

SESSION WEEKLY



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BONDING FOR WHAT?

HIGHER EDUCATION VS. LOWER FUNDING

Q COMP QUESTIONS

NEW TAX MONEY, NEW PROJECTS

HF411 - HF583

SESSION WEEKLY

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On the cover: Charles Anderson of St. Paul peers into room 15 in the Capitol as U.S. Rep. James Oberstar addresses a joint hearing of the House Transportation Finance and Policy Division and the Senate Transportation Committee Jan. 29. Anderson is a frequent visitor to the House and Senate galleries to watch floor sessions.

— Photo by: Tom Olmscheid



PHOTO BY TOM OLMSCHIED

A construction project at the Minnesota Zoo is under way near Central Plaza. The zoo, along with several other entities, had some of its costs questioned in a recent bonding audit.

Bonding funds: Funding what?

Audit shows need for tightened policies and requirements

By SONJA HEGMAN

Nothing makes people run for the hills quite like an audit. It doesn't matter if you're an individual taxpayer or a business — that notice can come at any time. It can also come to recipients of the state's bond proceeds.

While most of the discrepancies found in the state's 2006 bonding law have been resolved or are working toward a resolution, the Office of the Legislative Auditor has advised the Legislature to examine its policies and possibly tighten its requirements to make sure future bonds are managed more responsibly.

"We prefer specificity (in the law) so we know exactly what you meant," Legislative Auditor James Nobles told the House Capital Investment Finance Division Jan. 29. "If there has been a change in what you want or the

entity wants, we ask that it be formalized." Otherwise, there may be a lawsuit because of an unauthorized use of bond funds.

"You would literally have to cancel the bonds and reissue them for a different purpose," said Rep. Alice Hausman (DFL-St. Paul), division chairwoman.

Being good stewards

Nobles said the audit was conducted because it was an area that needed more attention. Because of cost, his office will not

be able to do this kind of audit on an annual basis. He also said a bond audit hasn't been completed "in a long time."

"This hearing says that you take it seriously," he said. "You need to make sure you give proper heed to the law. You need to make sure your procedures are working."

Since bonding money comes with tighter parameters and strings attached and a lot of the discussion taking place up front, Nobles said the discussion needs to be followed through the entire process as entities spend the money to avoid any confusion.

"There are lots of things one can learn from an audit," Hausman said. "One of the things we need to ask ourselves is if rigidity is built in. Does language allow for flexibility? That's the question that occurs to me as to our role in this."

First Reading continued on page 4

First Reading continued from page 3

Nobles and Jim Riebe, the audit manager, said that even though they haven't been doing much audit work in the bond area, they wouldn't call this audit bad.

"We found that controls were generally good," Nobles said. "Some things just need some tightening. Agencies are out there trying to do the right thing; this is just a complicated area."

Riebe said he felt, "very strongly that in each case (the entities) thought they were being good stewards with the money."

But he and Nobles also said Minnesota Management and Budget needs to play a larger role by doing various things, including:

- verifying the sufficiency of political subdivision matching funds, as required by state statute;
- developing a process to track property purchased or bettered with general obligation bond proceeds and ensure that entities file declarations with the applicable county to protect the state's interests;
- monitoring actual use of bond funds by reviewing financial activity recorded on the state's accounting system and/or requiring periodic and final accounting reports for each capital project; and
- providing better guidance to entities that grant bond funds to political subdivisions as to the level of fiscal monitoring required, and periodically review entity practices to ensure oversight agencies adequately monitor political subdivision grants.

What they found

The audit looked at 25 entities and examined 60 bond appropriations. Capital projects authorized in the 2006 bonding law totaled about \$1 billion. As of March 31, 2008, about \$460 million had been spent, and of that, \$385 million was audited. Of the \$385 million, there were \$1.5 million in questioned costs.

MnSCU

Minnesota State Colleges and Universities' use of general obligation bond proceeds for the purchase and leaseback of a building may not comply with state constitutional and other legal requirements.

In August 2006, MnSCU acquired an existing building for St. Cloud Technical College and leased 85 percent of the building

back to the previous owner for three and a half years. While the college plans to remodel and use the space for classrooms when the lease expires in 2010, during the lease term, 85 percent of the building is being used by a nonprofit organization for a private, commercial purpose. The Minnesota Constitution requires that all general obligation bond proceeds be used for a "public purpose," and state statutes require

that property acquired with general obligation bond funds be used to support a "government program."

These requirements still apply when the building and property is leased to another entity. In this case, Riebe said the use of the leased space had no connection to a government program or public purpose.

MnSCU financed 95 percent of the \$3.5 million purchase with general obligation bond proceeds by using its appropriation of \$3.4 million from the law and used other funds for the remainder of the purchase price.

MnSCU must return revenues from the lease to Minnesota Management and Budget as required by statute. The lease revenues were deposited in the college's operating account and total lease revenues over the three and a half year term of the lease will total more than \$1 million.

Riebe said it is recommended that MnSCU pay 95 percent of the revenues from the lease to Minnesota Management and Budget to be in compliance with statute.

Minnesota Zoo

The Minnesota Zoo may not have complied with restrictions on bond funds designated for asset preservation for some expenditures, and did not submit reports on asset preservation projects to the Legislature, as required by statute.

The zoo used asset preservation bond funds for the following questionable expenses, according to the report:

- \$160,000 for a new holding pool and surrounding area;
- \$107,000 to purchase and situate newly acquired portable classrooms to replace classrooms that had been demolished as a

result of the new Central Plaza construction; and

- \$431,000 for new construction and additional space for the zoo's Minnesota trail exhibit, as a part of major improvements to the exhibit. The zoo requested \$1.9 million in asset preservation funds for this exhibit. However, neither the zoo nor Minnesota Management and Budget had evidence that justified the zoo's use of asset preservation funds to finance the new construction portion of the trail renovations.

In addition, the zoo did not submit reports on asset preservation projects to the Legislature, as required. Although the zoo is generally exempt from this statute, it was unaware that the 2006 law specifically required compliance with this provision.

Using bonds for payroll


Some entities used bond funds for internal project management costs without clearly connecting those costs to authorized capital projects.

Riebe said Minnesota Management and Budget did not have a formal, written policy regarding the eligibility of paying internal project management costs from bond funds. Several entities charged payroll costs and, in some cases, supplies to bond funds; other entities charged a fixed percentage of payroll costs to bond accounts.

The Minnesota Zoo, the Historical Society, and Minnesota State University, Mankato periodically charged their appropriations for payroll for various employees. As of March 31, 2008, these three entities had budgeted a total of \$659,000 for these types of costs.

Rep. Al Juhnke (DFL-Willmar) said he was

troubled to see any bonding money going to internal salaries.

"So we're paying salary and benefits for that person to be there anyway, and then if you put bonds on top of that we're paying twice to that entity or billing it through the department and they're using it internally for other things, clearly," he said. "But even above that you're paying more because bond funds have interest to pay back. Now you're paying a salary you have to pay back over 20 years and it costs you more. I think it is troubling and we need to be very careful." 

'We found that controls were generally good. Some things just need some tightening. Agencies are out there trying to do the right thing; this is just a complicated area.'

— James Nobles
Legislative Auditor

AGRICULTURE

Ag21 program funding questioned

A successful grant program that received one-time funding last year could see further funding, but at the expense of another program.

Overall the Department of Agriculture's 2010-2011 biennial budget would see a 5 percent General Fund decrease (\$1.6 million) to \$77.9 million, under a plan proffered by Gov. Tim Pawlenty.

However, the plan includes nearly \$9 million in new Clean Water Legacy program spending for pesticide monitoring and assessment, and more than \$4 million in new funding for the Pesticide and Fertilizer Management Division.

But it is the proposed diversion of funds from a popular grant program that caught the attention of House Agriculture, Rural Economies and Veterans Affairs Finance Division members Feb. 3.

Last year the state provided one-time money for the Livestock Investment and Next Generation Energy grant programs to advance the agricultural and renewable energy industries.

Pawlenty's proposed budget calls for continuing the investment by redirecting funds to a new initiative called the 21st Century Agricultural Reinvestment Program.

In each year of the next two biennia, the governor would redirect \$500,000 from the Dairy Profitability and Enhancement Program for livestock producer grants. The program's current funding is a little more than \$1 million annually.

Rep. Andy Welti (DFL-Plainview) is concerned about taking funds from the successful dairy program. "I know that program has kept a lot of farmers on the farm."

Quinn Cheney, director of policy development for the Agriculture Department, said the funding shift was made in consultation with the dairy industry, but she would not be specific about which groups gave input.

Rep. Al Juhnke (DFL-Willmar), the division chairman, said the concept sounds like an "either, or situation" — either shift the funds to livestock grants or lose it. "We've had \$150 million of applications for livestock investment grants ... realize that \$500,000 isn't getting us very far. We need to come up with some ideas to get some money into the program this year."

He said one source could come from the \$50 million in tax credits the governor is recommending for Main Street businesses. "Ten million of that could be directed to the livestock investment grant. ... That is jobs on the ground and will support local industries," he said.

Funding to support the Next Generation Energy grants, as proposed by the governor in the Ag21 program, would come from the scheduled phase out of the Ethanol Producer Payment Program.

— L. SCHUTZ

against the state's future tobacco settlement proceeds.

"This is a one-time budgeting tool in extraordinary times," Tom Hanson, Minnesota Management and Budget commissioner, told the House Capital Investment Finance Division Feb. 3.

Hanson said sale of the state appropriation bonds would provide nearly \$1 billion for the 2010-2011 biennium. The tobacco settlement money would be considered appropriation bonds, which differ from general obligation bonds in that there isn't the same promise to repay the bonds. But the governor's proposal would give the assurance that bond payments would be made regardless of what happened to tobacco settlement revenues. The proceeds from these bonds would be used directly for one-time, non-operating costs.

Because the state cannot constitutionally borrow long-term to pay today's debts, the Legislature would have to vote for a special authorization to pass this measure, said Kathy Kardell, assistant commissioner at the agency.

And some members aren't thrilled with the idea.

"This is a change in public policy to have the next generation pay for our debt," said Rep. Jean Wagenius (DFL-Mpls). "We need to keep that foremost in our minds."

Rep. Al Juhnke (DFL-Willmar) agreed, saying that he is troubled with the 20-year payback time.

"None of us are getting out of here without raising some revenue," said Rep. Tom Rukavina (DFL-Virginia). "The question is are we gonna be honest about it. I think it's shameful we are even sitting here today discussing this proposal."

BONDING

Tool for 'extraordinary time'

As one solution to ease budget woes, Gov. Tim Pawlenty has a proposal to borrow

Committee deadlines set

Legislators will have about three weeks from the anticipated March 4 release of the February Forecast to the first committee deadline. And they could be at the Capitol, instead of on a lake, for the state's fishing opener.

The House approved a resolution Feb. 5 designating five committee deadlines for the 2009 session:

- March 27 at 8 p.m., committees to act favorably on bills in the house of origin;
- April 7 at 11:59 p.m., committees to act favorably on bills, or companions of bills, that met the first deadline in the other body;
- April 16, divisions of House and Senate finance committees to act favorably on omnibus appropriation bills;
- April 22, House and Senate finance and taxes

committees, and the House Ways and Means Committee, to act favorably on omnibus appropriation and tax bills; and

- May 7, conference committees on omnibus appropriations and tax bills must report bills to the floor.

The first and second deadlines do not apply to the House Finance, Ways and Means, Taxes or Rules and Legislative Administration committees, or the Senate Capital Investment, Finance, Taxes, or Rules and Administration committees.

"If the process runs smooth we will be done ahead of time, or at least on time," House Majority Leader Tony Sertich (DFL-Chisholm) said at the Feb. 4 House Rules and Legislative Administration Committee meeting.

Although not in the resolution, Sertich and Sen-

ate Majority Leader Larry Pogemiller (DFL-Mpls) said the intention is to have all budget, finance and tax bills sent to the governor by May 12, six days before members must constitutionally adjourn. Members often find themselves at the Capitol for a weekend or two before adjournment to finish their work. The state's fishing opener is May 9 and Mother's Day is one day later.

Pogemiller said the second deadline is before a nearly weeklong break. "The intent is, and I don't think it has been totally finalized, but we're either going to start the Easter/Passover break that Tuesday at midnight, or there may be a reason for a session to process paper on Wednesday. ... So the Easter/Passover break is probably that Wednesday 'til the following Tuesday at noon."

— M. COOK



PHOTO BY TOM OLMSCHIED

Chairman Rep. Tom Rukavina shows members of the House Higher Education and Workforce Development Finance and Policy Division Feb. 3 the amount of information that was presented in the higher education budget books for 1987-88, left, compared to the amount of information on the higher education budget today.

Although the payments for the appropriation bonds wouldn't technically impact the state's 3 percent debt service guideline, they may count toward broader measures of state indebtedness used by rating agencies, Kardell said.

"You can say this is revenue or an increase in tax," said Rep. Larry Howes (R-Walker). "We're borrowing money to keep from taking money from the people of Minnesota. This may not be the right measure, but it's a starting point."

— S. HEGMAN

illnesses. "Every case of a food-borne disease can be considered a failure somewhere in our system."

Rep. Kent Eken (DFL-Twin Valley) and other members asked about the state departments' interaction with their federal counterparts. For example, he said the recent peanut butter case was sourced to a Georgia processor. "While we may be doing a good job here, we can't do anything about the problems there."

Ben Miller, supervisor for dairy and food inspections with the Department of

Agriculture, explained the challenge they face because ingredients can be international or domestic in origin. "When you look at the way ingredients are manufactured and distributed worldwide, and all the products they end up in — for instance, in the peanut butter outbreak over 800 distinct products had been recalled — one of the biggest challenges is simply understanding where those key ingredients come from and where all those products go."

— L. SCHUTZ

CONSUMERS

The frontlines of food-borne illness

The recall of many food products containing peanut butter is an example of the increasing number of food-borne illnesses. And the Departments of Health and Agriculture are on the frontlines of safeguarding the food supply and identifying problems when these outbreaks occur.

Annually about 7,500 food processors, grocery stores and delis across the state are inspected to ensure the safety of food products.

"In spite of our very best efforts, about 78 million people (nationwide) per year get ill with a food-borne and diarrheal disease," John Besser, head of the Department of Health's clinical laboratory, told the House Agriculture, Rural Economies and Veterans Affairs Committee at a Feb. 2 informational hearing. He clarified, however, that the increase in reported outbreaks may also relate to better reporting and tracking methods.

He said their work centers on identifying the underlying problems that can lead to these



PHOTO BY ANDREW VONBANK

During a Feb. 2 joint presentation by the Departments of Agriculture and Health on food safety and food-borne outbreaks, members of the House Agriculture, Rural Economies and Veterans Affairs Committee examine the "Smoking Tub," the actual tub that contained salmonella-laced peanut butter.

Keeping children from chemicals

Protecting children from potentially toxic chemicals in products they use is the intent of a bill sponsored by Rep. Kate Knuth (DFL-New Brighton).

The Toxic Free Kids Act would not place an outright ban on the use of chemicals designated as “high concern” in children’s products, but would authorize the Pollution Control Agency to publish a list of these chemicals, if found, and require replacement with a safer alternative, if one is available.

The scope of regulation included in HF250 came into question when the bill was heard Feb. 3 by the House Health Care and Human Services Policy and Oversight Committee.

“Who is going to be doing the monitoring?” asked Rep. Steve Gottwalt (R-St. Cloud).

Knuth stressed the bill asks for no new assessments of chemicals, but only study and evaluation of existing data of about five chemicals.

A mother of two, Heidi Niziolek told committee members of her frustration in locating healthy products for her children and information about toxins that could be harmful to them.

“I cannot tell you how many times we brought something home and found out that it contained something harmful. And we subsequently threw them away or disposed of them properly — probably thousands of dollars worth of things, pacifiers, toys, even furniture.”

She said that parents should not have to

worry about the safety of products designed for children’s use. “As consumers, the cost of the item should contain the cost that ensures their safety.”

The bill was approved and referred to the House Environment Policy and Oversight Committee, where it is scheduled to be heard Feb. 10. Knuth said that would be the second of several expected committee stops.

A companion, SF225, sponsored by Sen. Linda Scheid (DFL-Brooklyn Park), awaits action by the Senate Environment and Natural Resources Committee.

— L. SCHUTZ

CRIME

Crime alert notification assurance

Clarence Schadegg wants to know when a crime alert is issued for his Richfield neighborhood.

Because he is blind, it has not always been easy to learn of alerts.

“Any of us with a disability need to be informed when these incidents happen,” he told the House Crime Victims/Criminal Records Division Jan. 30. “The best way for us to be informed is to receive a crime alert formatted as a Word document.”

The problem, Schadegg said, is that the e-mail notification often comes as a PDF file attachment, something that is not compatible with all reader software.

“If a PDF is sent out as the only formatted document of a crime alert, then it singles us out as people who cannot read, and therefore we’re not informed,” he said. Schadegg has gotten the Richfield Police Department to send its alerts with both a PDF and Word file attached.

Sponsored by Rep. Paul Thissen (DFL-Mpls), HF254 states, “If a law enforcement agency provides a crime alert to citizens within its jurisdiction, the alerts and any accompanying documents must be in a form that a disabled person can access with commercially available text-based screen reader software.”

It received division approval and was sent to the House Public Safety Policy and Oversight Committee.

Its companion, SF265, sponsored by Sen. Ken Kelash (DFL-Mpls), awaits action by the Senate Judiciary Committee.

The bill would also classify as private the names and contact information of citizens requesting a crime alert.

Rep. Paul Kohls (R-Victoria) said he is “sympathetic” to the reasoning behind the bill, but is concerned about issuing a local government mandate without accompanying dollars. “Cities that are currently doing crime alerts may elect not to do them if the costs are going to increase for doing it. They may just say ‘We’re not going to do this,’ and then don’t we have a whole group of people who are getting information now that is useful to them not getting it?”

— M. COOK

Domestic Abuse Awareness Month

An issue few people like to talk about could get a greater focus.

Sponsored by Rep. Al Doty (DFL-Royalton), HF139 would officially designate October as Domestic Violence Awareness Month in Minnesota.

Approved Jan. 30 by the House Crime Victims/Criminal Records Division, the bill was sent to the House Public Safety Policy and Oversight Committee.

Its companion, SF87, sponsored by Sen. Paul Koering (R-Fort Ripley), awaits action by the Senate Judiciary Committee.

“We have over 37,000 women and children that are served by community advocacy programs, and over 2,600 domestic assault cases a year in Minnesota,” Doty said, noting that more than 12,000 Orders for Protection are issued annually. “In a year when we are not going to be spending much money, increasing awareness is something that may prevent us from ruining a lot of lives and spending a lot of money.”

Cyndi Cook, executive director of the



PHOTO BY ANDREW VONBANK

Heidi Niziolek testifies before the House Health Care and Human Services Policy and Oversight Committee Feb. 3 in support of a bill that would protect children from toxic chemicals in products aimed for children’s use.



PHOTO BY TOM OLMSCHIED

Karl Porisch of Marshall stops at the shirt of Angela Vigen that was hanging in the Capitol Feb. 2 as part the Clothesline Project. Each shirt is created to visually memorialize the casualties of domestic violence to women and children. Vigen was killed on Oct. 27, 2008, by her boyfriend, who had a history of domestic violence.

Minnesota Coalition for Battered Women, said the federal government already recognizes October as Domestic Violence Awareness Month and, although not in law, governors have bipartisanly proclaimed the same in Minnesota. "Having a month that highlights the issue has given us an opportunity to increase public awareness to support events across the state."

Johnnie Barthel, who works with women in domestic violence relationships, said many people would rather avoid the issue when they hear fighting next door or see a bruised woman. "It's easier to turn up the volume on the television or radio than to pick up the phone and call 911," she said. "It is easier for us to stand in a crowd of onlookers and watch a neighbor being taken away in an ambulance or a coroner's car."

While supportive of the measure, Rep. Paul Kohls (R-Victoria) is concerned it may not have much impact on such a troubling issue. "Hopefully we'll do something more to get some awareness of the issue. ... We have to be getting at the actual problem, and I'm not sure this is going to get us as far as we should go."

— M. Cook

EDUCATION

Schools favor local calendar control

Giving school districts local control over their calendar year is what Rep. Kim Norton (DFL-Rochester) intends with two bills approved by the House K-12 Education Policy

and Oversight Committee Feb. 5.

State statute prohibits a school district from starting the school year before Labor Day, unless a specific exception applies.

HF195, as amended, would impose a moratorium on mandatory post-Labor Day school starts for two years and authorize a study of the impact of repealing the school-start law on Minnesota's tourism industry. Findings would be reported to the House K-12 Education Finance Division and House K-12 Education Policy and Oversight Committee by January 2011. Supporters say district control over school calendars would help deliver higher quality education to students. "This is one of the top non-economic issues our boards want to see [happen] this year," said Kirk Schneidawind, Minnesota School Boards Association associate director of governmental relations.

Resort owners testified that allowing a pre-Labor Day start would push school sports practices earlier into August, compounding a trend of declining resort business in the important month. "The Minnesota school calendar defines our season," said Paul Bugbee, owner of the Bug-Bee Hive Resort in Paynesville. He said "the great Minnesota tradition" of family resort vacations is "going, going, gone."

HF195 was sent to the House Finance Committee with the recommendation the bill be re-referred to the House K-12 Education Finance Division.

The committee also approved HF194, which would repeal the prohibition of starting the school year before Labor Day, and referred

it to the House Finance Committee with the recommendation it be re-referred to the House Higher Education and Workforce Development Finance and Policy Division.

The companion bills, SF22 and SF23, both sponsored by Sen. Chuck Wiger (DFL-North St. Paul), await action by the Senate Education Committee.

— K. BERGGREN

FAMILY

Ratings for child care programs

The role of state government in rating child care programs was touted by some and questioned by others at a Jan. 29 hearing of the House Early Childhood Finance and Policy Division.

HF40, sponsored by Rep. Sandra Peterson (DFL-New Hope), and HF246, sponsored by Rep. Nora Slawik (DFL-Maplewood), would expand and fund efforts to improve child care quality. Both bills were held over for possible inclusion in an omnibus early childhood finance bill.

HF40 would create a statewide child care quality rating modeled after Parent Aware, a system that is currently in the pilot stages in the cities of Minneapolis, St. Paul, Wayzata, and Blue Earth and Nicollet counties.

Lisa Thompson, president of Child Care Providers Together, a union of family caregivers, said her peers have mixed feelings about quality ratings. Thompson, who has 15 years of experience running a licensed in-home child care program, said the ratings "could be the best thing that ever happened to family child care and the children and families we serve," but should not be "one size fits all."

Parent Aware rates care settings on a four-star scale. Thompson suggested the ratings may be biased toward larger centers which may have more expansive facilities or lower adult-to-child ratios. Accredited Head Start programs and centers automatically rate four stars.

HF246 would "allocate an additional \$250,000 per year above the amount allocated in fiscal year 2009 in federal child care and development funds for Parent Aware star rating tool activities." Thompson said it would help providers make technical improvements to boost their rating.

Opponents of a public rating system said it would unfairly drive the market. "When you expand regulations you raise the cost of doing business," said Tom Prichard, president of the Minnesota Family Council. He also believes "the standard drives the system" and would reduce choice and options.

Peterson reiterated the rating system

would remain voluntary for parents and for providers.

A companion to HF40, SF72, sponsored by Sen. Tarryl Clark (DFL-St. Cloud), awaits action by the Senate Education Committee. There is no companion to HF246.

— K. BERGGREN

GAME & FISH

Guaranteeing a license

A man who mentors disabled military veterans is hoping for legislative support of a bill that would give first preference to a greater number of veterans who seek hunting licenses.

Sponsored by Rep. Tim Sanders (R-Blaine), HF289 would amend the lottery system used by the Department of Natural Resources when selecting individuals for fish and game permits and licenses.

Those who are either currently serving in the U.S. armed forces (including the National Guard), or those who have served during the past 24 months now get preferential treatment.

The bill would add Purple Heart medal recipients and servicemen and servicewomen with a disability rating of 70 percent as defined by the U.S. Veterans Administration. Such persons could obtain a license to hunt turkey, bear and antlerless deer without going through the lottery process. The bill was held over Feb. 2 by the House Game, Fish and Forestry Division for possible inclusion in its omnibus bill. It has no Senate companion.

Under the bill, the commissioner would be required to give preference to service members and veterans. The commissioner can give preference now, but it is not required.

Ray LaPresto, who volunteers for a mentoring program through the United States Military Academy at West Point, said one of his mentees would like to hunt turkeys on LaPresto's Dennison farm.

"I was afraid he wouldn't get picked (in the lottery)," he said.

— S. HEGARTY

GOVERNMENT

Iran divestiture bill approved

A House committee approved a bill that would require the state to divest its holdings in certain companies doing active business with Iran.

HF111, sponsored by Rep. Ryan Winkler (DFL-Golden Valley), would require the State Board of Investment, which manages the state's retirement and trust funds, to sell its

investments in companies actively involved in Iran's energy sector. Winkler said the goal is to make it more difficult for Iran to develop nuclear weapons.

Following Feb. 4 approval by the House State and Local Government Operations Reform, Technology and Elections Committee the bill now goes to the House floor. A companion, SF131, sponsored by Sen. Terri Bonoff (DFL-Minnetonka), awaits action by the full Senate.

Afsheen John Radsan, a professor at William Mitchell College of Law and an expert on Iran policy, said the country is a state sponsor of terrorism and a destabilizing force in the Middle East. He explained that divestiture represents an "intermediate option" for discouraging Iran from pursuing nuclear weapons.

"I don't think we're ready for military action, but I don't think diplomacy enough will solve the problem," Radsan said, adding that President Barack Obama supports the idea.

Howard Bicker, the board's executive director, said the bill would affect approximately \$280 million worth of state investments, or slightly more than 1 percent of the state's total investment portfolio. He said the board has taken no official position on the bill; however, he stated his personal opinion that the bill might not be as effective as intended.

"Once you sell your stock, the company doesn't care who you are. You're gone. Your influence is gone on that day," Bicker said. He added that a shareholder initiative, which would require no legislative action, might be more effective in changing companies' behavior.

Rep. Mary Kiffmeyer (R-Big Lake), a former board member, expressed concern that the bill would "politicize" the SBI and distract it from its primary purpose of making good investments for the state's current and future pensioners.

"We have commitments to those retirees. They have expectations. We have responsibilities. And if this fund isn't as strong as it can be ... it will fall to us to make up that difference," Kiffmeyer said.

Winkler said he expects the Legislative Commission on Pensions and Retirement to hold a hearing on the bill before it comes up for a vote on the House floor.

— N. BUSSE

HEALTH

Legislators react to proposed cuts

Significant changes in services to the sick as a result of the governor's recommended

budget cuts were translated into real dollars and real people at a pair of House Housing Finance and Policy and Public Health Finance Division meetings.

On Feb. 3, Craig Acomb, chief financial officer for the Department of Health, reported that the budget reveals an increase to shore up prevention and treatment of tuberculosis, a growing problem, particularly in Ramsey and Nobles counties.

However, a \$47 million two-year Statewide Health Improvement Program approved last year would be reduced to \$24 million over the next four years, leaving only \$6 million each year to address obesity and tobacco use issues.

Rep. Thomas Huntley (DFL-Duluth) hopes that this part of the governor's budget does not prevail. "If we're ever going to get a grip on health care spending, maybe we ought to keep going after it. I don't think we can wait."

The next day, stakeholders argued that the reduction will end up costing taxpayers more.

"A reduction in (the Statewide Health Improvement Program) will have long-term ripple effects on other parts of the state budget. We're going to continue seeing escalating health care costs in other parts of the state budget because of it," said Julie Ring, director of the Local Public Health Association.

Rep. Dan Severson (R-Sauk Rapids) said the division is going to need to make some difficult choices to solve the budget deficit. "I appreciate the fact that this is one of those programs that is effective, but we're going to have to become very creative in how we approach this budget deficit."

— S. HEGARTY

SAFETY

Seeing meth precursor log data

A pair of bills that would help law enforcement agents track potential methamphetamine manufacturers have some members questioning the potential for invasion of privacy.

Sponsored by Rep. Joe Mullery (DFL-Mpls) and Rep. Debra Hilstrom (DFL-Brooklyn Center), respectively, HF70 and HF145 were held over Jan. 29 by the House Public Safety Policy and Oversight Committee for possible omnibus bill inclusion.

Current law requires business establishments that sell over-the-counter methamphetamine precursor drugs to have the buyer, in part, "sign a written or electronic document detailing the date of the sale, the name of the buyer, and the amount of the drug sold."

Bob Bushman, Statewide Gang and Drug

Task Force coordinator for the Department of Public Safety, said some task force members have had difficulty obtaining transaction information. "When the changes were made to this a couple years ago, there was no language put in there that requires them to retain that log information that they get when they sell the stuff, and there was no requirement that they make the logs available to law enforcement."

Mullery's bill would require businesses to keep the log for five years from the date of purchase. It would also provide immunity to the business or employee from any liability that comes from releasing sales information. Hilstrom's measure would require the log "be open to the inspection of any law enforcement agency."

Rep. Paul Kohls (R-Victoria) said this gets close to invasion of privacy on people's health care. "It's not prescription medication; but nonetheless, I'm not sure how I feel about law enforcement gathering information on my Sudafed purchases when there's no reason to suspect that I'm involved in the manufacture of methamphetamine."

Bushman said the goal is to get at individuals or groups of people who buy their limit at one store and go to more stores over a number of days. They then put the product together to manufacture the illegal drug. "When you look at the logs, it's very apparent," he said.

A companion to Mullery's bill, SF173, sponsored by Sen. Leo Foley (DFL-Coon Rapids), awaits action by the Senate Health, Housing and Family Security Committee. A companion to Hilstrom's bill, SF30, sponsored by Sen. Linda Higgins (DFL-Mpls), awaits action by the Senate Judiciary Committee.

— M. COOK

TAXES

Tax cut plan criticized

Some members of a House division questioned the wisdom of Gov. Tim Pawlenty's proposal to cut corporate taxes during a Feb. 3 hearing on the Department of Employment and Economic Development's proposed 2010-2011 biennial budget.

Rep. Ryan Winkler (DFL-Golden Valley) was among several members of the House Bioscience and Workforce Development Policy and Oversight Division who criticized the governor's plan to cut the corporate franchise rate in half over the next six years.

Winkler said that while the tax cut is intended to stimulate economic growth, there is no guarantee that it will; meanwhile, he noted, the governor also plans a 10 percent General Fund reduction for DEED programs that have already proven to be an economic boon to the state.

"I still don't have an understanding of where the economic analysis comes from that we should be putting hundreds of millions of dollars for cutting this corporate tax," Winkler said. "We could be using that money for lots of other good things that you're doing."

Rep. Larry Haws (DFL-St. Cloud) said that if the corporate tax cuts are intended to stimulate the economy, then measurable economic goals should be included in the governor's plan.

"We're getting rid of some things that are working, and I'm not too sure that the other is going to work," he said.

Republican division members defended the governor's plan.

"I've spent a number of years visiting manufacturers and employers in our area of the state and asking them specifically, 'What are your challenges?' And in almost every single instance tax and regulatory climate come up," said Rep. Steve Gottwalt (R-St. Cloud).

Rep. Joyce Peppin (R-Rogers) said Minnesota is well-known to have the "third-highest" business tax rate in the industrialized world. She also challenged DFLers to come up with a budget plan of their own, rather than just criticizing the governor's proposals.

DEED Commissioner Dan McElroy said that Minnesota's business climate is multifaceted and that taxes are not the only issue to consider; however, he predicted that the governor's plan would make Minnesota more competitive with neighboring states over the long term.

— N. BUSSE

Full funds for tax filers

With time running out to make changes to the state's tax law for the current filing season, Rep. Ann Lenczewski (DFL-Bloomington) wants to make sure Minnesota conforms to most of the federal changes enacted since Feb. 13, 2008, that Minnesota references for state tax administration purposes.

"(HF392) will keep people from having to file amended tax returns if this bill is passed later," Lenczewski told the House Taxes Committee Feb. 3. "The timing only benefits the taxpayer."

Approved by the committee, it now awaits action by the House Ways and Means Committee.

A companion, SF252, sponsored by Sen. Tom Bakk (DFL-Cook), awaits action by the Senate Taxes Committee.

The changes include:

- counting nontaxable combat pay as earned income for members of the military for purposes of claiming the earned income credit and working family credit;
- allowing direct transfers to charities from

traditional IRAs and Roth IRAs for tax years 2008 and 2009;

- extending of the special rule for contribution of conservation property by qualified farmers and ranchers;
- apportioning the exclusion of gain on the sale of an individual's principal residence for time periods after Jan. 1, 2009, when the residence was not used as the principal residence;
- extending various provisions related to depreciation and expensing;
- providing preferential tax treatment within the Midwestern Disaster Relief Area and within other federally designated disaster areas; and
- changing requirements for employer-sponsored group health plans to qualify for the employee income exclusion.

— S. HEGMAN

Corporate tax cut concerns

It might not be the right time for cutting the corporate franchise tax with the state facing a deficit, according to some House Taxes Committee members.

While Rep. Ann Lenczewski (DFL-Bloomington), the committee chairwoman, said this kind of tax is flawed, her issue is more with the timing of the proposal that is part of Gov. Tim Pawlenty's budget.

"I didn't hear a positive response from the governor when I wanted to do this last year," she said during a Feb. 4 meeting. "It's a very expensive ticket item and it's very difficult because we have a deficit."

The cut would take the business tax rate from 9.8 percent to 4.8 percent over six years beginning in 2010.

She added that a sales tax cut would help businesses more because they pay more in sales tax than in corporate franchise tax.

Revenue Commissioner Ward Einess said the governor wanted to do more than just satisfy the constitutional requirement to balance the budget and "just get by" for the biennium.

The cut would give the state a more competitive rate, which would help encourage businesses to grow and invest in Minnesota, Einess said. The current rate is one of the highest in the nation.

"When you say you're reducing a tax by 50 percent that gets noticed not only here, but around the country," he said. "We want to change the climate in Minnesota."

Rep. Diane Loeffler (DFL-Mpls) agreed that the issue is timing. "We have long-term goals and things that we need to fix. We have to talk about which long-term goals should get implemented."

Rep. Laura Brod (R-New Prague) said stopping at Minnesota's borders was not the

answer either. “We need to look at this on a worldwide basis. We are in unchartered waters,” she said. “China is on the move like it never was before.”

Lenczewski agreed that more discussion would be needed on a variety of things.

“I think we’re going to have this debate for a long, long time this year,” she said.

— S. HEGMAN

LGA, renter concerns shared

Cities could see cuts in local government aid and renters’ refunds if Gov. Tim Pawlenty’s budget proposal becomes law.

It would reduce LGA by 23 percent — \$77.8 million in Fiscal Year 2010 and \$168 million in Fiscal Year 2011. Even with the reduction, 763 cities will divide \$823 million in LGA for the biennium.

“LGA is going to be a big issue,” said Rep. Paul Marquart (DFL-Dilworth), chairman of the House Property and Local Sales Tax Division, which heard the proposal Feb. 4. “I appreciate what the governor has put out here as his way to balance the budget, but is it fair? My concern is disparity.”

This proposal is coupled with market value credit reductions and is structured to fairly and evenly distribute the reductions across all cities, said Revenue Commissioner Ward Einess. The reduction would first come from certified 2009 LGA and then from the market value homestead credit if there is not enough aid.

Einess said a lot of time was spent looking at geographic disparity.

“The reality is what do you take when you’re taking everything they’ve got? We did our best to spread cuts around.”

“Haven’t our cities and local units of governments taken more than their share of the burden?” said Rep. Denise Dittrich (DFL-Champlin). “I think they have been treated unfairly.”

Cities have limits to how much they can levy, but cities can go to their voters to increase their levies whenever they want to.

“We made some very tough decisions,” Einess said. “It’s not true that all the cities are taking the brunt of this. This is not an indictment of local governments at all.”

Rep. Morrie Lanning (R-Moorhead) has never really liked levy limits.

“I have argued against them repeatedly,” he said. “They’re hard to argue when you have increases in aid. But when you have cuts in aid, it’s hard to justify the continuation of levy limits.”

Another issue that arose was the reduction of the renter’s credit.

Currently, renters receive 19 percent of rent paid in the form of a refund. Under the

governor’s proposal this would be reduced to 15 percent.

Rep. Diane Loeffler (DFL-Mpls) did not like this proposal.

“There’s real inequity when you just pick a number,” she said. “One-size-fits-all doesn’t really fit anybody. I don’t think our tax system should create so many winners and losers.”

— S. HEGMAN

TRANSPORTATION

Mounting navigation devices

Some drivers struggle to watch where they are going while, at the same time, looking at a device telling them which route to take.

Rep. Al Juhnke (DFL-Willmar) admits he has taken his eyes off the road to look down at a global positioning system. He sponsors HF85, which would allow GPS or other navigation systems to be mounted or located near the bottom-most portion of a windshield.

Approved Jan. 29 by the House Public Safety Policy and Oversight Committee, the bill now awaits action by the House Transportation Finance and Policy Division. A companion, SF323, sponsored by Sen. David Tomassoni (DFL-Chisholm), awaits action by the Senate Transportation Committee.

State law currently allows rearview mirrors, sun visors and electronic toll collection devices be mounted on a vehicle’s windshield, but many drivers illegally have their GPS unit attached as well.

“Take a gander as you’re driving home or as you’re commuting and notice how many GPS units are out there now, and how many you see either on the dash or on the lower part of the windshield mounted,” Juhnke said.

Rep. Tony Cornish (R-Good Thunder) successfully amended the bill to require the mounting be on lowest part of the windshield.

“It’s a good thing,” Juhnke said. “I don’t have to ask for directions anymore. Not that I did ever anyway.”

— M. COOK

Stimulus for state projects

State leaders got a readiness warning from a man with some pull in our nation’s capitol.

U.S. Rep. James Oberstar told a Jan. 29 joint meeting of the House Transportation Finance and Policy Division and the Senate Transportation Committee that the state had best be ready with some transportation projects that could be funded with part of the proposed economic stimulus package approved one day earlier by the U.S. House of Representatives.

“We want to create jobs within 90 days,”

said Oberstar, chairman of the House Transportation and Infrastructure Committee. He said the bill, which contains \$66 billion for transportation purposes — including \$477 million for Minnesota — would put 12,000 Minnesotans to work on transportation and infrastructure projects by June.

“With this investment, we expect to lay a base and get people back working,” Oberstar said, adding the workers would be off the unemployment rolls, paying taxes again and spending money in the marketplace.

The money would go for projects that are ready to go, except for funding. He said the projects would be funded solely with federal dollars, instead of the normal 80 percent federal-20 percent state split. The Department of Transportation provided Oberstar a preliminary list of projects that could be funded through the stimulus package. They include asphalt and concrete work, bridge replacements and an expansion of Highway 610 in Brooklyn Park and Maple Grove. The Twin Cities metropolitan area/Greater Minnesota split is about 50-50.

If awarded dollars are not used for specific projects, they will be returned and distributed to other states that are ready to put those dollars to work.



U.S. Rep. James Oberstar told a joint hearing of the House Transportation Finance and Policy Division and the Senate Transportation Committee Jan. 29 that the proposed economic stimulus package approved one day earlier by the U.S. House of Representatives contains \$66 billion for transportation purposes. He said Minnesota’s projected share could result in 12,000 jobs by June.

"I don't want Minnesota to be stumbling around," he said.

Oberstar said states would be expected to advertise bids for projects within 30 days of the bill's signing into law. Projects are to be awarded, and contractors are to be on site, within 60 days of signing. Forty-seven days from signing Oberstar said there would be a hearing of his committee to receive from every state the list of contracts that have been awarded, the number of jobs on-site, description of those jobs and the payroll. Subsequent lists will be required every 30 days until the funds are expended.

— M. Cook

Type III bus driver change

Allison Porter said a 2008 law is having a negative impact on her school days this year.

Through an interpreter, Porter told the House Transportation and Transit Policy and Oversight Division Feb. 4 that she and her Minnesota North Star Academy classmates have fewer opportunities for learning experiences because of vehicle driver requirements.

"In the past teachers could drive us where we needed to go, but now they can't," she said. "Now they also can't use the vans to drive us to games in other states so our team can play against other deaf teams. Now we have to rent a bus to go to games, to go on field trips, go to our transition classes and any other school events."

Rep. John Ward (DFL-Brainerd), the sponsor of HF116, said last year's law required bus drivers to comply with a number of requirements, including a physical and drug test. However, the previous sponsors intended to exempt "temporary or incidental Type III school vehicle drivers" because driving would not be part of their "normal duties." But he said the Department of Public Safety interpreted the law whereby anyone who might drive a Type III vehicle must meet the requirements.

Type III vehicles are passenger autos, vans and buses that hold no more than 10 people, and whose maximum gross weight is 10,000 pounds. They are used, for example, when a fine arts coach drives their team to a meet.

"The last thing we want is a district to either

cut the program or, even worse, tell students they are to start driving themselves to events and meets," Ward said.

While not jeopardizing safety provisions in the 2008 law aimed at persons with a school bus endorsement, the bill would allow a district employee with any class of commercial driver's license to operate a Type III vehicle without having the physical exam or passing a drug and alcohol test. Drivers would need to have their license annually verified by an employer and they must notify the employer if convicted for certain DWI and traffic regulation offenses.

Representatives from Education Minnesota and the Minnesota School Boards Association spoke in support of the bill.

Approved by the division, the bill awaits action by the House Public Safety Policy and Oversight Committee.

Its companion, SF33, sponsored by Sen. Rick Olseen (DFL-Harris), awaits action by the Senate Judiciary Committee.

— M. Cook

NATIVE PRAYER



PHOTO BY ANDREW VONBANK

With eagle feathers in hand, Raymond Owen, spiritual leader of the Prairie Island Indian Community, opens the Feb. 2 House floor session with an invocation and American Indian song.

Higher education, lower funding

Minnesota colleges resist tuition cap, brace for budget cuts

By Nick Busse

U.S. college tuition rates have skyrocketed over the last two decades, and Minnesota has not bucked the trend. No one knows this better than Jennifer Weil. Weil, a student and working mother of two, is about to graduate from Minnesota State University Moorhead, approximately \$40,000 in debt. Testifying before members of a House division Feb. 3, she said the loans she took out to pay for school were a necessary investment in her future, but she regrets the price tag.

“Looking forward, I know that I’m not going to be able to purchase a home for my family and have a yard for my kids to play in very soon,” Weil said. “It’s going to take a lot of years.”

Weil is not alone. According to the University of Minnesota’s Office of Institutional Research, undergraduate resident tuition at the university’s Twin Cities campus increased by nearly 400 percent over the last 20 years, with the Crookston, Duluth and Morris campuses all faring similarly. Schools in the 54-campus Minnesota State Colleges and Universities system remain a less expensive option, but the overall trend is the same, often forcing students to take out tens of thousands of dollars in loans to get their degrees.

This year, Weil and other debt-saddled students probably have little to look forward to in the way of relief. With the state facing a projected deficit of at least \$4.8 billion, another round of budget cuts to higher education appears likely. In his budget proposal, Gov. Tim Pawlenty called for a reduction of nearly 11 percent to the state’s higher education funding, with a cut of approximately \$151 million to the University of Minnesota and \$146 million to MnSCU.

This plan mirrors similar cuts that were made during the state’s last major budget crisis in 2003, the net result of which was four consecutive years of double-digit tuition rate

increases at the state’s public colleges and universities.

“Students are still paying the price today for

the cuts that were made in 2003,” Weil said. She added that the additional burden has come at a time when student debt “has become a problem for nearly every student in our system.”

Capping tuition

To protect students from similar increases this time, the governor has called for the Legislature to cap tuition increases at an inflationary rate; however, college administrators and many lawmakers don’t like the idea.

“A freeze on tuition would be absolutely devastating,” University of Minnesota President Bob Bruininks said at a Jan. 22 hearing. Although he hopes to minimize any tuition increases, Bruininks said he and other

Higher ed continued on page 23



PHOTO BY TOM OLMSCHIED

Minnesota State University Student Association Vice-Chairwoman Jennifer Weil, center, testifies about tuition costs before the House Higher Education and Workforce Development Finance and Policy Division Feb. 3. Also testifying before the division were Aaron Olson, right, a student at Southwest State University, and Cody Nelson, left, a Bemidji State University graduate.

Spending new proceeds

Lessard Outdoor Heritage Council considers projects for new tax receipts

BY SUSAN HEGARTY

Last November, more than 55 percent of voters approved raising the state sales and use tax by three-eighths of 1 percent and dedicating the additional money to improving the environment and preserving the state’s cultural heritage.

This month, some of those voters will go a step further and present their ideas on spending the new tax dollars. They’ll address the Lessard Outdoor Heritage Council, the statutory body responsible for sorting through some of the proposals in order to make recommendations to the Legislature.

By March, the council is to supply the House Cultural and Outdoor Resources Finance Division with recommended projects to receive funding. A bill will be drafted for those projects, and it must be signed into law for funding to be allocated.

Some misconceptions about the scope and authority of the council have surfaced. Council members say it’s important to note that they are charged with making recommendations for only 33 percent of the dedicated tax revenue — specifically, funded projects that should “restore, protect and enhance wetlands, prairies, forests and habitat for game, fish and wildlife.”

The remaining money will be debated among other stakeholders and divided into the

following three new funds: the Clean Water Fund (33 percent), the Parks and Trails Fund (14.25 percent), and the Arts and Cultural Heritage Fund (19.75 percent). Proposals for these categories bypass the Lessard Council and are directly heard by the House Cultural and Outdoor Resources Finance Division.

Although the tax won’t begin being collected until July 1, the division plans to introduce legislation this year so that initial projects are funded for 2010. Money will be appropriated each year through June 2034.

Rep. Rick Hansen (DFL-South St. Paul), a council member, co-sponsored the constitutional amendment that authorized the tax increase.

“I think we’ll have more presentations than there is money,” Hansen said.

Revenue projections keep dropping due to the harsh economic conditions, but the first round of appropriations will be key, Hansen said. “It’s important that this first year voters can look and say, ‘Yes, that’s what I voted for.’”

Council name honors champion of the outdoors



Former Sen. Bob Lessard

A bipartisan council that will recommend millions in environmental improvement expenditures for the next 25 years bears the name of one of the state’s most noted environmental advocates — former Sen. Bob Lessard (DFL-Int’l Falls). Lessard, who represented

District 3 from 1977 through 2002, is an avid outdoorsman who lobbied unsuccessfully during his tenure in the Legislature to let the voters decide whether to dedicate part of the sales and use tax to preserving and protecting the environment. Last November, he finally got his wish.

“He is the consummate outdoor sportsman. He has led the state in a lot of ways to enhance and create a better environment for hunting and fishing,” said Rep. Bob Gunther (R-Fairmont).

Photo by David Oakes courtesy of the Minnesota Senate

Lessard Council Hearing Schedule

Presentations are scheduled to begin Feb. 9 about how 33 percent of the new dedicated sales tax could be spent to restore, protect or enhance wetlands, prairies, forests and habitats.

The Lessard Outdoor Heritage Council meetings are open to the public and begin at 8 a.m. in room 500N of the State Office Building, across from the State Capitol. Space is limited and those wishing to present a proposal are asked to register in advance.

Monday, Feb. 9
Prairie Resources
Wetland Resources

Monday, Feb. 23
Forest Resources
Fish Habitat

To present a proposal, contact LOHC Acting Executive Director Bill Becker at bill.becker@state.mn.us or 651-259-5527. For more information, visit www.lohc.state.mn.us.

— S. HEGARTY

Council composition

The council consists of 12 members with staggering terms. Four members were appointed by the governor; two citizens were appointed by the Speaker of the House; two citizens were appointed by a Senate subcommittee; and one DFL and one Republican legislator were chosen to serve from both the House and Senate: Hansen, Rep. Bob Gunther (R-Fairmont), Sen. Ellen Anderson (DFL-St. Paul) and Sen. Bill Ingebrigtsen (R-Alexandria). The council’s administration duties fall under the auspices of the Department of Natural Resources.

Although formal presentations are scheduled to begin Feb. 9, there was preliminary testimony in late January when authors of a Statewide Conservation and Preservation Plan spoke before the House Environment and Natural Resources Finance Division.

Commissioned by the Legislative-Citizen

Lessard continued on page 23

Q Comp found wanting

Performance measure has perks, but is it affordable?

By KRIS BERGGREN

Is Q Comp, Gov. Tim Pawlenty's preferred school reform measure, truly a breakthrough that will bring Minnesota schools up to grade, or is it just the mandate du jour?

Skeptics say Q Comp, as the Quality Compensation for Teachers alternative compensation program is commonly known, is a stick that burdens school districts with greater costs, paperwork and compliance requirements and threatens collective bargaining agreements. Supporters think of it as a carrot that provides a much-needed monetary incentive promoting teacher professional development, improving classroom instruction and boosting students' academic proficiency. Additional annual compensation paid to teachers in Q Comp has ranged from \$68 to \$2,500.

However, a program evaluation by the Office of the Legislative Auditor released Feb. 3 found "the effect of Q Comp on student achievement can't be adequately measured with existing data."

The report also highlights inconsistencies in application and oversight between districts. Judy Randall, a program evaluator with the Legislative Auditor's office, said that smaller districts in particular have difficulty finding time and money to even apply for Q Comp.

Currently 44 school districts, or 13 percent of districts statewide, and 28 charter schools, 18 percent of all charter schools, partake in Q Comp plans. Participating districts receive up to an additional \$250 per pupil beyond the regular education funding formula. Each district's plan is self-determined within Education Department guidelines and must be approved by teachers.

Rep. Marsha Swails (DFL-Woodbury), an Advanced Placement English teacher in Woodbury, a Q Comp district, said she has enjoyed both the pay increase and collegiality from Q Comp, but said she is "very troubled" by the lack of "conclusive evidence that this is

increasing to student performance."

Rather, she said investing in early childhood education and all-day kindergarten are "proven" with "sound data" to make that difference in student achievement.

Randall said the lack of conclusive results is partly due to the small sample size and short period of implementation — only 11 of the 72 districts and charter schools now participating in Q Comp have done so for all three years of its existence. Randall said it is "not statistically possible" to isolate the effects of Q Comp from other initiatives such as curriculum changes, class size reduction or other professional development programs many districts are simultaneously implementing.

For example, Swails said Woodbury teachers use the Professional Learning Communities model, widely used by districts nationwide including many Minnesota Q Comp districts,

which incorporate the model into their Q Comp plans.

"It's easy and inexpensive," said Swails. There is a one-time cost for training, and teacher teams spend 45 minutes of staff time a week in small groups.

The report did find evidence Q Comp helps districts fund professional development opportunities, and that instills confidence in some legislators about its merits.

About half the teachers in Q Comp schools responding to a survey agreed Q Comp "has improved professional relationships among teachers at my school," while 43 percent said Q Comp "improved classroom teaching." Administrators in Q Comp schools had higher praise: 85 percent said professional relationships had improved and 83 percent said teaching had improved.



PHOTO BY TOM OLMSCHIED

Jon Steffes, a second-grade teacher in the La Crescent-Hokah Public Schools, tells the House K-12 Education Policy and Oversight Committee Feb. 4 about the effect of Q Comp on his classroom.

"Does (Q Comp) really help student performance? I say yes because I see it every day in some of my students," LaCrescent-Hokah Public Schools second-grade teacher Jon Steffes told the House K-12 Education Policy and Oversight Committee Feb. 4. Although "there is more work involved" as a Q Comp participant, he estimates two-thirds of teachers "embrace Q Comp in our school. It helps them become better teachers, focus their instruction."

Although Q Comp is often referred to as a merit pay program, Rep. Randy Demmer (R-Hayfield) said "the staff development part is

probably just as revolutionary for the entire teaching staff" and "probably as effective for

Q Comp continued on page 23

Keeping it local

Anderson wants to help constituents from a different chair

By SONJA HEGMAN

Rep. Paul Anderson (R-Starbuck) is no stranger to the difficulties counties and other local governments face.



Rep. Paul Anderson

Before running for state representative, Anderson was a Pope County commissioner.

“I saw a lot of frustration with how the state deals with local units of government,”

he said. “I came to the conclusion that I could maybe do more for the people back home working on issues down here.”

When former Rep. Bud Heidgerken (R-Freepport) retired, Anderson thought this would be a good opportunity for him to run for office.

His biggest concern is cuts to local government aid. With more than 20 towns

in his district, LGA has become a large part of their budgets. While some towns were exempted from the cuts that have occurred the last few years, Anderson said he’s worried about what might happen this year. “They need some direction pretty soon as to how much they can count on or how much they are going to lose,” he said.

Nursing homes are another concern for Anderson. He has five or six in his district, which are sometimes the biggest employers in smaller towns.

“Our rural nursing homes are really hurting in terms of pay equity and keeping up with inflation,” he said. A local newspaper in his district reported the state took over two nursing homes in rural Minnesota because the facilities were unable to meet their payrolls.

“I know funding is going to be really tight, but I really hope we can somehow find a way to give our nursing home employees some kind of an inflation bump (in their salaries),” he said.

DISTRICT 13A

Population: (2007 est.) 37,567
Largest City: Sauk Centre
Counties: Kandiyohi, Pope, Stearns
Top Concerns: LGA, agriculture, nursing homes, K-12 education

Agriculture is also a passion of Anderson’s. He and his wife, Faith, raise corn, soybeans and wheat. When their three children were young, they had cattle as well, “but when my kids left home, there went my help, so the cattle were gone soon thereafter.”

His son, the Rev. Matt Anderson, who preaches at Calvary Lutheran Church in Golden Valley, is scheduled to be the House chaplain Feb. 9.

The elder Anderson said the state needs to let “our farms and agribusiness do their jobs and maybe pull back on some of the mandates and regulations they face. The ag economy has held up really well. It’s kind of buffering us from some of that national doom and gloom. Sometimes I think that’s forgotten.”

Facing complex problems

For Champion, jobs are the starting point

By LEE ANN SCHUTZ

Too many streets in north Minneapolis are dotted with homes in foreclosure, making the housing crisis very real for Rep. Bobby Joe Champion (DFL-Mpls).



Rep. Bobby Joe Champion

The housing issue is among a host of “complex problems” faced by his constituents, Champion said. An attorney, born and raised in his district, he hadn’t considered running for public office, but the

issues brought him to his own personal “crossroads”: be part of the solution or keep hoping someone else would step in and work for change.

“I felt like we needed a voice that was going to seek to make sure that issues important to

our district are at least on the table,” he said.

The issues facing his district are interwoven, but it all starts with jobs or, more specifically, the lack of available work for many of his constituents. “If I don’t have a job, I don’t have housing. And I can’t pay for medical expenses or for my child to go to college,” he said.

Transportation can be a problem for those seeking work as well. Over the years, the job growth in the Twin Cities metropolitan area has occurred primarily in the suburbs. His district’s transportation needs are not well served, he said, and those relying on public transportation may not be able to get to the jobs.

Public safety is part of the mix, too, he said. Crime can stigmatize a neighborhood and make it an undesirable place to live if people perceive it is unsafe, no matter how affordable the housing. “We can’t arrest the problem away; we need to make substantial

DISTRICT 58B

Population: (2007 est.) 36,687
Largest City: Minneapolis
County: Hennepin
Top Concerns: Housing, jobs, education and public safety

investments in the lives of people,” he said.

Married and the father of three, Champion’s law career has been diverse. He has served as an assistant attorney general under Skip Humphrey and Mike Hatch, and in-house counsel to music producers Jimmy Jam and Terry Lewis. But it is his involvement with several community organizations that prompts him to further his community to action.

A firm believer in communicating to face challenges, he plans to increase the number of town hall meetings; and at the Legislature, he sees the importance of reaching across the aisle to improve the quality of life for people in his district.

Planning for the future

Downey hopes to offer proactive ideas for state's future

By SONJA HEGMAN

There wasn't a specific catalyst that motivated Rep. Keith Downey (R-Edina) to run for office. "Mine was a much more gradual



Rep. Keith Downey

process," he said. But his concern over how the state is preparing itself for the future was the motivator that got him thinking about public service.

"I looked at our state and thought very strongly that we weren't preparing ourselves for the 21st Century," he said. "What was happening globally and nationally; we weren't keeping pace. Our state is modeled after '60s, '70s and '80s programs and I really felt that we have an opportunity here in Minnesota."

Downey worked for an accounting and consulting firm, where he consulted with state and local government personnel for eight years before running for office. He is not working there during session, and is unsure about his future at the firm.

Downey won party endorsement over the nine-term incumbent, Ron Erhardt, who chose to run as an Independent. Downey beat Erhardt by 4.79 percent and his DFL opponent by 5.34 percent, on Election Day.

The main issues Downey sees for his district are: "The economy and how do we recover," he said. "Education really is probably the most important, absent of current economic conditions. Then it would be transportation and how we improve our infrastructure."

He said Edina residents, in general, do not

| DISTRICT 41A |
|--|
| Population: (2007 est.) 37,407 |
| Largest City: Edina |
| County: Hennepin |
| Top Concerns: Education, transportation, economy |

mind paying higher taxes provided they are getting a good return for their investment. He hopes his appointment to the House Taxes Committee will serve his district well.

Although he comes from a business and tax background, he said he has a lot to learn especially "in terms of broader policy dimensions and the direction we should be going."

Downey also serves on three education committees and state government finance. "I think they fit me, they fit my district and they interestingly are at the very center of things considering the budgetary issues we face."

'Honesty, common sense'

Murdock comes to St. Paul with an open mind, no agenda

By NICK BUSSE

Politics has always been in the back of Rep. Mark Murdock's mind. The Ottertail Republican has been wrapped in elections



Rep. Mark Murdock

since childhood, when his mother, a DFL activist, campaigned for Democrats like former President Harry Truman.

"She still likes me even though I'm a Republican," Murdock said.

In fact, when Murdock was asked last year to run for the seat vacated by former Rep. Dean Simpson (R-Perham), his mother even donated to his campaign. Murdock said he hopes his fellow lawmakers will cross party lines in a similar way to deal with the state's budget deficit.

"We're all going to have to work together. There's going to be a lot of pain out there. There's going to be a lot of cuts," he said. "We just have to suck it up, watch our expenses and get through this thing."

Murdock, a hardware store owner for 25 years, said he comes to the Capitol with no political agenda other than "honesty and common sense and an open mind." He is guided by the philosophy that there is a difference between a real "representative" and a mere "politician:" a willingness to do what's right for his constituents, regardless of politics.

"Politician, I think, sometimes might be a job, a career. ... Representative, I think, is the proper term. It's what I want to be," Murdock said.

According to Murdock, the number one issue for his constituents is jobs and the

| DISTRICT 10B |
|--------------------------------------|
| Population: (2007 est.) 37,234 |
| Largest City: Wadena |
| Counties: Becker, Otter Tail, Wadena |
| Top Concerns: Jobs, economy |

economy. As a business owner, he has been forced to reduce his employees' hours. He supports Gov. Tim Pawlenty's proposal to reduce taxes on businesses, arguing it will stimulate job growth — although he notes it would do more for larger employers than it will for small employers like him.

"Well, you can't fix a budget by raising taxes. Raising taxes creates job loss," Murdock said.

Murdock, an avid outdoorsman, lives on Round Lake near Perham with his wife of 34 years, Pat. They have two adult sons and are expecting their first grandchild in August.

Altitude adjustment

Ag and water issues linked for Torkelson

By **SUSAN HEGARTY**

A fourth-generation farmer, Rep. Paul Torkelson's move to St. Paul to serve in the Legislature hasn't been easy, especially living



Rep. Paul Torkelson

on the 28th floor of a downtown high-rise.

"It's an adjustment for a country boy to come live in the city. There is no place in Brown, Redwood or Watonwan counties that you could even get to the 28th floor, unless you go up the grain elevator or water tower," said Torkelson (R-Nelson Township).

He's no stranger to adjusting, however. About 20 years ago, he changed careers.

Torkelson earned a degree in instrumental music education from Gustavus Adolphus College, and taught music for a few years before the opportunity arose to live and work

on his great-grandfather's 1878 homestead. He now farms 1,400 acres. Music remains a part of his life; he's the percussionist with a local area band called Attitude.

Torkelson has been interested in agricultural issues for years and recently served as vice president of the Minnesota Farm Bureau. Last March, he completed an 18-month study in the Minnesota Agriculture and Rural Leadership program.

Former district Rep. Brad Finstad (R-Comfrey) hand-picked Torkelson to run for his seat.

"My wife and I sat down and got out the sheet of paper with plus on one side and minus on the other. With my wife's blessing, it all added up to 'Yes, we'll give this a shot,'" he said.

He hopes to be a voice for rural Minnesota and serves on the House Agriculture, Rural Economies and Veterans Affairs Finance Division.

DISTRICT 21B

Population: (2007 est.) 35,672

Largest City: New Ulm

Counties: Brown, Redwood, Watonwan

Top Concerns: Agricultural and clean water issues

As a member of the Clean Water Council since its inception in 2006, Torkelson intends to leverage that experience while serving on the House Environment and Natural Resources Finance Division and the House Cultural and Outdoor Resources Finance Division.

"Both of those committees will be working closely with the funds generated by the new constitutional amendment so I hope to have maximum input on how that all comes together, especially the clean water portion of it," Torkelson said.

At the close of the 2009 session, Torkelson is looking forward to riding his 1999 Harley Davidson Road King once again across rural landscape.

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Monday, February 2

HF411-Olin (DFL) Finance

Board of Animal Health prior appropriation modified to allow certain payments.

HF412-Bunn (DFL) Commerce & Labor

Home owner warranty statute of repose adjusted.

HF413-Bunn (DFL) State & Local Government Operations Reform, Technology & Elections

Demographic trend analysis required with forecast of state revenue and expenditures.

HF414-Kahn (DFL) Health Care & Human Services Policy & Oversight

Synthetic turf use limited on certain athletic fields, crumb rubber health impact study required, schools allowed to use health and safety revenue to evaluate use of synthetic turf and reports required.

HF415-Howes (R) Public Safety Policy & Oversight

Right of citizens to bear arms provided to be fundamental and shall not be abridged, and constitutional amendment proposed.

HF416-Thissen (DFL) Commerce & Labor

Interior designer certification requirements changed to licensing.

HF417-Atkins (DFL) Commerce & Labor

Damage recovery and attorney fees provided for breach of insurance policy.

HF418-Gardner (DFL) Agriculture, Rural Economies & Veterans Affairs

Buckthorn eradication ordinance adoption allowed for municipalities.

HF419-Davnie (DFL) Health Care & Human Services Policy & Oversight

Lead Poisoning Prevention Act modified.

HF420-Laine (DFL) Commerce & Labor

Existing statutory implied residential construction warranties required to be made as express warranties and be provided to the buyer in writing, and warranty waivers prohibited.

HF421-Hansen (DFL) Finance

Wildlife area land acquisition and improvement and publicly owned dams funding provided.

HF422-Obermueller (DFL) State & Local Government Operations Reform, Technology & Elections

Minnesota Fallen Firefighters Memorial Day designated as the first Sunday in October.

HF423-McNamara (R) Rules & Legislative Administration

Legislative employee reduced commuting provided to help reduce carbon emissions.

HF424-Hansen (DFL) Environment Policy & Oversight

Critical Areas Act of 1973 modified.

HF425-Hilstrom (DFL) Finance

School district integration revenue formula modified.

HF426-Drazkowski (R) K-12 Education Policy & Oversight

Mandated school district reserve revenue for staff development programs permanently repealed.

HF427-Hilstrom (DFL) Finance

Two-year waiver authorized from the special operating plan for districts in statutory operating debt.

HF428-Welti (DFL) Finance

State aid increased for the debt service equalization aid program.

HF429-Hilstrom (DFL) Finance

School districts in statutory operating debt levy authorized.

HF430-Demmer (R) K-12 Education Policy & Oversight

Pupil transportation included within the meaning of public transit assistance, and transfers of money directed from transit assistance fund and allocation from metropolitan area sales tax for transit pupil transportation.

HF431-Smith (R) Public Safety Policy & Oversight

Illegal immigrant hiring penalties provided, aggravated forgery documents added, aggravated forgery penalty increased and sex trafficking established as a separate crime from the promotion of prostitution.

HF432-Mullery (DFL) Commerce & Labor

Layoff or termination benefit payments modified.

HF433-Obermueller (DFL) Agriculture, Rural Economies & Veterans Affairs

Medal of Honor Day designated as March 25.

HF434-Laine (DFL) Health Care & Human Services Policy & Oversight

Doula services definition modified, and health care providers required to provide information on pain relief and medical interventions as part of prenatal care.

HF435-Wagenius (DFL) Environment Policy & Oversight

Cost-share program rulemaking and authority modified.

HF436-Drazkowski (R) Environment Policy & Oversight

Deer hunting season extended.

HF437-Drazkowski (R) Agriculture, Rural Economies & Veterans Affairs

Open lot agreement deadline extended.

HF438-Ruud (DFL) Health Care & Human Services Policy & Oversight

Medical assistance coverage modified to include consultations with psychologists, and medical assistance reimbursement rate increased for critical access mental health services.

HF439-Norton (DFL) K-12 Education Policy & Oversight

Statewide academic standards required for physical education.

HF440-Eken (DFL) State & Local Government Operations Reform, Technology & Elections

Executive officer, judge, or legislator required to be elected by a majority of the votes cast at the general election for the office, and constitutional amendment proposed.

HF441-Rukavina (DFL) Higher Education & Workforce Development Finance & Policy Division

President and Congress memorialized to enact a "New Deal for the New Millennium for Higher Education" to enable states to rebuild public higher education and to increase access to higher education.

HF442-Swails (DFL) Civil Justice

Data release to legal representative provided.

HF443-Swails (DFL) Taxes

Washington County; construction materials and equipment used to construct courts facility exempted, and obsolete provision removed.

HF444-Thissen (DFL) Health Care & Human Services Policy & Oversight

State's suicide prevention plan modified.

HF445-Zellers (R) Taxes

Five-year tax exemption allowed for new facilities and expansions.

HF446-Peppin (R) State & Local Government Operations Reform, Technology & Elections

Women's economic status duties repealed.

HF447-Davids (R) Commerce & Labor

State equity-indexed annuity continuation provided as an insurance product and not as a security, regardless of federal law or policy.

HF448-Mullery (DFL) Public Safety Policy & Oversight

Emergency 911 systems allowed to include referral to mental health crisis teams.

HF449-Mullery (DFL) Public Safety Policy & Oversight

Crisis intervention team grants established.

HF450-Liebling (DFL) Finance

Rochester; Mayo Civic Center Complex design and construction improvement funding provided.

HF451-Murdock (R) Taxes

Small wind power generator installations tax credit provided.

HF452-Murdock (R) Finance

Gold Star license plate created for family members of military personnel who died in active service and plate fee exempted for certain survivors.

HF453-Fritz (DFL) Health Care & Human Services Policy & Oversight

MFIP and food stamp provisions modified.

HF454-Murphy, E. (DFL)
Health Care & Human Services Policy & Oversight
Deceased person disposition provisions modified.

HF455-Dean (R)
Health Care & Human Services Policy & Oversight
Minnesota Hope Act implemented, and state policy for stem cell research established.

HF456-Johnson (DFL)
State & Local Government Operations Reform, Technology & Elections
Indian Affairs Council allowed to conduct meetings by telephone or electronic means.

HF457-Gardner (DFL)
Health Care & Human Services Policy & Oversight
Mortuary science provisions changed.

HF458-Thissen (DFL)
Environment Policy & Oversight
Consumer product development and regulation advisory council created; comprehensive framework established for consumer products that protect, support and enhance human health, the environment and economic development; appointments provided.

HF459-Reinert (DFL)
Commerce & Labor
Duluth; on-sale intoxicating liquor license authorized for the Duluth Entertainment and Convention Arena during intercollegiate hockey games.

HF460-Liebling (DFL)
Health Care & Human Services Policy & Oversight
Crisis nursery grant program established.

HF461-Welti (DFL)
Energy Finance & Policy Division
Farm or ranch natural gas sales exempted from surcharges for utility low-income affordability programs.

HF462-Urdahl (R)
K-12 Education Policy & Oversight
Advisory task force established on improving teacher quality and identifying institutional structures and strategies for effectively integrating secondary and post-secondary academic and career education.

HF463-Urdahl (R)
K-12 Education Policy & Oversight
Students expected to be present and participate in school safety drills.

HF464-Rukavina (DFL)
Transportation & Transit Policy & Oversight Division
Speed limit modified when passing.

HF465-Thissen (DFL)
Civil Justice
Joint and several liability allocated in certain civil actions relating to the illegal sale of an alcoholic beverage.

HF466-Carlson (DFL)
K-12 Education Policy & Oversight
State Board of Education established.

HF467-Davnie (DFL)
Taxes
First tier of commercial-industrial property exempted from state general tax.

HF468-Abeler (R)
Civil Justice
Medical liability actions regulated, and inadmissibility provided of certain health care provider statements, gestures or conduct.

HF469-Greiling (DFL)
Health Care & Human Services Policy & Oversight
Mental health provisions changed, criminal justice and public safety amended, public safety grants created, children's mental health services amended, loan forgiveness program created, additional medical assistance coverage provided for mental health issues, rate increases provided, fatality review team created, studies required and mental health funding provided.

HF470-Thissen (DFL)
Taxes
Participation fee and program fee requirements amended, and credit allowed for contributions to pre-kindergarten scholarship granting organizations.

HF471-Solberg (DFL)
Finance
Grand Rapids; wastewater treatment facility reconstruction funding provided.

HF472-McNamara (R)
Finance
Hastings; ISDN 200 allowed to participate in the alternative facilities bonding and levy program.

HF473-Thissen (DFL)
Health Care & Human Services Policy & Oversight
Health care professionals task force established.

HF474-Thissen (DFL)
State & Local Government Operations Reform, Technology & Elections
Bounce-back annuity allowed when provided for by a marriage dissolution decree.

HF475-Winkler (DFL)
Taxes
Start-up and emerging Minnesota businesses credit for investment provided.

HF476-Kohls (R)
Taxes
Full property tax early payment discount provided.

HF477-Thao (DFL)
Environment Policy & Oversight
Portable bear stands allowed to be left overnight in wildlife management areas, and barrel use allowed when baiting bear.

HF478-Kahn (DFL)
Commerce & Labor
Direct wine shipment restrictions repealed.

HF479-Lenczewski (DFL)
Taxes
Revenue commissioner required to conduct a study of the metropolitan fiscal disparities program.

HF480-Rukavina (DFL)
Higher Education & Workforce Development Finance & Policy Division
Mountain Iron economic development authority authorized to form a limited liability company.

HF481-Kahn (DFL)
Taxes
Minneapolis downtown taxing area modified and deposit of certain tax revenues provided.

HF482-Smith (R)
Environment Policy & Oversight
Licenses to take deer and angle without a fee provided upon discharge from military service.

HF483-Lesch (DFL)
Finance
Nonprofit organization grant provided to provide emotional support and help to families and friends of persons who have died by homicide, suicide or accident.

HF484-Lanning (R)
Public Safety Policy & Oversight
Salvia divinorum added to Schedule I of the controlled substance schedules.

HF485-Anderson, P. (R)
Finance
Pope/Douglas waste-to-energy facility funding provided.

HF486-Eastlund (R)
Transportation & Transit Policy & Oversight Division
Trunk highway system routes removed or altered.

HF487-Hackbarth (R)
Environment Policy & Oversight
Non-resident all-terrain vehicle operators required to possess a state trail pass.

HF488-Kohls (R)
Taxes
Additional aid to certain cities provided.

HF489-Kohls (R)
State & Local Government Operations Reform, Technology & Elections
Periodic sunset and evaluation of state agencies provided.

HF490-Olin (DFL)
Finance
Saint Vincent; flood hazard mitigation funding provided.

HF491-Liebling (DFL)
Health Care & Human Services Policy & Oversight
Prescription information prohibited for marketing of pharmaceutical products.

HF492-Kahn (DFL)
Commerce & Labor
Certain persons under the age of 21 allowed to drink alcohol under certain conditions.

HF493-Kahn (DFL)
State & Local Government Operations Reform, Technology & Elections
Provisional certificate of election provided in certain circumstances.

HF494-Bunn (DFL)
Finance
Closed landfill cleanup appropriation changed from revenue bond proceeds to user-financed general obligation bond proceeds.

HF495-Kalin (DFL)
State & Local Government Operations Reform, Technology & Elections
Reimbursement of certain costs provided of the Campaign Finance and Public Disclosure Board by individuals who file frivolous complaints.

HF496-Scalze (DFL)
Finance
Metropolitan Regional Parks System funding provided for operation and maintenance.

HF497-Mullery (DFL)
Civil Justice
Firearm data access authorized by parole and probation authorities.

HF498-Murphy, E. (DFL)
Health Care & Human Services Policy & Oversight
Tuberculosis case investigation state funding required.

HF499-Murphy, E. (DFL)
Finance
Heart disease and stroke prevention funding provided.

HF500-Gardner (DFL)
Environment Policy & Oversight
Recycled water standards provided.

Thursday, February 5

HF501-Mariani (DFL)
K-12 Education Policy & Oversight
Alternative graduation means created for students who have not successfully passed the Minnesota basic skills test.

HF502-Brown (DFL)
Commerce & Labor
Video pull-tab game rules adoption authorized.

HF503-Persell (DFL)
Finance
Bemidji; veterans facility funding provided.

HF504-Kahn (DFL)
Health Care & Human Services Policy & Oversight
Women's heart health program established.

HF505-Poppe (DFL)
Higher Education & Workforce Development Finance & Policy Division
Minnesota State Colleges and Universities; applied science degree requirements modified.

HF506-Abeler (R)
Health Care & Human Services Policy & Oversight
Licensed mental health professional counselors included as qualified providers under medical assistance.

HF507-Paymar (DFL)
Agriculture, Rural Economies & Veterans Affairs
Ethanol producer payment program repealed.

HF508-Bly (DFL)
K-12 Education Policy & Oversight
Congress of the United States memorialized to not reauthorize the No Child Left Behind Act in its current form.

HF509-Hilstrom (DFL)
Public Safety Policy & Oversight
Public defender representation provisions modified.

HF510-Juhnke (DFL)
Agriculture, Rural Economies & Veterans Affairs
Pesticide control law, and the fertilizer, soil and plant amendment law provisions changed.

HF511-Marquart (DFL)
Taxes
Seasonal recreational property tax deferral program provided.

HF512-Simon (DFL)
State & Local Government Operations Reform, Technology & Elections
Agreement Among the States to Elect the President by National Popular Vote enacted.

HF513-Davids (R)
K-12 Education Policy & Oversight
Ninth and 10th grade pupils allowed to participate in college in-school programs.

HF514-Mullery (DFL)
Finance
Minneapolis parkway improvement funding provided.

HF515-Peppin (R)
Public Safety Policy & Oversight
New penalties created for criminal neglect of a vulnerable adult.

HF516-Peppin (R)
Health Care & Human Services Policy & Oversight
New mandated health benefit moratorium established.

HF517-Severson (R)
Public Safety Policy & Oversight
Victim of criminal sexual conduct medical examination payment allocated and limited.

HF518-Atkins (DFL)
Ways & Means
Budget forecast date changed.

HF519-Nelson (DFL)
State & Local Government Operations Reform, Technology & Elections
Nonconforming lots in shoreland areas regulated.

HF520-Olin (DFL)
Finance
Native plant, forage and turf seed research funding provided.

HF521-Thissen (DFL)
Health Care & Human Services Policy & Oversight
Volunteer health practitioner provisions modified.

HF522-Hayden (DFL)
Finance
Bridges rental housing assistance program funding provided.

HF523-Bigham (DFL)
K-12 Education Policy & Oversight
School background check requirements modified relating to disciplinary actions.

HF524-Mullery (DFL)
Public Safety Policy & Oversight
County jail reentry project established.

HF525-Mullery (DFL)
Public Safety Policy & Oversight
Current DWI ignition interlock device pilot program expanded by two years and applied statewide.

HF526-Otremba (DFL)
Taxes
Tax filing requirements modified.

HF527-Juhnke (DFL)
Ways & Means
Budget projection statute technical change made.

HF528-Davnie (DFL)
Commerce & Labor
Reverse mortgage requirement eliminated, counseling by an independent housing agency mandated, lender default regulated, liability imposed on a subsequent purchaser of a reverse mortgage, right of rescission provided and suitability defined.

HF529-Sailer (DFL)
Finance
K-12 public school renewable energy project grant funding provided.

HF530-Nelson (DFL)
State & Local Government Operations Reform, Technology & Elections
Comprehensive plan reviews by adjacent governmental unit time period modified, and water management plan requirements clarified.

HF531-Winkler (DFL)
State & Local Government Operations Reform, Technology & Elections
Office of United States senator or congressional representative vacancy procedures modified.

HF532-Koenen (DFL)
Finance
Renville; wastewater treatment facility funding provided.

HF533-Koenen (DFL)
Finance
Montevideo; veterans home funding provided.

HF534-Davids (R)
Commerce & Labor
Certificates of insurance authorized and regulated.

HF535-Thao (DFL)
Health Care & Human Services Policy & Oversight
Health-related licensing board provisions modified.

HF536-Persell (DFL)
Environment Policy & Oversight
Local match requirements for certain grants modified.

HF537-Abeler (R)
Commerce & Labor
Timely utility payment criteria established.

HF538-Winkler (DFL)
K-12 Education Policy & Oversight
Shared services purchasing program established, school district and charter school participation required, Department of Education required to administer the program and enter a contract with a vendor, program deduction established, guidelines set, rating and improvement system created, annual report updated, definition clarified, teacher requirements made and money appropriated.

HF539-Slocum (DFL)
K-12 Education Policy & Oversight
Children with disabilities provisions modified, and safe school levy required to pay for costs of mental health crisis intervention team training for peace officers.

HF540-Koenen (DFL)
Taxes
Rural vacant land assessment provided, and recapture modified that applies to certain property in the green acres program.

HF541-Juhnke (DFL)
Agriculture, Rural Economies & Veterans Affairs
Eligibility time frame extended for the surviving spouses of disabled military veterans to receive the residential homestead market value exclusion.

HF542-Smith (R)
Civil Justice
Grandparent visitation rights on behalf of child provided, grandparent visitation rights expanded, procedures specified and mediation required.

HF543-Scott (R)
Civil Justice
Child support provisions and deadlines changed, and payment of child support redirected.

HF544-Faust (DFL)
Early Childhood Finance & Policy Division
Human services commissioner instructed to amend a rule.

HF545-Champion (DFL)
State & Local Government
Operations Reform, Technology & Elections
Civil rights restoration notice required.

HF546-Nelson (DFL)
Commerce & Labor
New class of brewer created and license fee established.

HF547-Lieder (DFL)
Finance
Local match for federal stimulus grants requirement eliminated for airport project costs.

HF548-Lieder (DFL)
Finance
State airport fund money appropriated.

HF549-Davnie (DFL)
Commerce & Labor
Debt management and debt settlement services regulated.

HF550-Ruud (DFL)
Health Care & Human Services Policy & Oversight
Sexually transmitted infections and teen pregnancy prevented, sexually transmitted infection prevalence and health care system cost studied and responsible family life and sexuality education program created.

HF551-Kalin (DFL)
Public Safety Policy & Oversight
Predatory offender risk-level assessment process amended, penalties increased and training required regarding predatory offenders for those who care for children and vulnerable adults.

HF552-Norton (DFL)
Finance
University of Minnesota and Mayo Foundation partnership research money appropriated.

HF553-Dittrich (DFL)
K-12 Education Policy & Oversight
Online learning provider requirements modified.

HF554-Davnie (DFL)
Finance
Minneapolis; emergency operations center and regional fire training center funding provided.

HF555-Anzelc (DFL)
Environment Policy & Oversight
Utility permit money specified to be deposited in the permanent school fund, and exchanges of riparian lands administered by the commissioner of natural resources allowed for other lands administered by the commissioner without certain restrictions.

HF556-Morrow (DFL)
Finance
Minnesota Assistance Council for Veterans grant provided for continued outreach to homeless veterans in Minnesota.

HF557-Severson (R)
Agriculture, Rural Economies & Veterans Affairs
State procurement preferences authorized for veteran-owned small businesses and disabled veteran-owned small businesses.

HF558-Severson (R)
Taxes
Military retirement pay subtraction provided and military retirement pay credit repealed.

HF559-Howes (R)
Environment Policy & Oversight
Artificial lights used to locate animals provisions modified.

HF560-Hansen (DFL)
State & Local Government
Operations Reform, Technology & Elections
Finance commissioner duties added.

HF561-Davids (R)
Taxes
Class 4c property classification requirements modified.

HF562-Wagenius (DFL)
Finance
Higher education asset preservation standards modified.

HF563-Urdahl (R)
Finance
Livestock investment grant money appropriated.

HF564-Urdahl (R)
Agriculture, Rural Economies & Veterans Affairs
Whey ethanol feasibility study and report required.

HF565-Abeler (R)
Health Care & Human Services Policy & Oversight
Chiropractor license provisions changed.

HF566-Magnus (R)
Taxes
Wind energy production tax inclusion removed.

HF567-Gunther (R)
Finance
Bioscience business development public infrastructure grant program expanded.

HF568-Eken (DFL)
Transportation & Transit Policy & Oversight Division
Becker County Veterans Memorial Highway designated on portions of marked Trunk Highways 34 and 87.

HF569-Sailer (DFL)
Environment Policy & Oversight
Recycled paint pilot program implementation required by paint manufacturers.

HF570-Champion (DFL)
Transportation & Transit Policy & Oversight Division
Rest area activities prohibited.

HF571-Sailer (DFL)
Transportation & Transit Policy & Oversight Division
Mini truck titling, registration and operation regulated.

HF572-Haws (DFL)
Transportation & Transit Policy & Oversight Division
Veteran status designation provided on drivers' licenses and Minnesota identification cards.

HF573-Juhnke (DFL)
Public Safety Policy & Oversight
Minnesota Puppy and Kitten Mill Cruelty Prevention Act; dog and cat breeder required permit created.

HF574-Thissen (DFL)
Finance
Special plates established remembering victims of impaired drivers.

HF575-Simon (DFL)
Transportation & Transit Policy & Oversight Division
Home-school student driving instruction permit provisions modified.

HF576-Carlson (DFL)
Environment Policy & Oversight
Plastic bag recycling provided.

HF577-Hosch (DFL)
Health Care & Human Services Policy & Oversight
MFIP housing penalty repealed.

HF578-Hortman (DFL)
Commerce & Labor
Building and construction contracts and indemnification agreements regulated.

HF579-Olin (DFL)
Environment Policy & Oversight
Lifetime deer hunting license provided to a resident without fee who has been a volunteer firearms safety instructor.

HF580-Hosch (DFL)
Health Care & Human Services Policy & Oversight
MFIP family stabilization and work programs modified.

HF581-Hosch (DFL)
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HF582-Lesch (DFL)
Public Safety Policy & Oversight
Defendant waiver of jury trial requirement changed.

HF583-Severson (R)
Civil Justice
Immunity provided for certain firearms safety instructors, course providers, sponsoring organizations and participants.

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university officials need to have all options on the table.

"I'm making a plea to you as we go through some really tough times together ... I'm hoping that you'll give us the kind of flexibility that we need to manage these changes in the most creative fashion," he said.

Another critic of the tuition cap proposal is Rep. Tom Rukavina (DFL-Virginia), chairman of the House Higher Education and Workforce Development Finance and Policy Division. Rukavina said a tuition cap would basically guarantee staff and faculty layoffs. Aside from putting people out of work, he said this would also damage the quality of education students receive.

"I don't think at this time, when people are getting laid off, losing their jobs and having to go back for retraining, that it's wise to be cutting our higher education institutions," Rukavina said.

Even some students are skeptical of the tuition cap idea. Alex Tenenbaum, a student legislative advocate for the University of Minnesota, testified at a Jan. 27 division meeting that although he would love to see tuition increases capped, he worries about what students would be giving up in return.

"There's a lot of great programs, and if we're going to be putting a cap and cutting funding, then we're going to have to cut a lot of programs that mean a lot to people. We're going to have to get rid of a lot of faculty," he said.

The root problem

The reasons behind the state's ever-rising college tuition rates are complex; to boil it

down to basics, the costs associated with running a higher education institution have increased dramatically while state funding has essentially failed to keep pace, forcing colleges to make up the difference by putting a greater share of the financial burden on the students.

The fact that students are paying more doesn't necessarily mean they're getting more for their money, however. A report released in January by the Delta Project on Postsecondary Education Costs, Productivity and Accountability found that despite the inflated price tag on higher education, spending on actual classroom instruction decreased slightly throughout the United States between 2002 and 2006.

This begs the question of what is driving up the actual cost of higher education. Research points to everything from expanded student services to higher building operation costs; however, the largest factor, by far, appears to be personnel.

According to a 2006 issue paper from the U.S. Department of Education, 75 percent of college costs on average are taken up by faculty and staff salaries and benefits. In Minnesota, this has led to some questions about how colleges and universities are spending their money.


Cindy Phillips, a business professor and president of the faculty association at MSU Moorhead, said at the Feb. 3 hearing that MnSCU's central administrative office was soaking up an increased amount of state funding at the same time campuses are being forced to make cutbacks. She said that if cuts were ultimately necessary, lawmakers should look at reprioritizing funds away from administration and toward actual classroom instruction.

"We would ask that when you make those cuts, you protect our core functions: the teaching and the learning — and that occurs on the campuses," Phillips said.

College officials deny that administrative costs are the problem. Laura King, vice chancellor and chief financial officer for MnSCU, said at a Jan. 29 hearing that MnSCU ranks 46th in the nation for administrative spending on a per-student basis. Still, some lawmakers are skeptical. Rep. Bud Nornes (R-Fergus Falls), the lead Republican on higher education issues, said he'd like to see more data.

"I would like to see some kind of graph or a chart that indicates how has everything else been going up, for example: salaries, contracts and other fixed costs," he said. "Have we just kind of fattened the system, so that it has to operate at that level? Or, 'you raise more money or you have to lay off a lot of people?'"


Rukavina's division has held a series of meetings in recent weeks to hear student and faculty reaction to the governor's higher education budget proposals. He too said he would like to see more openness and information provided by MnSCU and the university on how they spend their money; however, he also said the short-term solution to higher education funding lies in a broader discussion about how to solve the state's budget deficit.

"The way to fix this whole budget deficit is for the governor to come clean and say, 'We can't do this with just cuts.' We have to raise some revenue, and when we raise some revenue, we can be a little more fair to higher education," Rukavina said. 

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Commission on Minnesota Resources, the plan took 18 months to complete. Researched by dozens of institutions, including the University of Minnesota, it offers several recommendations based on an integrated assessment of the state's natural resources.

"I think it's challenging to look at all of these plans. We have to look at the testimony and at the credibility and capacity to do the projects. We have to look at whether it will result in an outcome," Hansen said. "I believe we need to look at some balance regionally within each of these funds and across the funds."

Gunther said some of the proposed projects, if funded, would utilize two-thirds of the estimated expenditures over the course of the funding. "I'm reluctant to say that I'd put all of my eggs in one basket," he said. He expects lively debate will ensue over which projects should get the council's nod. 


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growth as the whole merit pay idea."

"I think what we are talking about is teacher empowerment," Rep. Keith Downey (R-Edina) said. He supports Q Comp, but won't yet say it should be mandatory.

Rep. Jim Davnie (DFL-Mpls), a middle school teacher, had harsh words for what he characterized as the prevailing mythology around merit pay. He told the House K-12 Education Policy and Oversight Committee Feb. 4 that he doesn't believe "that the one missing component of student performance is teacher pay. And that if you just offer to pay me more I will get off my duff and get to work. As a teacher, I think that's offensive but I also think it's a ham-handed understanding of human motivation." Yet, he said he is "still generally positive" about Q Comp's effects on "the culture of my profession."

But in a tough budget year, the anticipated increasing costs of Q Comp could help decide its future. Some legislators say the data simply doesn't support the governor's claims, and now is not the time to impose its costs — projected at \$66 million for the current fiscal year — on Minnesota taxpayers. Those numbers are expected to rise to a projected \$166 million (\$120 million in state aid, \$46 million in levy) in the upcoming biennium.

"Is now the time to be expanding this statewide?" asked Rep. Denise Ditrach (DFL-Champlin). "This is a huge policy shift for the state of Minnesota to be investing this much money and a certain portion of it property taxes, to fund teacher compensation." 

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MINNESOTA INDEX

Child abuse, neglect and protection

| | |
|--|------------------------|
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— M. Cook

Sources: Jan. 22, 2009, presentation to the House Public Safety Finance Division by Judy Nord, staff attorney, State Court Administration Office; *Minnesota's Child Welfare Report, 2007; Report to the 2008 Minnesota Legislature, Department of Human Services, Children and Family Services Administration, Child Safety and Permanency Division, August 2008; Prevent Child Abuse Minnesota.*

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