expenditures and revenues aren't always timed conveniently; some months, the state has big bills to pay but not much revenue coming in, while other times the opposite is true. The term "cash flow" simply refers to the movement of money into and out of state accounts to cover the state's day-to-day expenditures.

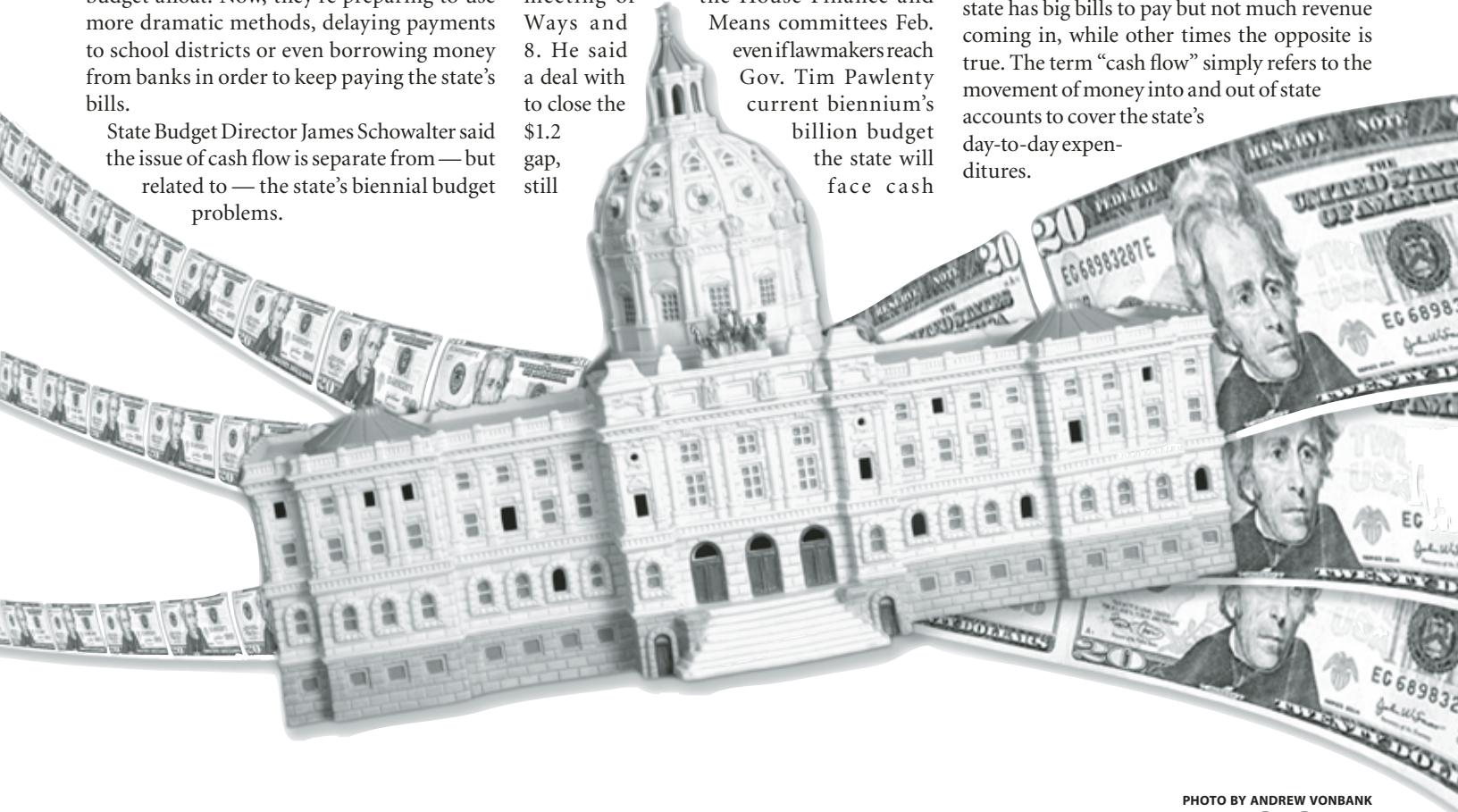


PHOTO BY ANDREW VONBANK
PHOTO ILLUSTRATION BY PAUL BATTAGLIA

Cash flow shortages in the state's General Fund can occur even when the budget is technically balanced. When that happens, MMB can transfer money into the General Fund from other state accounts and pay it back later.

"That is not an unusual situation — though it is unusual the extent to which the commissioner is using it now," Schowalter said.

The problem is that this year, the projected cash flow shortages are so large that inter-fund borrowing (to the tune of \$945 million already in this fiscal year) won't be enough to manage it.

As of April, the state's General Fund is projected to be \$143 million in the negative — far less than the \$400 million cushion MMB says is needed at any given time. To deal with the problem, MMB plans to delay a number of payments in March and April: \$423 million to K-12 school districts; \$52 million to the University of Minnesota; and about \$60 million in corporate and sales tax refunds.

Under the plan, the delayed payments would be fully reinstated by June, after income tax receipts refill state coffers. Additionally, school districts with cash reserves of less than \$700 per pupil would not see any payment delays. Still, many lawmakers are critical of the idea.

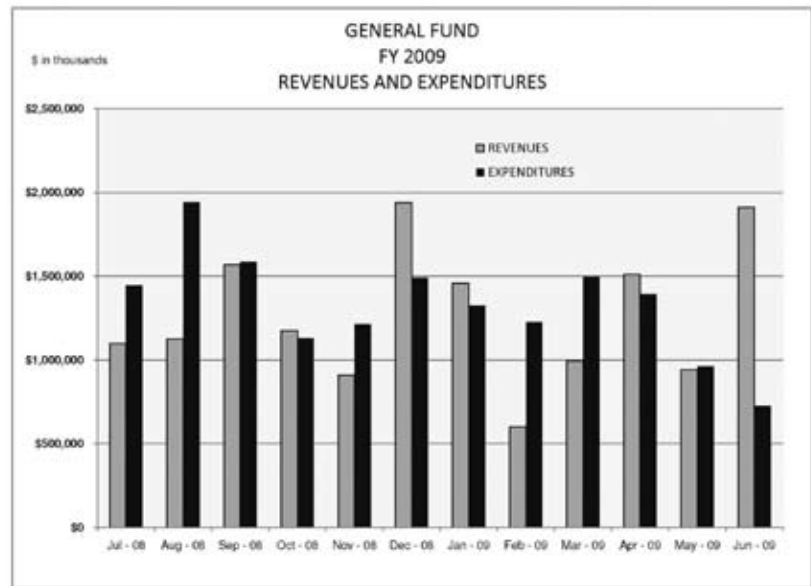
"It's not just robbing from schools; it's slapping them in the face for being fiscally responsible," Rep. Mindy Greiling (DFL-Roseville), chairwoman of the House K-12 Education Finance Division, said at a Jan. 13 joint legislative hearing.

The last resort

Schowalter and other MMB officials say there's not much of a choice, however. In fact, state law requires that school districts' cash balances be drawn down even more — all the way to \$350 per pupil — before the state can move on to its next option: borrowing.

If Minnesota has to borrow money to pay its bills later this year, it won't be the first time. During the last major economic crisis in the early 1980s, the state resorted to short-term borrowing several times: \$150 million in 1981, \$360 million in 1982, \$950 million in 1983 and \$200 million in 1984.

Katherine Kardell, MMB's assistant commissioner for treasury and debt management, said the state



Source: "Cash Flow Report," Jan. 2010, Minnesota Management and Budget

is preparing to borrow up to \$600 million to cover possible cash shortages in the fiscal year beginning July 1, 2010.

This borrowing would likely take the form of either a line of credit or "certificates of indebtedness" — basically short-term loans to the state. MMB recently sent out a request for proposals from any interested financial institutions, and responses are due Feb. 18.

Any money the state borrows would have to be paid back by the end of the biennium, and would be backed by the full faith and credit of the state — essentially, a promise to levy a statewide property tax in case the state doesn't have the money to repay the loans.

That notion leaves some legislators feeling uncomfortable.

Rep. Lyndon Carlson (DFL-Crystal), Finance Committee chairman, asked Schowalter whether the state might not be creating a problem for the next governor. He noted that Pawlenty will be leaving office before the principal on the loans would be due.

"What would happen if there wasn't enough cash in the bank at the end of the biennium to make that payment?" he asked.

"I am fairly confident that we've got a plan to start to manage those risks," Schowalter replied.

General Fund borrowing from other state funds

Fiscal Year	Amount Borrowed
(\$ in millions)	
2001	0
2002	0
2003	850
2004	200
2005	525
2006	400
2007	0
2008	125
2009	950
2010 YTD	945

Source: Minnesota Management and Budget



A nearly billion-dollar battle?

Bonding bill set for floor vote; governor issues another warning

By MIKE COOK

The anticipated late-February capital investment bill showdown between the Legislature and Gov. Tim Pawlenty is still on track.

Approved Feb. 11 by the House Ways and Means Committee, HF2700 is expected to be on the House floor Feb. 15.

Sponsored by Rep. Alice Hausman (DFL-St. Paul), the bill calls for \$999.8 million in general obligation bonding.

“This bill is one bright spot in a gloomy economy, one little thing we can take advantage of. Interest rates are low and construction bids are coming in one-third or more lower than projected, meaning the taxpayer dollar can go much further this month if we don’t delay,” Hausman told the House Capital Investment Finance Division Feb. 9. She added that much of the money triggers federal, local and private matches.

A companion, SF2360, sponsored by Sen. Keith Langseth (DFL-Glyndon), was passed 52-14 by the Senate Feb. 9. It calls for \$999.96 million in general obligation bonding.

However, both are about \$314 million more than proposed by Gov. Tim Pawlenty, who, on numerous occasions, has reiterated his preference for a smaller bill in tough economic times.

In a Feb. 9 letter to Hausman and Langseth, Pawlenty called the House and Senate bills “unaffordable, irresponsible, and filled with local projects,” and again threatened to veto the entire package, rather than line-item veto projects he does not support.

“Minnesota Management and Budget calculated a debt planning estimate of approximately \$725 million in general obligation bonding capacity for the 2010 bonding bill,” Pawlenty wrote. “In light of the state’s structural deficit, this additional fiscal burden is clearly unwise.”

Supporters note the bill is well within new

debt service guidelines set forth by MMB.

Nonetheless, Rep. Mark Buesgens (R-Jordan), at the Feb. 10 House Finance Committee meeting, encouraged Hausman to involve the governor’s office as the bill moves forward to create a bill that can be signed. He also said legislators’ priorities are misplaced, saying the state should solve its anticipated \$1.2 billion biennial budget deficit before “we take out our credit card.”

Another potentially problematic issue is that neither bill includes \$89 million to expand the sex offender treatment facility at Moose Lake, something the governor wants.

In addition to the “daunting amount,” Hausman said other options are being discussed, such as using other facilities that are currently empty. “Are there more cost-effective ways to deal with this certainly overcrowding situation? (This is) not opposition, but hoping that there might be other answers on the horizon.”

A historical perspective

As she began her presentation to the House Capital Investment Finance Division, Hausman, a former teacher and one-time history major, provided a look back.

“In the panic of 1857, even before we were

a state, Minnesota’s economy tanked. The credit market was frozen and there was no available capital to speak of,” she said. “The state’s leaders knew that getting railroad construction on track in Minnesota was critical to needed economic development to help move the state out of the throes of the worst economic depression of the 19th century. When the first Legislature convened in December of 1857, it immediately passed legislation authorizing the state to let bonds for railroad construction.

“I think it sets the context that in times of serious economic circumstances since Minnesota became a state, smart bonding initiatives have been the driver of economic development initiatives that have made our state what it is today. Now, more than ever, we should follow through on that tradition, and build the infrastructure necessary

to make our state competitive in the future,” she said.

“Our problem is huge, and this bill is a good, positive step in the right direction, but there is this issue that the \$26.5 million is going to be well short of taking care of a lot of important, needed projects.”

— Rep. Morrie Lanning
(R-Moorhead)

On the flood mitigation money in the bill

Who gets a slice?

As is tradition, higher education is proposed to get the largest slice of the pie. The House bill contains \$322.7 million, including \$100 million in asset preservation.

“When you invest in higher education ... we are providing the facilities that are going to train the workforce of the future,” Hausman said, noting many institutions are feeling the crunch of more people going back to school in current economic times.

The bill has money for 25 academic renovation or construction projects within the Minnesota State Colleges and Universities system, including \$26.9 million for a bioscience and health careers center addition at North Hennepin Community College, \$5.67 million for a science lab renovation at Southwest Min-



PHOTO BY TOM OLMSCHIED

The House bonding bill contains \$32.5 million for zoo improvements and expansions: \$21 million for the Minnesota Zoo, \$11 million for exhibit renewal at the Como Zoo and \$500,000 for the Lake Superior Zoo. The Senate bill has just \$21 million for the Minnesota Zoo.

nesota State University and \$5.5 million for a shop space addition for mechanical technology and carpentry programs at NHED Mesabi Range Community and Technical College in Eveleth.

The bill seeks \$20 million to renovate 103-year-old Folwell Hall on the University of Minnesota's Minneapolis campus, but nothing for a physics and nanotechnology building. Pawlenty wants \$53.3 million for this. The Senate bill has \$5 million in planning money.

Hausman doesn't believe anyone is opposed to the physics and nanotechnology building, but noted that the university ranked Folwell Hall higher on its priority list.

Another large — and potentially timely — chunk is \$50 million for flood hazard mitigation and prevention, but it may not be enough. Pawlenty's proposal is also at the \$50 million level; the Senate \$70 million.

The House bill has \$26.5 million divvied up between 13 projects across the state,

and \$23.5 million for four Red River Basin impoundment projects.

Rep. Morrie Lanning (R-Moorhead) said the impoundment project funding will cover all requests submitted from his area,

but only one project has a direct impact on flooding level in Moorhead and surrounding areas.

"That leaves \$26.5 million for all the other flood mitigation requests that there is. There is \$109 million of requests. Just to have the money necessary to match the federal requirements on

four of the projects would require the state to come up with \$25 million." He said that would leave 22 communities to fight for what little is left.

"Our problem is huge, and this bill is a good, positive step in the right direction, but there is this issue that the \$26.5 million is going to be well short of taking care of a lot of important, needed projects," Lanning said.

Forecasters recently warned that the Red River Valley is ripe for more severe flooding

this spring after a wet fall and a snow total equal to last year.

Zoos fare well in the House bill, to the tune of \$32.5 million. Only the Minnesota Zoo is in the Senate and governor proposals.

The Minnesota Zoo would receive \$21 million for its master plan implementation and asset preservation, Como Zoo would receive \$11 million for improvements and the Lake Superior Zoo would get \$500,000 to help with asset preservation and exhibit renewal needed to achieve accreditation.

"I don't think any other portion of the bill involves quite so many visitors," Hausman said. "When you add those up, probably 4 million people go to these sites every year. It's a huge addition to the livability and education in our state."

Other highlights of the House bill are:

- \$158 million for transportation and transit, including \$67 million for local bridges;
- \$126.6 million in employment and economic development, including \$57 million for civic centers in Mankato, Rochester and St. Cloud;
- \$60 million for clean water and wastewater infrastructure;
- \$50 million for a transit capital improvement program; and
- \$21 million for state trail acquisition and development. 🐼

"This bill is one bright spot in a gloomy economy, one little thing we can take advantage of. Interest rates are low and construction bids are coming in one-third or more lower than projected, meaning the taxpayer dollar can go much further this month if we don't delay."

— Rep. Alice Hausman (DFL-St. Paul)
On the size of the bonding bill

Safe Drug Disposal Act

Leftover drugs find their way to fish and teens

By SUE HEGARTY

Leftover pills stowed in medicine cabinets and under bathroom sinks are an accident waiting to happen and a target for thieves or experimenting teens.

But getting rid of this stash can be a problem. According to state and federal drug recommendations, most state health care facilities are required to flush medicines after a patient or resident is discharged or dies. But environmentalists fear drugs entering our sewage system are contributing to deformities in fish.

“Our wastewater treatment system is not completely breaking down those compounds,” said Rep. Paul Gardner (DFL-Shoreview), who sponsors HF1217, known as the “Minnesota Safe Drug Disposal Act of 2010.”

“We think the concept of minimizing medications in the sewer systems and in the landfills is a good and laudable goal. We just don’t want to be caught in the middle of conflicting regulations,” said Doug Beardsley, vice-president of member services for Care Providers.

Hoping to rectify these issues, HF1217 seeks to reduce waste when medications are prescribed and to safely destroy any that are left over. The House Environment Policy and Oversight Committee approved the bill Feb. 9 and referred it to the House Health Care and Human Services Finance Division. An amendment to remove veterinary medications was offered by Rep. Al Juhnke (DFL-Willmar) and approved. Companion file, SF1568, sponsored by Sen. John Doll (DFL-Burnsville) awaits action by the Senate Environment and Natural Resources Committee.

To flush or not to flush

Bill supporters link pharmaceuticals in wastewater to possible reasons why male fish

in Minnesota lakes and rivers are exhibiting female sex characteristics, a problem known as endocrine disruption. Improving wastewater filtering systems would cost millions more than the projected \$1 million to operate the product stewardship program, Gardner said.

Pharmaceutical representatives debunked the argument that eliminating excess medications from the wastewater stream would significantly impact water quality. Drugs in wastewater are primarily what people taking the drugs excrete naturally.

“Perhaps 95 percent is through the regular taking of medicine to keep us and our livestock healthy. So when you think that perhaps you will be affecting somewhere between five and 10 percent ... you are going to have an extremely marginal, and perhaps meaningless impact on the situation,” said Patrick Moore of Greenspirit Strategies and an advisor to Pharmaceutical Research and Manufacturers of America, known as PhRMA.

Drug companies don’t deny there are endocrine disruptors in water, but peer review articles report other culprits, such as sunscreens, fertilizers and DEET, an oil used in insect repellants, said Marjorie Powell, senior assistant general counsel for PhRMA, a consortium of 48 member drug companies.

PhRMA, the U.S. Fish & Wildlife Service and the American Pharmacists Association organized a

“SMARxT” disposal education campaign that recommends putting drugs into a sealable bag and mixing them with kitty litter, sawdust or coffee grounds so they’re less appealing to animals or children.

“Right now we see that as the preferable method,” said Tim Scherkenbach, deputy commissioner of the Minnesota Pollution Control Agency. The issue boils down to two questions: what are acceptable amounts of contaminants and how does one find the source so the agency can allocate responsibility, Scherkenbach said.

Pharmaceutical companies that would foot the bill for the disposal programs oppose the bill. Drug producers or their collective organizations would be required to pay all administrative and operational costs associated with collecting, transporting

and disposing of the drugs and would be prohibited from charging a fee to cover their costs, either at the purchase counter or at the time of collection.

State-of-the-art dispensing machines potentially could save millions of Medicare and Medicaid spending through more efficient dispensing methods. Local governments could voluntarily have community-wide collections, such as a pilot project conducted in Chisago County last year.

The county’s solid waste administrator Lisa Thibodeau explained that through the program, 1,400 pounds of drugs were collected at a cost of \$5,000 to Chisago County taxpayers. She said drugs must be destroyed at a licensed hazardous waste facility, with the closest being in Illinois. Although Minnesota has several incinerators, they are not licensed to handle controlled substances.

Rep. Denny McNamara (R-Hastings) said state bureaucracy would be less effective and more costly than leaving it up to local government. “It seemed to me in Chisago County it’s working,” he said.

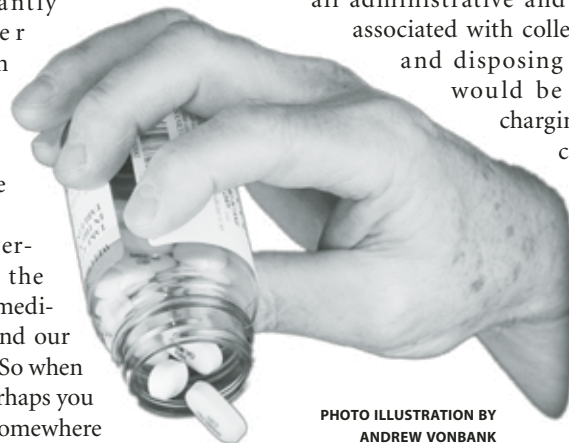


PHOTO ILLUSTRATION BY ANDREW VONBANK



Environment continued on page 22

State primary could move to August

Federal law forcing states to change their dates

By PATTY OSTBERG

More Minnesotans would have a chance to vote through use of absentee ballots if the state's traditional September primary date moves to the second Tuesday in August to meet a federal mandate.

Passed in October 2009, the federal Military and Overseas Voter Empowerment Act requires at least a 45-day period for absentee ballots to be returned and counted for primaries and elections. Previous law was 30 days.

Rep. Steve Simon (DFL-St. Louis Park) sponsors HF2552 that would conform Minnesota's elections to the federal mandate. "It's been said that in every recount in Minnesota there are basically two stacks of discarded ballots: one is the people who just did it wrong, and one are the overseas people who didn't get their ballots back in time ... This is finally the fix that we need," he said.

Approved by the House State and Local Government Operations Reform, Technology and Elections Committee Feb. 9, the bill awaits action on the House floor. A Senate companion, SF2251, sponsored by Sen. Terri Bonoff (DFL-Minnetonka), awaits action by the full Senate.

In 2008, almost 400,000 military and overseas absentee voters failed to have their ballots counted, said Bob Carey, director of the Federal Voting Assistance Program. "That's because there is just not enough time," he said. Those voters "experience much more difficulty than the average voter in exercising their right to vote."

Bloomington City Clerk Thomas Ferber said, "It breaks our hearts when we get absentee ballots coming in after an election, particularly if it's from the military and overseas voters who have made the effort to get the ballot there, but because of timing the ballot arrives after Election Day."

The bill was successfully amended by Rep. Mary Kiffmeyer (R-Big Lake) to remove administrative election changes she considered unnecessary for federal conformity. In general, the former secretary of state supports the primary date change, but asked, "Why

is it necessary to make these changes in this particular bill ... one of the focuses is conformity to the federal law, not turning it into a great big administration bill that we kind of throw extras in."

Simon responded that the bill should be tailored as narrow as possible, "but there's some dates, date changes and other things that seem to follow naturally. Are they compelled by federal law? No." For example, he noted that under current law campaign lawn signs can be put up beginning Aug. 1. The bill would change that to 46 days before the state primary, or before the Fourth of July.

Beth Fraser, director of governmental affairs for the Office of the Secretary of State, said while some of the portions of the bill are not directly related to the federal mandate, the changes included make the bill "workable."

Simon emphasized the need to pass the legislation quickly so local election officials have time to implement the changes for the 2010 election cycle. Upon passage, changes would happen as soon as March.

The month of June was also considered for the primary, but Greater Minnesota legislators said it wouldn't give them enough time to face potential challengers, said Simon. Being that the legislative session typically lasts until the third week in May, current legislators said it wouldn't give them enough time to return to their districts and campaign.

Simon said the success of an August primary will fall on local cities and election officials letting people know of the change because August is typically when Minnesotans head to their cabins or vacation away.

Only Hawaii currently has a later primary date than Minnesota. Ten states and the District of Columbia will also have to change primary dates to meet the new law.

Citing not enough bipartisan support, Gov. Tim Pawlenty vetoed a similar measure last year that was included in a larger elections package. He has indicated that he supports the date change; however, he would like to see a clean bill on the proposal.

A chain reaction

Moving the Primary from Sept. 14 to Aug. 10

	Current Law	Proposed
Filing period	July 6-20	May 18-June 1
Campaign signs allowed	Aug. 1	June 26
Absentee balloting for primary	Aug. 13-Sept. 13	June 25-Aug. 9
State Primary	Sept. 14	Aug. 10
Absentee balloting for general election	Oct. 1-Nov. 1	Sept. 17-Nov. 1
General Election	Nov. 2	Nov. 2

Future of GAMC uncertain

Legislators consider health care for state's poor, sick

By LAUREN RADOMSKI

Minnesota lawmakers are pushing for the quick passage of health care legislation targeted at the state's poorest, sickest residents.

General Assistance Medical Care (GAMC) is a state-funded program that pays for certain health care services for low-income Minnesotans, many of whom are single adults. Funding for the program is scheduled to run out by the end of March, the result of a line-item veto and unallotment by Gov. Tim Pawlenty last year. That's prompted legislators to take quick action early in the session, with the chance a proposal to continue GAMC could be on the House floor by next week.

Sponsored by Rep. Erin Murphy (DFL-St. Paul), HF2680 would create a scaled-back, temporary GAMC program effective March 1, 2010, through June 30, 2011. To pay for the program, grants to counties for adult mental health and children's services would be reduced. Hospitals would be reimbursed

less for the GAMC patients that they treat, and increases in surcharges on hospitals and HMOs would capture additional federal Medicaid dollars.

Murphy described the legislation as a collaborative effort that is still a work in progress.

"I remain open to everyone's ideas and I really am confident in our ability to solve this problem this session," she told the House Health Care and Human Services Policy and Oversight Committee Feb. 4.

Murphy said the bill would serve as a temporary fix to the GAMC problem, giving legislators more time to discuss major reform. She estimates the legislation would reduce the state deficit by \$160 million.

Mixed reaction

So far the bill has been met with mixed reactions. Supporters of the temporary program say the loss of GAMC would mean major funding cuts to hospitals, which would be forced to shift costs to patients or reduce services.

"GAMC funding impacts everyone in the state, not just the poor," said St. Paul Fire Chief Tim Butler, "because the services that will be cut will impact all aspects of hospital operations and those operations serve all residents regardless of economic status."

The projected financial impact of the bill varies from hospital to hospital — and those estimates are rough at best. Large hospitals forced to make substantial contributions toward the temporary GAMC program would also see some funding increases. Rural hospitals receiving increased funding for certain groups of patients could take other cuts especially hard if their facilities are not part of a major health system.

Meanwhile, counties are stuck between a rock and a hard place. A temporary GAMC program is better than no program at all, said Patricia Coldwell, policy analyst with the Association of Minnesota Counties, but the bill comes at a cost to another vulnerable group: children.

"Is it better to assure that very low-income, chemically-dependent and mentally ill people continue to get health care, or to assure that children are safe from abuse and neglect?" Coldwell asked. "... I have to say that I'm really sorry our state is forced to make those kinds of choices."

The AMC has suggested a lesser evil: cut county program aid, the state funding comparable to local government aid for cities. County program aid is a broader source of funding than block grants, Coldwell said, and from the AMC's perspective, it doesn't make sense for the state to provide property tax relief through program aid, only to cut other funding that counties would have to backfill.

Not everyone is in a hurry to pass GAMC legislation quickly. Rep. Steve Gottwalt (R-St. Cloud) believes GAMC needs significant reform to make the program more effective and sustainable.

"I really think we need to look for the best solution, not just a solution," he said.

Rep. Jim Abeler (R-Anoka) is concerned the temporary GAMC proposal will have



PHOTO BY TOM OLMSCHEID

Several hundred people rallied in the Rotunda Feb. 4 urging the Legislature to pass a bill early in the 2010 session for continued funding of the General Assistance Medical Care program.

Health Care continued on page 22



PHOTO BY TOM OLMSCHIED

Gov. Tim Pawlenty, center, glances up at his wife, Mary, after greeting House Taxes Committee chairwomen Ann Lenczewski as he leaves the House Chamber after presenting his final State of the State address to a joint session of the Legislature Feb. 11. Pawlenty thanked his wife, during his address, for her service to the State of Minnesota.

Laying out his recovery plan

Pawlenty promotes tax cuts, job growth in final State of the State address

BY PATTY OSTBERG

Gov. Tim Pawlenty mixed in a little humor while offering suggestions on how to help Minnesota's sobering economy recover from the recession.

Pawlenty opened his final State of the State address Feb. 11 by recognizing the Red Bulls of the Minnesota National Guard and their return home this week.

Before moving onto his familiar themes, such as reducing corporate and personal income taxes, reducing government spending and performance pay for teachers, Pawlenty took a few jabs at himself. He lightheartedly offered advice to the myriad of legislators running for governor seated in the House chamber: "First, schedule a monthly haircut to manage your mullet ... and before you take the microphone

at a Minnesota Wild game, carefully practice pronouncing the word 'puck.'"

Economy

Pawlenty reiterated his belief that the state's tax system is prohibitive to job growth, saying the state's business tax climate ranks eighth-worst in the nation.

He said the answer lies in a six-part package of cuts and incentives. Called the "Jobs Creation Bill," it is a plan for:

- a 20 percent reduction in the corporate tax rate;

- a 20 percent exclusion from taxation for small businesses;
- an angel investment tax credit to provide incentives for investing in early-stage companies;
- a supercharged research and development tax credit;
- a capital gains exclusion for qualified investments; and
- incentives for companies to invest in Minnesota small business.

He urged lawmakers to improve and renew the JOBZ program, and pass a CARZ program to offer tax incentives at the Ford plant in St. Paul, thus potentially saving 750 jobs.

Education

"Persistently low achieving schools need new leadership, new authority, and new teachers

State of the State continued on page 22

Monday, Feb. 8

HF2738-Wagenius (DFL)

Finance
Lake Vermilion State Park; acquisition restrictions removed.

HF2739-Murphy, M. (DFL)

State & Local Government Operations Reform, Technology & Elections

Public Employees Retirement Association; new partial salary credit purchase authority added for partial paid medical leaves and budgetary leaves.

HF2740-McNamara (R)

Environment Policy & Oversight
Watershed district boundary changes prohibited until one year has passed if the request is made via citizen petition.

HF2741-Garofalo (R)

Finance
Lake Byllesby Dam spillway on the Cannon River funding provided.

HF2742-Garofalo (R)

Finance
Cannon River pedestrian bridge funding provided.

HF2743-Morgan (DFL)

Finance
Dakota County; Trunk Highway 13 and County State-Aid Highway 5 interchange funding provided.

HF2744-Masin (DFL)

Finance
Dakota County; Hennepin County; Cedar Avenue Bus Rapid Transit Way funding provided.

HF2745-Clark (DFL)

Commerce & Labor
Cosmetology license payment deposit requirement modified.

HF2746-Lenczewski (DFL)

Taxes
Internal Revenue Code conforming changes made, and certain dividend deduction disallowed in tax year 2010.

HF2747-Welti (DFL)

Finance
Excess debt service onetime transfer permitted for general education expenses.

HF2748-Bly (DFL)

Finance
Revenue formula allowance modified for extended time programs.

HF2749-Carlson (DFL)

Finance
Minneapolis Community and Technical College funding provided.

HF2750-Davnie (DFL)

Taxes
Small business investment tax credit provided.

HF2751-Morgan (DFL)

K-12 Education Policy & Oversight
Students who do not pass the reading and language arts GRAD allowed to retake the test in paper-and-pencil format.

HF2752-Emmer (R)

Health Care & Human Services Policy & Oversight
Amended death record required when ordered by the court.

HF2753-Morrow (DFL)

Finance
Trunk highway bond appropriation amended.

HF2754-Winkler (DFL)

Commerce & Labor
Secretary of State filings regulated.

HF2755-Swails (DFL)

Finance
Voting equipment and vote-counting equipment grant funding provided; grant terms and procedures specified.

HF2756-Kahn (DFL)

Public Safety Policy & Oversight
Measurement of actual amount of controlled substance mandated for determining severity of controlled substance possession offenses.

HF2757-Kahn (DFL)

Public Safety Policy & Oversight
Measurement of the actual weight of controlled substance residue mandated for determining severity of controlled substance offenses.

HF2758-Lillie (DFL)

State & Local Government Operations Reform, Technology & Elections
Labor agreements and compensation plans ratified.

HF2759-Jackson (DFL)

Finance
Oliver H. Kelley Farm historic site revitalization funding provided, county historic sites and local historic structure funding provided.

HF2760-Slawik (DFL)

Finance
Statewide child care provider training, coaching, consultation and supports funding provided to prepare for the voluntary Minnesota quality rating system.

HF2761-Kahn (DFL)

Health Care & Human Services Policy & Oversight
Health insurance required to cover routine health care received while participating in a qualified clinical trial under certain circumstances.

HF2762-Kohls (R)

Finance
Lake Waconia Regional Park public boat launch funding provided.

HF2763-Lenczewski (DFL)

Taxes
Income tax charitable deduction accelerated for relief of Haitian earthquake victims.

HF2764-Welti (DFL)

Finance
Independent School District No. 535, Rochester, onetime exception created and proceeds from sale of school district property allowed to be used as operating capital.

HF2765-Rosenthal (DFL)

Finance
Normandale Community College funding provided.

HF2766-Welti (DFL)

Higher Education & Workforce Development Finance & Policy Division
Educational data disclosure clarified.

HF2767-Welti (DFL)

Finance
Rochester Community Technical College funding provided to design and renovate classrooms and programs.

HF2768-Kohls (R)

Taxes
Special taxing district levy separate statement required.

HF2769-Gardner (DFL)

Health Care & Human Services Policy & Oversight
Commissioner of human services duties modified relating to controlled substance abuse prevention.

HF2770-Winkler (DFL)

Taxes
Start-up and emerging Minnesota businesses investment credit provided.

HF2771-Winkler (DFL)

Finance
Local facilities grant cooperative created.

HF2772-Hoppe (R)

Finance
Chanhassen; funding provided to acquire property along Bluff Creek.

HF2773-Pelowski (DFL)

Taxes
Compensation payment required to certain cities.

HF2774-Hansen (DFL)

Finance
Dakota County; Robert Street Corridor Transit Way funding provided.

HF2775-Sterner (DFL)

Finance
Dakota County; funding provided for Trunk Highway 52 interchange at County State-Aid Highway 42.

HF2776-Sterner (DFL)

Finance
Dakota County; Hennepin County; Trunk Highway 77 funding provided for capacity and safety improvements.

HF2777-Bunn (DFL)

Finance
Oak Park Heights correctional facility funding provided.

HF2778-Bunn (DFL)

Finance
Higher education asset preservation and replacement funding provided.

HF2779-Torkelson (R)

Taxes
Public safety radio system exemption expanded.

HF2780-Howes (R)

Commerce & Labor
Well contractor license, bond and registration requirements modified.

HF2781-Obermueller (DFL)

Commerce & Labor
Labor and industry licensing provisions modified, and license fees modified and imposed.

HF2782-Emmer (R)

Finance
Special equine enthusiast license plate established and account created.

HF2783-Howes (R)

Finance
Minnesota Management and Budget school district state aid payment requirement repealed.

HF2784-Howes (R)
Health Care & Human Services
Policy & Oversight
Public pool definition modified.

HF2785-Brown (DFL)
Public Safety Policy & Oversight
False reporting of a crime penalty amended.

HF2786-Reinert (DFL)
State & Local Government
Operations Reform, Technology
& Elections
Duluth; membership rules provided for the Spirit Mountain Recreation Area Authority.

HF2787-Faust (DFL)
Higher Education & Workforce
Development Finance & Policy
Division
Technical colleges allowed to offer associate of arts degrees.

HF2788-Nelson (DFL)
Finance
Maple Grove; Trunk Highway 610 construction funding provided.

HF2789-Juhnke (DFL)
Finance
Salary reductions imposed for certain employees of state-operated services to restore wages for AFSCME and MAPE employees.

HF2790-Welti (DFL)
Taxes
Pollution control equipment exempt from sales tax.

HF2791-Welti (DFL)
Taxes
Materials used to construct renewable energy plant exempt from sales tax.

HF2792-Knuth (DFL)
Energy Finance & Policy Division
Congress memorialized to adopt clean energy legislation.

HF2793-Hornstein (DFL)
Finance
Healthy school lunches funding provided.

HF2794-Anzelc (DFL)
Finance
Senior housing funding provided.

HF2795-Olin (DFL)
Finance
Independent School District No. 356, Lancaster; transition revenue adjusted.

HF2796-Mariani (DFL)
Finance
Brooklyn Center and White Bear Lake; community school funding provided.

HF2797-Hilty (DFL)
State & Local Government
Operations Reform, Technology
& Elections
Indian tribes authorized to participate in joint powers agreement.

HF2798-Hilstrom (DFL)
Finance
Interim rates approval process revised for public utilities; disclosure required of travel, entertainment and related expenses.

HF2799-Benson (DFL)
Finance
Food and nutrition assistance programs funding provided.

HF2800-Tillberry (DFL)
Taxes
Study group members expanded to study aids to local governments.

HF2801-Obermueller (DFL)
Finance
Complete streets policy defined and implemented.

HF2802-Persell (DFL)
Finance
Natural and scenic areas and regional parks funding provided.

HF2803-Hosch (DFL)
Finance
Stearns County; Kraemer Lake and Wildwood Regional Park planning funding provided.

HF2804-Swails (DFL)
Transportation & Transit Policy
& Oversight Division
Household goods movers provisions repealed for filing of tariffs.

HF2805-Severson (R)
Taxes
Tax credit reduction eliminated for those with past military service.

HF2806-Juhnke (DFL)
Agriculture, Rural Economies
& Veterans Affairs
Higher education veteran's assistance program sunset date delayed.

HF2807-Hornstein (DFL)
Finance
Transportation construction impacts on business provisions modified, prohibited rest area activities added, highway routes modified; traffic provisions, bridge projects provisions and impound provisions modified; Minnesota Council of Transportation Access and a Commuter Rail Corridor Coordinating Committee established and member provisions modified.

HF2808-Severson (R)
Agriculture, Rural Economies
& Veterans Affairs
Courts provided the option for stay of adjudication for military members and veterans diagnosed as suffering from a psychological injury or condition.

HF2809-Severson (R)
Agriculture, Rural Economies
& Veterans Affairs
Bid preference program eligibility broadened for veteran-owned small businesses.

HF2810-Rukavina (DFL)
Higher Education & Workforce
Development Finance & Policy
Division
Mandatory work and meal breaks modified.

HF2811-Koenen (DFL)
Environment Policy & Oversight
Coyote conflict management option provided for counties.

HF2812-Abeler (R)
Higher Education & Workforce
Development Finance & Policy
Division
Minnesota State Colleges and Universities consultation required prior to acquiring facilities.

HF2813-Faust (DFL)
Finance
Full-time equivalent definition expanded for the purpose of the safe school levy.

HF2814-Swails (DFL)
K-12 Education Policy & Oversight
Pupil transportation provisions modified, certain lift buses included in category of revenue authorized reimbursement and contracted transportation costs included as a method for allocating pupil transportation costs.

HF2815-Bly (DFL)
Finance
Fiscal note requirements modified.

HF2816-Hayden (DFL)
Civil Justice
Certain utilities and eviction provisions modified and termination of a lease permitted for medical reasons.

HF2817-Abeler (R)
State & Local Government
Operations Reform, Technology
& Elections
Layoffs prohibited if the appointing authority intends to hire part-time.

HF2818-Doty (DFL)
Commerce & Labor
Temporary tax exemption created for lawful gambling organizations making a charitable contribution to local governments.

HF2819-Mullery (DFL)
Civil Justice
Public access to certain juvenile records modified and release of records limited.

HF2820-Solberg (DFL)
Transportation & Transit Policy
& Oversight Division
Deputy registrar requirements modified.

HF2821-Benson (DFL)
Finance
Appropriations adjusted to balance state budget for the biennium ending June 30, 2011.

HF2822-Severson (R)
Agriculture, Rural Economies
& Veterans Affairs
Higher education veteran's assistance program sunset date delayed.

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HF2823-Jackson (DFL)
Civil Justice
Common interest community certificates changed.

HF2824-Hayden (DFL)
Civil Justice
Hearing request time modified on an order to secure a building, notice of sale requirements modified, certificate of sale and specified information provided to political subdivisions, and political subdivisions authorized to recover attorney fee costs for obtaining a five-week redemption period.

HF2825-Hortman (DFL)
Civil Justice
Certain distribution statuses clarified, relationship and inheritance provisions changed, and emergency and temporary conservators provided.

HF2826-Haws (DFL)
Health Care & Human Services
Policy & Oversight
Adult children with financial means included in funeral expense pay requirement.

HF2827-Hosch (DFL)
Public Safety Policy and Oversight
Protective agent vehicle allowed use of flashing red light while escorting oversized vehicle.

HF2828-Jackson (DFL)
Civil Justice
Instrument requirements to secure debt clarified.

HF2829-Champion (DFL)**Civil Justice**

Expungement of eviction records provisions modified and personal representative of deceased tenant allowed unit access.

HF2830-Faust (DFL)**Civil Justice**

Adoption of an adult by a guardian provided.

HF2831-Hayden (DFL)**Civil Justice**

Access to certain information provisions modified in child support enforcement, certain actions by a public authority authorized, and child support judgment survival provided.

HF2832-Drazkowski (R)**Commerce & Labor**

Annual production limit increased for farm wineries.

HF2833-Johnson (DFL)**Commerce & Labor**

Wire crossing or paralleling utility line provisions modified.

HF2834-Hornstein (DFL)**Finance**

Public utilities commission required to open docket to examine integration of electric vehicles into Minnesota's electricity grid.

HF2835-Emmer (R)**Energy Finance & Policy Division**

Greenhouse gas emissions requirements repealed.

HF2836-Brod (R)**Taxes**

Imposition of income tax prohibited, replacement tax required, and constitutional amendment proposed.

HF2837-Knuth (DFL)**Higher Education & Workforce Development Finance & Policy Division**

"Green economy" definition amended to include the concept of "green chemistry."

HF2838-Dill (DFL)**Environment Policy & Oversight**

Lake Vermilion State Park land acquisition authorized, and lands incorporated from an existing state park.

HF2839-Bunn (DFL)**Finance**

Minnesota entrepreneur virtual assistance network authorized and money appropriated.

HF2840-Swails (DFL)**State & Local Government****Operations Reform, Technology & Elections**

Collaborative governance council established.

HF2841-Hayden (DFL)**Finance**

Long-term care ombudsman directed to expand the volunteer ombudsman program, and money appropriated.

HF2842-Benson (DFL)**Taxes**

Valuation exclusion authorized for certain improvements to homestead properties.

HF2843-Downey (R)**Higher Education & Workforce Development Finance & Policy Division**

Liberty school district pilot program created.

HF2844-Smith (R)**Finance**

Public safety-related funding provided, and money appropriated.

HF2845-Downey (R)**Public Safety Policy & Oversight**

Judges authorized to prohibit juvenile sex offenders from residing near their victims.

HF2846-Downey (R)**Higher Education & Workforce Development Finance & Policy Division**

Certain education mandates repealed or modified.

HF2847-Davnie (DFL)**Taxes**

Hydrogenerating facility construction exemption extended.

HF2848-Hortman (DFL)**Finance**

Certain traffic fines and forfeited bail money allocations modified.

HF2849-Norton (DFL)**Finance**

Minnesota and Wisconsin small business start-ups comparative study of state laws provided.

HF2850-Newton (DFL)**Finance**

School district additional flexibility provided.

HF2851-Nornes (R)**Transportation & Transit Policy & Oversight Division**

Trunk highway system route removed.

HF2852-Johnson (DFL)**Commerce & Labor**

Cable communications franchise requirements clarified.

HF2853-Downey (R)**Higher Education & Workforce Development Finance & Policy Division**

Nonunion teacher contracts permitted.

HF2854-Morgan (DFL)**Public Safety Policy & Oversight**

Transitional housing location regulated for criminal offenders subject to noncustodial supervision.

HF2855-Gunther (R)**Commerce & Labor**

Boiler provisions modified and civil and criminal penalties amended and imposed.

HF2856-Atkins (DFL)**Commerce & Labor**

Continuing education requirements changed for real estate brokers and salespersons.

HF2857-Murdock (R)**Finance**

Perham; Perham Resource Recovery Facility funding provided.

HF2858-Brown (DFL)**Finance**

Blazing Star Trail funding provided.

HF2859-Simon (DFL)**Finance**

Nursing facility rate provisions modified.

HF2860-Newton (DFL)**Finance**

Lease levy revenue amounts modified for certain school districts.

HF2861-Newton (DFL)**Taxes**

Minnesota property tax homestead market value exemption program benefits modified for disabled veterans and their surviving spouses.

HF2862-Seifert (R)**Energy Finance & Policy Division**

Congress urged to refuse to enact cap-and-trade legislation that would increase costs of goods and services and encourage states to establish and develop their own renewable energy portfolio standards.

HF2863-Mariani (DFL)**Higher Education & Workforce Development Finance & Policy Division**

School compulsory attendance age increased.

HF2864-Gardner (DFL)**Public Safety Policy & Oversight**

Domestic abuse offenders electronic monitoring pilot project authorized.

HF2865-Fritz (DFL)**Health Care & Human Services Policy & Oversight**

Electroconvulsive therapy administration procedures established.

HF2866-Carlson (DFL)**State & Local Government****Operations Reform, Technology & Elections**

Executive branch authority modified to reduce unexpended allotments.

HF2867-Newton (DFL)**Higher Education & Workforce Development Finance & Policy Division**

Child with a disability definition clarified and obligations to children with disabilities specified.

HF2868-Jackson (DFL)**Finance**

Milaca; pedestrian bridge funding provided.

HF2869-Doty (DFL)**Finance**

Camp Ripley troop support facility funding provided.

HF2870-Doty (DFL)**Finance**

Little Falls; veterans nursing home funding provided.

HF2871-Doty (DFL)**Finance**

Little Falls Truck Station funding provided and trunk highway bonds issued.

HF2872-Ward (DFL)**Finance**

Nisswa; Jenkins; Highway 371 reconstruction funding provided and trunk highway bonds issued.

HF2873-Ward (DFL)**Finance**

Brainerd; veterans nursing home funding provided.

HF2874-Ward (DFL)**Finance**

Crosby; veterans nursing home funding provided.

HF2875-Solberg (DFL)**Finance**

Northwoods Regional All-Terrain Vehicle Trail acquisition and development funding provided.

HF2876-Solberg (DFL)**Taxes**

Property tax exemption eliminated for real and personal property used for pollution control as part of an electric generation system, and rate rider authorized to compensate for tax increase.

HF2877-Solberg (DFL)**Environment Policy & Oversight**

Itasca County; conveyance authorized of tax-forfeited lands bordering public waters.

HF2878-Peppin (R)**Environment Policy & Oversight**

Mississippi River management plan rule amendment required.

HF2879-Bigham (DFL)**Commerce & Labor**

Minors allowed to contract for automobile insurance.

HF2880-Kath (DFL)**Higher Education & Workforce Development Finance & Policy Division**

Graduation-Required Assessment for Diploma requirement for retakes amended.

HF2881-Kath (DFL)**Public Safety Policy & Oversight**

Qualified persons with medical training or supervision authorized to take blood samples from DWI offenders, and legal immunity provided.

HF2882-Hansen (DFL)**Finance**

Outdoor heritage funding provided from constitutionally dedicated funds, and money appropriated.

HF2883-Slocum (DFL)**Finance**

Bloomington Central Station public parking facility funding provided.

HF2884-Mariani (DFL)**State & Local Government****Operations Reform, Technology & Elections**

Legislative Commission for Policy Innovation and Research established.

HF2885-Davnie (DFL)**Finance**

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

HF2886-Drazkowski (R)**Taxes**

Agricultural property market value limit extended.

HF2887-Drazkowski (R)**Taxes**

Independent School District No. 858, St. Charles, disaster aid funding and declining pupil unit aid appropriation used to help the city cover revenue losses.

HF2888-Bigham (DFL)**Public Safety Policy & Oversight**

Careless driving resulting in death penalty provided.

HF2889-Juhnke (DFL)**Finance**

Livestock production input temporary lien allowed for 30 days following mediation request.

HF2890-Haws (DFL)**Finance**

Certain school districts relieved of contract penalty.

HF2891-Lieder (DFL)**Finance**

Public land, buildings, and transit funding provided.

HF2892-Anzelc (DFL)**Environment Policy & Oversight**

Itasca County; pilot land exchange process created for tax-forfeited lands.

HF2893-Howes (R)**Finance**

Capital improvement funding provided, new programs established and existing programs modified, previous appropriations canceled and modified, bonds issued, and money appropriated.

HF2894-Marquart (DFL)**Finance**

Watershed district borrowing authority increased.

HF2895-Juhnke (DFL)**Finance**

ICF/MR variable payment rates modified.

HF2896-Mack (R)**Civil Justice**

Civil immunity to municipalities that donate public safety equipment expanded.

HF2897-Norton (DFL)**Health Care & Human Services Policy & Oversight**

Psychologist licensure requirements modified.

HF2898-Huntley (DFL)**Health Care & Human Services Policy & Oversight**

Waived service living arrangements restrictions prohibited, transfer of certain clients required from group residential housing to waived services, and group residential housing supplementary service payment rate caps modified.

HF2899-Pelowski (DFL)**State & Local Government****Operations Reform, Technology & Elections**

Data practices and open meetings law violations provided an administrative remedy, civil penalties provided, and money appropriated.

HF2900-Dill (DFL)**Commerce & Labor**

Electrical licenses modified.

HF2901-Brod (R)**Health Care & Human Services Policy & Oversight**

Health care reform implemented, interstate health insurance choice created, flexible benefit plan created, primary provider care tiering created, and MinnesotaCare modern benefit plan provided.

HF2902-Atkins (DFL)**Commerce & Labor**

Motor vehicle sales and distribution regulated.

HF2903-Wagenius (DFL)**Commerce & Labor**

Museum of Russian Art special on-sale intoxicating liquor license created.

HF2904-Hilty (DFL)**Environment Policy & Oversight**

Carlton County; public sale authorized of certain tax-forfeited land that borders public water.

HF2905-Anderson, P. (R)**Taxes**

Water used for public safety purposes exempted.

HF2906-Hackbarth (R)**Environment Policy & Oversight**

Decoy restrictions modified.

HF2907-Johnson (DFL)**Commerce & Labor**

State goals set for the deployment and speed of high-speed broadband.

HF2908-Sterner (DFL)**Agriculture, Rural Economies & Veterans Affairs**

Federal Respite Leave Benefit payment urged for the members of the 1st of the 34th Brigade of the Minnesota National Guard who served in Iraq during the Troop Surge of 2007.

HF2909-Anderson, S. (R)**Finance**

State agencies required to track and report on the number of jobs created or retained as a result of capital project funding.

HF2910-Davnie (DFL)**Finance**

School districts authorized to bill nonpublic schools and charter schools for any unreimbursed pupil transportation costs.

HF2911-Kohls (R)**State & Local Government****Operations Reform, Technology & Elections**

Metropolitan Sports Facilities Commission directed to offer the Metrodome to the professional football team, and commission abolished.

HF2912-Atkins (DFL)**Commerce & Labor**

Overtime payment obligations of employers regulated.

HF2913-Reinert (DFL)**Health Care and Human Services Policy and Oversight**

Continuation health insurance premiums adjustment required for certain disabled retired local government employees.

HF2914-Mariani (DFL)**Transportation & Transit Policy & Oversight Division**

Sale prohibited of motor vehicles with illegally tinted windows.

HF2915-Lieder (DFL)**Transportation & Transit Policy & Oversight Division**

Bridge project ongoing prioritization provided.

HF2916-Juhnke (DFL)**Finance**

Department of Veteran Affairs commissioner role clarified in providing certain resources for the county veterans service offices.

HF2917-Brod (R)**Agriculture, Rural Economies & Veterans Affairs**

Federal Respite Leave Benefit payment urged for members of the 1st infantry of the 34th Brigade of the Minnesota National Guard who served in Iraq during the Troop Surge of 2007

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Crime

The drugs collected in Chisago County last year would have had a street value of \$1 million, Chisago County Sgt. Karl Schreck said.

"When younger people are coming in and doing burglaries, they're not taking your TV or your guns. They're not taking your jewelry. They're taking your drugs," Schreck said.


He said teens are hosting "pharming parties," or mixing cold medicines with energy drinks for a "short high."

Realtors told the bill's sponsor that people posing as buyers at an open house steal drugs from medicine cabinets.

Opponents of the bill fear that a central collection site for drugs could become a target for vandals or that controlled substance drugs might be diverted in transit.

"The federal drug enforcement administration has been a little hesitant to open the flood gates to letting stuff be collected where it might be a target, but the risk of having it in your house now exceeds the risk than if you have it in a secure collection program," Gardner said.

U.S. poison centers answered 4.3 million calls in 2008, according to the American Association of Poison Control Centers (AAPCC).

Painkillers are the leading cause of poisonings, according to an AAPCC report. Sedatives, topical ointments, antidepressants, cough and cold medications, and cardiovascular pills are among the top 10. Children under 6 accounted for half of all poisonings in 2008. 


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unintended side-effects for Minnesotans not represented at recent hearings.

"I hope that as we go forward with this project that we don't make things worse for some of the other people that have needs just as great as the people we're serving here," he said.

One lawmaker is proposing a contingency plan in case GAMC ends as scheduled. Rep. Matt Dean (R-Dellwood) sponsors HF2736, which assumes people currently covered under GAMC will be automatically enrolled in another public health care program, MinnesotaCare. The bill could result in modified MinnesotaCare coverage for some single adults and childless households.

Murphy's bill could see action next week. A companion bill, SF2168, sponsored by Sen. Linda Berglin (DFL-Mpls), was passed by the Senate 45-20 on Feb. 11.

Dean's bill awaits action by the House Health Care and Human Services Finance Division. It has no Senate companion. 

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hired and assigned based on performance, not seniority," Pawlenty said.

He asked teacher unions to support the "Teaching Transformation Act" that, he says, would improve teacher quality, training and accountability. It would link teacher pay to student performance, set tougher minimum entrance requirements for admission into teacher preparation programs and create a program to recruit mid-career professionals to teach in high-need subject areas such as math and science.

Also under Pawlenty's plan, tenure should be renewed every five years and should be based on evaluations linked to student performance.

Government

"We need to reduce government spending because it leads to job-killing tax increases," Pawlenty said.

State government spending has escalated an average of 21 percent every two years between 1960 and 2003, the year he became governor, he said. He credited the increase to both political parties.

Government spending not only needs reduction, but should be held accountable to the current revenues it's collecting, he noted. Pawlenty is proposing a constitutional amendment that would require future spending committees to not exceed current revenues.

He emphasized the controversial unallotments he made in 2009 cannot afford to be restored and he will reveal his plan to deal with the additional budget deficit Feb. 15. The November forecast projected a \$1.2 billion deficit in the current biennium, which ends June 30, 2011.

"Military, veterans, core public safety functions and K-12 classrooms will be protected. Nearly all other areas will be proposed for reduction," he said.

Health care

Pawlenty acknowledged the health care reform passed in Minnesota that has improved overall health care costs and quality. "Minnesota is leading the country in paying for better health outcomes rather than just the volume of procedures. We're moving from a system of 'sick care' to a real 'health care' system."

Changes he proposes include allowing consumers to buy health insurance across state lines, which proponents say increases competition thus lowering costs. He noted

that currently three health plans in the state control "almost all of the health care market."

He also called for an overhaul of the publicly subsidized health care systems of MinnesotaCare and Medical Assistance, saying the costs are "out of control."

Majority responds

DFL leaders support at least two gubernatorial proposals: the angel investment tax credit and the CARZ tax incentive proposal. However, House Majority Leader Tony Sertich (DFL-Chisholm) thinks the governor "set the wrong tone" by failing to acknowledge legislative initiative on similar ideas.

Sertich said Sen. Ellen Anderson (DFL-St. Paul) introduced a bill last year to help the Ford plant stay open.

Otherwise, the DFL leaders indicated the governor's proposals are too little, too late.


Sertich criticized what wasn't in the speech, namely, Pawlenty's 2009 veto of GAMC funding, which Sertich said the governor had indicated then was "a signal to try to fix the problem. We heard nothing about him trying to fix that problem."

DFL leaders also said the speech failed to adequately address the budget deficit, which they say is the key issue concerning lawmakers.

"If you take all of his tax proposals and add them up, it grows the deficit by hundreds of millions of dollars," noted Sertich.

"To me it does sound like the axe is back as a budget-cutting tool and that is going to be of concern to a lot of Minnesotans, that it's not done with an idea of strategic investment or an eye to the future," said House Speaker Margaret Anderson Kelliher (DFL-Mpls).

If the governor is serious about the constitutional amendment proposal, said Senate Majority Leader Larry Pogemiller (DFL-Mpls), "I would hope his Monday budget reflects that constitutional amendment, and I think that would be a fair standard to set."

While agreeing job growth is a priority, Pogemiller noted that the Office of the Legislative Auditor's critical evaluation of the JOBZ program indicates the program is "not working as well as it could." He suggested that appointing a replacement for Dan McElroy, commissioner of the Department of Employment and Economic Development, would be a "legacy" Pawlenty could leave the state. 

— STAFF WRITER KRIS BERGGREN
CONTRIBUTED TO THIS STORY.

U.S. Senators

Senator
Al Franken (DFL)
 320 Hart Senate Office Building
 Washington, D.C. 20510
 202-224-5641
 fax: 202-224-0044

60 East Plato Blvd., Suite 220
 St. Paul, MN 55107
 651-221-1016
 Fax: 651-221-1078

208 S. Minnesota Ave, Suite 6
 Saint Peter, MN 56082
 507-931-5813
 fax: 507-931-7345

916 W. St. Germain St., Suite 110
 Saint Cloud, MN 56301
 320-251-2721
 fax: 320-251-4164

515 W. First St, Suite 104
 Duluth, MN 55082
 218-722-2390
 fax: 218-722-4131

Web site: <http://franken.senate.gov>
 e-mail: info@Franken.senate.gov

Senator
Amy Klobuchar (DFL)
 302 Hart Senate Office Building
 Washington, D.C. 20510
 202-224-3244
 Fax: 202-228-2186

1200 Washington Ave. S., Suite 250
 Minneapolis, MN 55415
 612-727-5220
 Fax: 612-727-5223
 Toll-free: 888-224-9043

1134 Seventh St. N.W.
 Rochester, MN 55901
 507-288-5321
 Fax: 507-288-2922

121 Fourth St. S.
 Moorhead, MN 56560
 218-287-2219
 Fax: 218-287-2930

Olcott Plaza, Suite 105
 820 Ninth St. N.
 Virginia, MN 55792
 218-741-9690
 Fax: 218-741-3692

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MINNESOTA INDEX

Working (or not) Minnesotans

Seasonally adjusted state labor force in December 2009.....	2,955,965
As percent of all Minnesotans.....	72.2
Minnesotans unemployed in December 2009.....	217,705
Seasonally adjusted labor force; unemployed people	
in December 2008.....	2,950,942; 194,625
In December 2007.....	2,911,707; 139,035
In December 2000.....	2,839,166; 93,406
Seasonally adjusted state unemployment rate in December 2009, as percent	7.4
Percent below the national average	2.6
State rate in December 2008, as percent	6.6
State rate in December 2007, as percent	4.8
State rate in December 2000, as percent	3.3
Jobs lost in state between December 2008 and December 2009.....	80,800
Jobs lost nationally, in millions	4.1
Percent of jobs lost by both the state and nation in 2009	3
Job losses in 2009 in the Duluth-Superior Metropolitan Statistical Areas, as percent	3.4
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Percent decrease in the Minneapolis-St. Paul MSA.....	2.7
Percent decrease in the Rochester MSA.....	0.5
Jobs lost in Minnesota in December.....	4,100
Jobs added in November.....	2,200
Jobs added in October	5,000
Months since the state last had back-to-back job growth months.....	19
Education and health services added jobs in 2009	4,800
Manufacturing job losses between December 2008 and December 2009	33,100
Trade, transportation and utilities job losses	17,700
Construction job losses.....	7,800
Decline in residential building construction, as percent, between November 2008 and	
November 2009	22.5
Number of state WorkForce Centers	49
Number to call to locate a state WorkForce Center.....	1-888-GET-JOBS
Positions open at noon Feb. 8 on www.minnesotaworks.net	27,003

— M. Cook

Sources: Department of Employment and Economic Development, including December 2009 Minnesota Employment Review, Local Area Unemployment Statistics and www.minnesotaworks.net.

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