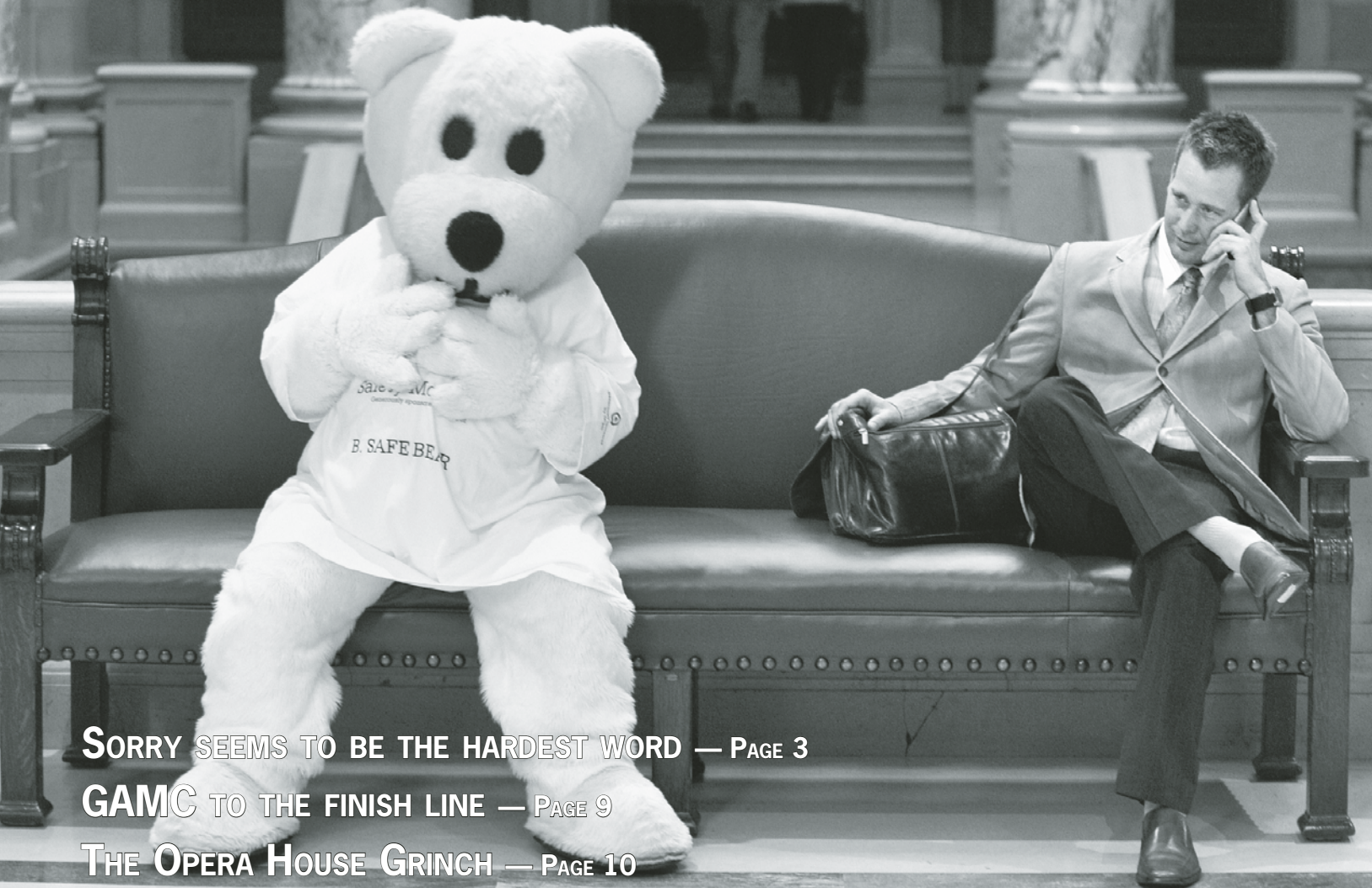


# SESSION WEEKLY

A NONPARTISAN PUBLICATION  
MINNESOTA HOUSE OF REPRESENTATIVES • PUBLIC INFORMATION SERVICES  
VOLUME 27, NUMBER 8 • MARCH 26, 2010



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HF3715 - HF3744

## SESSION WEEKLY

Session Weekly is a nonpartisan publication of Minnesota House of Representatives Public Information Services. During the 2009-2010 Legislative Session, each issue reports House action between Thursdays of each week, lists bill introductions and provides other information. No fee.

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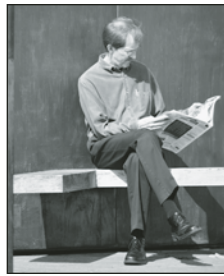
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Session Weekly (ISSN 1049-8176) is published weekly during the legislative session by Minnesota House of Representatives Public Information Services, 175 State Office Building, 100 Rev. Dr. Martin Luther King Jr. Blvd., St. Paul, MN 55155-1298. Periodicals postage paid at St. Paul, Minn., and additional offices. POSTMASTER: Send address changes to Session Weekly, House Public Information Services, 175 State Office Building, 100 Rev. Dr. Martin Luther King Jr. Blvd., St. Paul, MN 55155-1298.

Printed on recycled paper which is 50% recycled, 30% post-consumer content.



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On the cover: B. Safe Bear, aka Erin Kotoski, mascot of the American Red Cross Twin Cities Area Chapter, shares a second floor bench in the Capitol Rotunda March 18 with Brent Urdahl, a lobbyist for the fish farming industry. Red Cross members came to the Capitol to meet with legislators and raise awareness of programs and services the organization provides in Minnesota.

— Photo by: Tom Olmscheid

# Saying 'sorry'

House resolution would apologize for practices done decades ago

By LAUREN RADOMSKI

**M**anny Steinman was only a child during the eight years he spent at Faribault State Hospital, but some things he'll never forget.

He remembers the kind teachers, counselors and other staff who cared for him, as well as the friends he made before leaving the facility in 1968. Steinman, who has bipolar disorder, also recalls unpleasant times during his stay: He required stitches after a night watchman hit him over the head for a bathroom accident Steinman couldn't control.

"I never got an apology for it," he said.

More than 40 years later, Steinman is hoping he'll finally get an apology — and not just for a specific incident. He is among the people backing HF1680, a resolution from the Legislature apologizing to the tens of thousands of Minnesotans with disabilities and mental illnesses who were committed to state hospitals. The resolution acknowledges ways in which some patients' quality of life was diminished, including subjection to frontal lobotomies, isolation and medical

experiments. The resolution also recognizes the painful decisions that faced parents like the Steinmans, who were forced to choose between institutionalizing their child or providing all of his required care themselves.

Sponsored by Rep. Karen Clark (DFL-Mpls), the bill was approved by the House Health Care and Human Services Policy and Oversight Committee March 11 and awaits action by the full House. A companion, SF1135, sponsored by Sen. John Marty (DFL-Roseville), awaits action by the Senate Rules and Administration Committee.

"It would be great if you could pass a few simple words: 'I am sorry for the treatment (you) received,'" said Carol Robinson, a board member for Advocating Change Together, a St. Paul-based disability rights organization. "It would mean a lot to us."

Minnesota's state hospitals were created by the Legislature in the late 1800s as a way to provide lifelong care for people with disabilities. Following the opening of the St. Peter Asylum for the Insane in 1866, nearly a dozen facilities were established to house and treat adults with mental illness, developmental disabilities, alcoholism and epilepsy.

By the 1960s, new drugs and treatment methods, coupled with advocacy by disability rights groups, prompted lawmakers to consider

First Reading continued on page 4

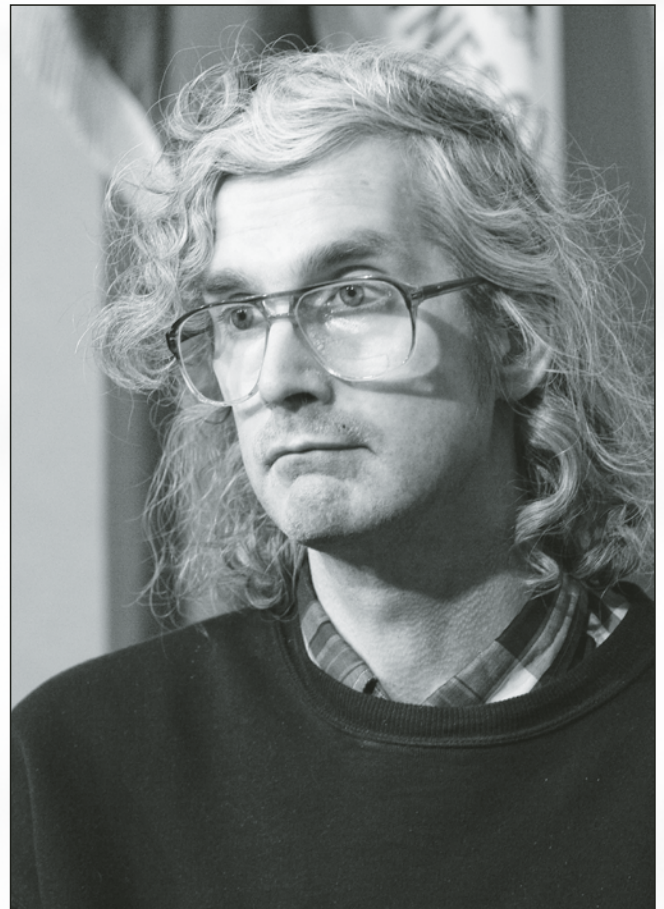


PHOTO BY ANDREW VONBANK

Manny Steinman, a board member with Advocating Change Together, is among the proponents of a legislative apology to Minnesotans institutionalized at state hospitals. Steinman lived at Faribault State Hospital as a child in the early 1960s.

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**a·pol-o·gy** (ə pāl' jē) **n., pl. -gies** [LL. (Ec.) *apologia* < Gr. *apologia*, a speaking in defense < *apologeisthai*, to speak in defense < *apo-*, from + *logos*, speech:

SEE LOGIC] **1.** A formal spoken or written defense of some idea, religion, philosophy, etc. **2.** an acknowledgment of some fault, injury, insult, etc., with an expression of regret and a plea for pardon **3.** an inferior substitute; makeshift [he is a poor *apology* for an actor]

From Webster's New World Dictionary of the American Language, Second College Edition

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First Reading continued from page 3

new ways of service delivery. Over the next three decades, policymakers developed an approach that allowed people with disabilities to receive services while living in their communities. Large institutional facilities closed in the 1990s and clients were relocated to adult foster homes and other community-based arrangements.

Earlier this month, the Department of Human Services announced a plan to redesign services for people with mental illness. The redesign, which would close or transform several current state facilities, would also result in new psychiatric care centers statewide.

‘Should not have happened’

Supporters of the legislative apology say the measure is long overdue. U.S. Rep. Betty McCollum sponsored similar legislation as a state representative in the late 1990s, but withdrew her bill after amendments on the House floor threatened to water down the language. Opponents feared a formal apology from the Legislature would prompt former patients or their families to sue the state, something that could happen with or without the bill, said Rick Cardenas, co-director of ACT. Many states have issued apologies, not only for institutionalization in general, but for specific practices like those listed in the Minnesota bill, Cardenas said. He does not know of other states being taken to court over their apologies.

Other critics of the McCollum bill said they felt it was a slap in the face to former employees of state hospitals. Cardenas doesn’t see it that way.

“In no way is this to blame the employees of those institutions at that time,” he said. “However, it was a policy of the Legislature, of the government, to allow those sorts of treatments to happen.”

Public officials also played a role in demonizing people with disabilities and mental illness, said Luther Granquist, a retired attorney whose successful class-action suit on behalf of people with mental retardation in the 1970s contributed to the closing of state hospitals. In a 1925 speech to state officials, the superintendent of the Faribault facility described what he called “the menace of the feeble-minded.”

“He basically said these people are a menace, we need to confine them,” Granquist said. Minnesota lawmakers, fearful that mental illness and disabilities were hereditary, required female patients at the Faribault

facility to be sterilized before they were discharged, a practice that continued through the late 1940s.

Granquist disputes a third objection to the legislative apology:

that it would lead to countless apologies to other groups – American Indians, for example – that were also discriminated against by state policies. Those apologies are probably appropriate, Granquist said.

“We have, as a nation and as a state, done some really horrendous things... We have failed to meet human need and been demeaning to people in a manner that should not have happened.”

Members of ACT, most of whom have a disability, hope Clark’s bill will help prevent “demeaning” treatment indefinitely. Her legislation includes not only an apology, but a commitment from the Legislature to provide

*The resolution acknowledges ways in which some patients’ quality of life was diminished, including subsection to frontal lobotomies, isolation and medical experiments.*

Remembering With Dignity

A disability rights group backing the apology bill is also working to honor Minnesotans who died in state hospitals.

Advocating Change Together estimates nearly 13,000 people who died in state hospitals since the late-1800s were buried in anonymous graves on hospital property. Grave markers took the form of concrete cylinders, metal stakes or wooden stakes inscribed only with a number, said ACT co-director Rick Cardenas. To members of ACT, the shoddy markers are a reminder of how people with disabilities were denied basic human rights and dignity.

So in the mid-1990s, ACT teamed up with other advocacy groups to create “Remembering With Dignity,” an effort to replace the anonymous markers with personalized ones. As part of the project, ACT obtains lists of patient names and numbers for each facility, matches the numbers with corresponding graves, and orders new nameplates for each patient, listing dates of birth and death. The project has received intermittent funding from the Legislature over the past several years; a \$125,000 appropriation is included in this year’s bonding law.

Remembering With Dignity has restored more than 5,600 graves at facilities including St. Peter, Hastings, Anoka and Cambridge, with the goal of addressing all of them by 2015. Some of the participants, like ACT board member Manny Steinman, are intimately familiar with the property where they’re working. Steinman, who lived at Faribault State Hospital as a child in the early-1960s, went back for the first time as part of the restoration project.

— L. RADOMSKI

future assistance to people with disabilities. Cardenas sees this provision as especially important in light of looming budget cuts to health and human services.

“I think with some of the cuts that we’re looking at in this legislative session and probably next legislative session, future Legislatures will be apologizing for the treatment that people seem to be facing at this time,” he said.

Minnesota State Agencies

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Health .....	651-201-5000				
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**Editor's note:** The following Highlights are coverage of select bills heard in House committees and other House activities held March 18-25. Designations used in Highlight summaries: HF-House File; SF-Senate File; Ch-Chapter; and \*- the bill version considered by the House or the bill language signed by the governor.

## AGRICULTURE

### Ag and vets omnibus bill

The House Agriculture, Rural Economies and Veterans Affairs Finance Division approved March 24 an omnibus bill that would make technical and policy changes to various agriculture and veterans programs.

Sponsored by Rep. Al Juhnke (DFL-Willmar), HF2678 would:

- add an official from the Animal and Plant Health Inspection Service of the United States Department of Agriculture, or a peace officer from the county sheriff's office, to those who could make a personal inspection of a farmer's livestock loss due to a gray wolf;
- make technical changes to pesticide applicator references;
- permit the agriculture commissioner to waive

- certain review fees for businesses that sell prepackaged foods, such as video stores;
  - repeal the loan incentive program for Native Grasses and Wildflower Seed Production;
  - allow nonprofit farms less than 40 acres in size to use profits for educational purposes and be exempt from corporate farm land requirements;
  - permit cities and towns to charge fees and spend money for county extension work, such as 4-H programs;
  - require certain conditions to be met before Minnesota would be granted a federal waiver in regards to Ethanol-15, including that all cars could use the ethanol mixture, and the Department of Commerce could specify how long it could take gas stations to set up for the ability to deliver E-15;
  - require banks to extend credit to feed mills at the beginning of the process of mediation, resulting in mills being paid for that feed;
  - detail procedures on the proper way to fold and present the state flag; and
  - permit the commissioner of veterans affairs to determine a suitable site and plan for three new state veterans cemeteries in northeastern, southeastern and southwestern Minnesota.
- Rep. Doug Magnus (R-Slayton) said the

### Legislature to take a break

No Session Weekly on April 2

The Legislature will be on a Passover/Easter break with no committee meetings or sessions scheduled March 30 through April 5. There will be no Session Weekly on April 2, but we will resume publication the following week. However, look for posts on Session Daily next week when news from the House warrants.

House offices will remain open except on Friday, April 2.

The House is scheduled to meet in session at noon on April 6, after which committees and divisions will resume meeting.

division has done the best it can, calling it a "good bill, good for the state, good for agriculture and veterans community."

The bill now goes to the House Finance Committee. A companion, SF2737, sponsored by Sen. Dan Skogen (DFL-Hewitt), was to be heard March 25 by the Senate Agriculture and Veterans Budget and Policy Division.

— P. OSTBERG

### Budget bill conferees continue work

House and Senate conferees are working out their differences on a bill that would solve

## FEELING WARM



PHOTO BY TOM OLMSCHIED

David Larson, a landscape architect with the Department of Transportation, reads on a bench at the Roy Wilkins Memorial on a sunny, warm March 18.

roughly one-third of the state's \$994 million projected budget deficit.

Sponsored by Rep. Lyndon Carlson, Sr. (DFL-Crystal) and Sen. Richard Cohen (DFL-St. Paul), HF1671\*/ SF3223 would reduce the deficit by as much as \$314 million. Members of a conference committee met March 23 to begin ironing out differences between the House and Senate versions of the bill.

The House version, passed 80-51 on March 22, includes \$214 million in spending cuts and \$98 million in revenue changes (mostly one-time transfers to the General Fund). The Senate version, passed 43-23 the same day, includes \$236 million in cuts and \$78 million in revenue changes.

Both bills cover a wide range of budget areas, including nearly every area of state spending except K-12 education and health and human services. While overall similar, the bills have differences in several areas. In general, the House version cuts less than the Senate version in many areas, including:

- local aids and credits (\$105 million vs. \$105.9 million);
- higher education (\$46.7 million vs. \$48 million);
- public safety (\$22.7 million vs. \$32.2 million);
- economic development (\$7.9 million vs. \$8.6 million);
- transportation (\$5.7 million vs. \$9.5 million);
- agriculture and veterans (\$5.7 million vs. \$8 million); and
- state government (\$5.4 million vs. \$9.1 million).

The House cuts more than the Senate in one area: environment and energy (\$15.1 million vs. \$13.1 million).

Along with the differences in budget cuts, the bills differ in terms of policy language. Side-by-side comparisons of the bills are available on the House's Web site.

Speaking for Gov. Tim Pawlenty, Minnesota Management & Budget Commissioner Tom Hanson said both bills are "something we can work with." Pawlenty has called for deeper cuts to local aids and credits, and also wants \$200 million for the state's cash flow account.

Cohen, who co-chairs the committee with Carlson, said he expects the conference report to be finished by March 29, with the goal of having the House and Senate vote on it before the Passover/Easter break.

— N. BUSSE

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## CONSUMERS

### New law bans 'live checks'

Signed  
by  
the  
governor

"Live checks" are checks that obligate consumers to purchase goods and services they don't necessarily want and may not even be aware of. They're often mailed to people under the

pretense of being rebate checks for a product they already purchased.

In reality, live checks come from third parties who obtain consumers' credit card information without their knowledge. Consumers who cash the checks are often surprised to find charges show up on their credit card statement for purchases they didn't know they were making by cashing the checks.

The checks usually contain fine print informing consumers that cashing them obligates them to buy something, but consumers often don't see it. Moreover, they are seldom aware that their credit card information has been transferred to the third party that sent the check.

A new law bans the distribution of live checks, and classifies them as a deceptive practice under the state's consumer protection laws. Sponsored by Rep. Andrew Falk (DFL-Murdock) and Sen. Kathy Saltzman (DFL-Woodbury), the law takes effect Aug. 1, 2010.

The law does not apply to checks sent from credit card companies as a benefit for their customers, or to similar checks from other lenders or financial institutions.

HF2599/SF2439\*/CH192

— N. BUSSE

## EDUCATION

### Special school seeks special help

Students from Metro Deaf School-Minnesota North Star Academy told the House K-12 Education Finance Division March 23 there is no other school that offers them the same level of access to social, learning and leadership opportunities. They urged the division to support a bill that would alleviate the charter school's cash flow problems.

Rep. Carlos Mariani (DFL-St. Paul) sponsors HF3404, which would allow the Education Department to adjust its payments to any school with fewer than 150 students where 100 percent of its students qualify for special education services. MDS-MNSA, with 100 preschool through 12th-grade students from 39 school districts, is the only school that would now qualify for the exception.

"This school is really important to many of us," said Allison Porter, a senior from Minneapolis, through an ASL-English translator. She likes having "direct communication" with teachers and staff who are all bilingual in ASL and English.

Junior Matt Welstad said he's developed leadership skills and improved his academics after transferring to the school as a sophomore from a Silver Bay public school where he was the only deaf student.

School Administrator Dyan Sherwood said \$500,000 in payments delayed by the Education Department, plus the 27 percent unallotment shift made last year, caused a "cash flow crisis" requiring the school to seek a \$700,000 line of credit.

The proposal would accelerate regular special education aid payments to the school, but slow cash flow proportionately to all other districts and charter schools by the same total dollar amount, estimated to be \$615,781.

"All charter schools are in severe financial cash flow problems," noted Rep. Paul Anderson (R-Starbuck). "Are there other schools that are close to meeting the criteria?"

"All schools are under stress in the state of Minnesota," said Mariani, adding that the "truly unique nature of this particular charter school" merits unique treatment.

The bill was laid over for possible inclusion in the division's omnibus bill. Sen. Kathy Saltzman (DFL-Woodbury) sponsors a companion, SF3000, which was laid over for possible inclusion in an omnibus bill March 24 by the Senate E-12 Education Budget and Policy Division.

— K. BERGGREN

## ELECTIONS

### Absentee ballot board creation

Signed  
by  
the  
governor

Cities, municipalities and school districts must establish a board to examine absentee ballots, under a new law signed March 24 by Gov. Tim Pawlenty.

Sponsored by Rep. Ryan Winkler (DFL-Golden Valley) and Sen. Katie Sieben (DFL-Newport), the law creates a board to accept or reject absentee ballots based on several factors including: the voter's name and address on the return envelope match information provided on the application; the voter signed the certification on the envelope; the voter's driver's license, state identification number or the last four digits of their Social Security number match that provided on the application; and the voter has not already voted at that election.

Winkler said the law will “ensure that absentee ballots and applications are treated equally across the state.”

The Office of the Secretary of State will report to the Legislature every two years statistics related to the state’s absentee ballots, such as the number of ballots sent and received by voters, and the number rejected and reasons why.

In the 2008 election, 12,000 absentee ballots were rejected and two of those were done so improperly, Winkler said.

Most of the law is effective June 25, 2010, except the ballot board creation, which is effective March 25, 2010, and a requirement that the official in charge of the absentee ballot board must mail the voter a written notice of absentee ballot rejection 6-10 weeks following the election takes effect Oct. 28, 2010.

HF3111\*/SF2622/CH194

— P. OSTBERG

## ENERGY

### Eminent domain revisions passed

Property owners would be afforded a few more rights during eminent domain proceedings when their land is needed for the placement of a high-voltage transmission line or natural gas and petroleum pipelines, according to a bill passed by the House 123-5 March 23.

Sponsored by Rep. David Bly (DFL-Northfield), HF1182 now awaits action by the full Senate. Sen. Kevin Dahle (DFL-Northfield) is the Senate sponsor.

A 2006 law protects utilities from having to pay for appraisals or property owner’s attorneys fees. In the wake of a proposed CapX2020 transmission line, property owners in several counties complained that some of the protections were unfair. CapX2020 is a joint initiative of 11 utilities that plan to expand the electric transmission grid from Bemidji to La Crosse, Wis.

The bill would allow property owners to recoup some of their costs, under certain conditions, such as appraisals and attorney fees, from the utility seeking eminent domain privileges, but only for the placement of a high-voltage transmission line of 100 kilovolts or more, substations, a natural gas or petroleum products pipeline, or an ancillary station.

The bill was amended in committee by Rep. Torrey Westrom (R-Elbow Lake) to include policy language that directs the Public Utilities Commission to give existing public corridors top priority when siting high-voltage transmission lines or natural gas and petroleum pipeline.

— S. HEGARTY

### Policy supports lower consumption

Low-income users of electricity could see a higher threshold on the amount of kilowatt-hours eligible for discounted rates.

Sponsored by Rep. Bill Hilty (DFL-Finlayson), HF3493 would increase the electric rate discount from 300 to 400 kilowatt-hours of energy consumed in a billing period. The House Energy Finance and Policy Division approved the bill March 19 and sent it to the House floor. Sen. Ellen Anderson (DFL-St. Paul) sponsors a companion, SF3051, which awaits action by the full Senate.

Inverted block rates would also be authorized to support the state policy goal of reducing annual energy sales by 1.5 percent. Inverted block rates allow residents who consume less energy to pay less per kilowatt-hour than higher consumption users. The goal is to encourage lower energy usage by rewarding those who consume less, Hilty said. A similar pilot project is underway with CenterPoint Energy natural gas customers.

An amendment unsuccessfully offered by Rep. Torrey Westrom (R-Elbow Lake) would have supported the intrastate production and sale of incandescent light bulbs in Minnesota beyond the federally mandated deadline in 2012. Westrom said members of the deaf community have expressed problems with using the newer compact fluorescent bulbs in hearing-impaired devices.

— S. HEGARTY

## ENVIRONMENT

### Division approves omnibus bill

Regulations and funding associated with recreation, water quality, forest timber and landfills comprise the omnibus environment finance bill.

The House Environment and Natural Resources Finance Division approved HF3702 March 25 and referred it to the House Finance Committee. Division Chairwoman Rep. Jean Wagenius (DFL-Mpls) is its sponsor.

Recreational changes proposed include recreational vehicle and boat registration exemptions for tribal governments and for older model snowmobiles and ATVs. Horse riders would no longer be able to ride off-trail to avoid paying a trail pass since the pass would be expanded to off-trail riding. Blue Earth River would be added to the list of boating and canoe routes, which would be renamed “state water trails.” Cross-country skiers would pay more for passes and the money used to maintain or construct trails.

New requirements would have to be met before issuing a groundwater use permit and a task force would be created to address

subsurface sewage treatment system issues.

Leases of state forestland would be allowed for up to 50 years, and any unsold timber could be liquidated for less than its appraised value. Another provision is intended to help timber and wood industry workers with 30 or fewer employees bid on harvesting smaller tracts of land.

Clarifying information was included to help the Pollution Control Agency draft new rules regulating landfills and the financial assurances required by their owners.

A few amendments were approved. A provision allowing 100 percent disabled veterans free state park admission was broadened to include free daily admission for veterans who are partially disabled. Another would allow utility license applicants to combine separate applications into one joint application and to pay one fee.

A companion, SF3275, sponsored by Sen. Ellen Anderson (DFL-St. Paul), is scheduled to be heard March 26 by the Senate Environment, Energy and Natural Resources Budget Division.

— S. HEGARTY

## HEALTH

### Ambulance service fees proposed

Plagued by decreasing revenue and increasing costs, ambulance services outside the Twin Cities metropolitan area are asking for help to stay afloat.

They could find some relief in HF3701, which would allow struggling, nonurban ambulance services to impose a fee on local governments in the regions they serve. Ambulance services shown to have a deficit in a given calendar year could set a fee to be collected the following year, provided a local government has not already paid one.

Rep. Bill Hilty (DFL-Finlayson), the bill’s sponsor, believes the situation he’s witnessed in his district is common in other parts of the state. Ambulance services are required to care for the people in their regions, “but often many of the recipients of that service are not required or contracted or in any way obligated to pay for that service,” he told the House Housing Finance and Policy and Public Health Finance Division March 23.

O.J. Doyle, a lobbyist for the Minnesota Ambulance Association, agrees. Some local government units already subsidize ambulance services, but not all. In some areas, there’s an attitude of, “Why should we pay them? They have to do it anyway,” Doyle said.

Rep. Brita Sailer (DFL-Park Rapids) said she was concerned how additional fees would affect local governments dealing with cuts

in state aid. Doyle replied that it was not the intention to increase the burden on local officials. Ever since a drastic cut to Medicaid reimbursement in the late-1990s, ambulance services have worked with lawmakers to find creative solutions to lost funding, he said. At the same time, the costs associated with 24/7 ambulance availability continue to rise.

The bill was laid over for possible omnibus bill inclusion. Sen. Tony Lourey (DFL-Kerrick) sponsors a companion, SF3248, which awaits action by the Senate Finance Committee.

— L. RADOMSKI

### Supplemental budget in early April

The House Health Care and Human Services Finance Division will wait until early April to release its supplemental budget bill.

Cuts in the bill will be significantly less than originally expected, Division Chairman Rep. Thomas Huntley (DFL-Duluth) said. Policymakers anticipated upwards of \$300 million in cuts earlier in the session; the current projection is \$154 million.

"My guess is that it will get somewhat better," Huntley said. He believes the figure could fall to around \$100 million by the time division members are scheduled to discuss the proposal April 6.

The \$154 million projection assumes Congress will extend a temporary increase in the federal government's share of state

Medicaid expenses. Minnesota is expected to see an influx of \$408 million should the extension pass. The budget target also reflects reduced costs associated with General Assistance Medical Care.

Another major factor in the budget planning process is the passage of federal health care reform. Beginning April 1, states will have the ability to expand Medicaid eligibility with financial help from the federal government. That would mean major changes for Medical Assistance, Minnesota's Medicaid program.

"Instead of a state-funded program where there's no federal rules or criteria, now we're subject to all of the Medicaid rules and criteria, and there are a lot," Department of Human Services Assistant Commissioner Brian Osberg told the House Health Care and Human Services Finance Division March 24. He is waiting on the Centers for Medicare and Medicaid Services to detail the eligibility criteria and benefits package associated with the Medicaid expansion.

Some legislators are eager to see the federal changes implemented in Minnesota. Huntley sponsors HF3713, which would expand Medicaid coverage to childless adults under 75 percent of federal poverty guidelines beginning April 1. The division took no action on the bill, whose companion, SF3310, sponsored by Sen. Linda Berglin (DFL-Mpls), awaits action by the Senate House and Human Services Budget Division.

— L. RADOMSKI

## HIGHER EDUCATION

### A shorter path to work

Students in technical education programs could find a shorter path into the workforce, under a bill approved by a House committee.

Sponsored by Rep. Joe Mullery (DFL-Mpls), HF2499 would require the Minnesota State Colleges and Universities system to study ways that students in technical programs could earn work credentials with fewer credits. Students could be more quickly certified to work in their fields, while still earning credits that could apply to a degree later on.

Mullery said the idea is to create a "ladder" to help people, especially in minority communities, work their way up through college programs while also establishing a career.

"They can get to work with the certificate and then build the ladder and go up — first to livable wage jobs and then to much better jobs later," Mullery said.

The House Finance Committee approved the bill March 22 and sent it to the House

floor. A companion, SF3247, sponsored by Sen. Ken Kelash (DFL-Mpls), awaits action by the Senate Higher Education Committee.

The bill would direct MnSCU to collaborate with the Minnesota Chamber of Commerce, labor unions and representatives of industry groups on the study, and report back to the Legislature by Feb. 15, 2011.

JoAnn Simser, MnSCU's state director for career and technical education, testified in support of the bill, and said MnSCU is already working on "a number of initiatives that support this effort."

Committee Chairman Rep. Lyndon Carlson, Sr. (DFL-Crystal) told Simser he has heard complaints about some community and technical colleges closing down programs because not enough students in them are earning degrees, even though they're getting the required work credentials. Simser responded that MnSCU would look into the issue.

— N. BUSSE

## HOUSING

### Home warranty dispute resolution

Helping homeowners and contractors resolve home warranty disputes out of court is the goal of a bill that received an informational hearing March 23.

Sponsored by Rep. Marsha Swails (DFL-Woodbury), HF3386 is proposed as a way to avoid costly court battles over home repairs or new construction that homeowners believe to be faulty. It would provide an alternative dispute resolution process through the Department of Labor and Industry, and clarify expectations for contractors and homeowners to inspect and repair damaged property.

Charles Durenberger, enforcement services manager at the department, said the bill stems from legislation vetoed last year by Gov. Tim Pawlenty that would have allowed homeowners to recoup attorney's fees when they prevail in a lawsuit against a builder. After he vetoed the bill, Pawlenty directed the department to look for ways homeowners and builders could avoid lawsuits altogether.

Durenberger said he put together a stakeholder task force that met several times last year to hammer out an agreement that would be amenable to all sides. He said the task force included builders and insurers, as well as homeowners who had been through legal disputes "to the bloody end."

"What we were trying to do was come up with a proposal that we could get in bill form that everybody could live with," Durenberger said.

Swails hopes the compromise outlined in the bill will help resolve an issue that she said



PHOTO BY ANDREW VONBANK

**Amy Goodlin, whose son suffers from severe allergies, testifies before the House Housing Finance and Policy and Public Health Finance Division March 24 in support of the omnibus public health bill.**

has been ongoing for many years, including in her own community.

"I come from a community, Woodbury, that has been hard hit by a lot of homes that have water intrusion issues, mold. I've been in several of those homes. I've seen that damage that has been done," she said.

The House Higher Education and Workforce Development Finance and Policy Division held an informational hearing on the bill. Swails said she expects the House Finance Committee to hold a hearing and act on it sometime after the Passover/Easter break.

A companion, SF2832, sponsored by Sen. Kathy Saltzman (DFL-Woodbury), has been laid over for possible omnibus bill inclusion by the Senate Economic Development and Housing Budget Division.

— N. BUSSE

### Housing spending approved

Proponents of a \$30 million housing bill say the legislation could result in about 1,200 new construction-related jobs. The big question is whether the state can afford it.

Rep. Karen Clark (DFL-Mpls) sponsors HF3678, which would permit the Housing Finance Agency to issue up to \$30 million in "challenge program bonds" for its Economic Development and Housing Challenge program, which offers an incentive for private employers to contribute to affordable housing projects. The money would be distributed as grants and loans for land acquisition and projects meeting program standards.

The bill received broad support from housing developers and construction representatives at a meeting of the House Housing Finance and Policy and Public Health Finance Division March 16. Proponents called the legislation a jobs bill that would provide needed housing and jump-start the struggling construction industry.

"We all know that housing was the impetus for the economic collapse affecting us all, and until we fix housing, we won't return from the brink of this collapse," said Kim Voss, housing director for Interfaith Outreach and Community Partners in Wayzata.

Clark amended the bill at a division meeting March 24 after HFA officials said they were concerned the bonds would have limited marketability with only the backing of the agency. Under the amendment, debt service would be paid through the General Fund with money withheld from the HFA's challenge fund. Each year through fiscal year 2023, the HFA would receive any of the withheld money that wasn't spent on debt service.

Jeanette Blankenship, HFA policy specialist, said the agency is uncomfortable with the prospect of using current appropriations

to pay off bonds, thus reducing immediate cash flow. Blankenship is also concerned the proposal would set a precedent of individual agencies issuing bonds, rather than going through Minnesota Management & Budget.

Clark reiterated that the bill is permissive and does not require the HFA to issue bonds.

Division members approved the amended bill 8-4 in a roll call vote, sending it to the House Finance Committee. A companion, SF3273, sponsored by Sen. David Tomassoni (DFL-Chisholm), awaits action by the Senate Health, Housing and Family Security Committee.

— L. RADOMSKI

## HUMAN SERVICES

### House, Senate pass GAMC bill

A compromise between Gov. Tim Pawlenty and legislators on how to provide basic medical services to an estimated 35,000 low-income Minnesotans awaits action by the governor.

The bill was passed 121-12 by the House March 24 and 50-12 by the Senate the same day.

Sponsored by Rep. Erin Murphy (DFL-St. Paul) and Sen. Linda Berglin (DFL-Mpls), HF802/SF460\* proposes a replacement for General Assistance Medical Care. Beginning June 1, the GAMC population would be served under partnerships of hospitals and clinics — so called "coordinated care delivery systems." These systems would receive state reimbursement for their care of GAMC patients, but at significantly reduced

rates. Hospitals choosing not to participate could receive temporary funding through November.

The current GAMC program is scheduled to end April 1. Under the reform bill, providers would be paid on a fee-for-service basis during the month before the implementation of coordinated care.

On the House floor, lawmakers praised Murphy and Rep. Matt Dean (R-Dellwood) for leading a bipartisan effort to find a solution.

"I think it's important for the people of Minnesota to understand that when we are faced with incredibly challenging issues, this body can work, this process can work for the people that our programs serve and for the people that pay the bills," said Rep. Paul Kohls (R-Victoria).

Murphy reiterated what the reform bill would mean for people "who live in the shadows of our society."

"We have said, 'You still matter to us and even though we don't have a lot of money, we're going to make sure that you get the care that you need.'"

Legislators were also realistic about the bill's shortcomings, particularly the effect on health care providers. Rep. Thomas Huntley (DFL-Duluth) said the proposal is underfunded to the point where some reforms may not work.

Rep. Paul Thissen (DFL-Mpls) was among a handful of Democrats who voted against the legislation, saying the governor had downsized the proposal to the point of being "unworkable."

"Members, by passing this bill today, we are giving into a governor who holds good policy hostage like a playground bully," Thissen said.



PHOTO BY TOM OLMSCHIED

Rep. Erin Murphy, right, receives a hug from Rep. Patti Fritz after the House voted 121-12 March 24 to pass the GAMC compromise legislation.

# Opera House seeks Santa's help

As a child, Rep. Dean Urdahl (R-Grove City) first met Santa Claus at the Litchfield Opera House. Now he's hoping that Santa Claus — in the form of a \$600,000 grant through the arts and cultural heritage fund — will help with efforts to renovate and restore the building.

Built in 1901 and listed on the National Register of Historic Places, the structure is now owned by a nonprofit that is "restoring it to its original grandeur," Urdahl told the House Cultural and Outdoor Resources Finance Division March 24.



PHOTO BY TOM OLMSCHIED

**An illustration of the Litchfield Opera House rests on the chair of Rep. Dean Urdahl prior to the March 24 House Cultural and Outdoor Resources Finance Division hearing. Urdahl sponsors a bill to seek funds for restoration of the historic landmark.**

A longtime advocate for the building's preservation, he took a unique approach as he sought division approval to have HF2632, which would appropriate the funds, held over for possible inclusion in an omnibus bill. There is no Senate companion.

As part of his presentation, Urdahl read a poem — a parody on Dr. Seuss' "How the Grinch Stole Christmas" — that he'd written several years ago, and was printed in the Litchfield newspaper.

— L. SCHUTZ

## The Opera House Grinch

by Rep. Dean Urdahl

Every Litch  
Down in Litch-ville  
Liked old buildings a lot  
But the Grinch  
Who lived in West-Litch  
Did Not!

The Grinch hated old buildings  
Tear them all down he said  
We need them no more, the builders are dead  
We need not the red courthouse, he snapped  
The Depot is gone, the old library's crap  
And what of downtown, old structures of brick  
Demolish them all before I get sick

The Duchess of 4th Street was fairly aghast  
These buildings are special, we must make them last  
We can't build them up once they are down  
This is our history, the heart of our town.  
The Grinch snarled at Duchess, his eyes burning bright  
"And get that darn Opera House out of my sight."

It's an ugly old building, the walls full of mold  
And Santa never went there, whatever I'm told  
It's not worth the money and it has no use  
Smash every brick so we've no more to lose.  
The Duchess turned pale, she said quiet as a mouse  
"You want to destroy our dear Opera House."

"The State has money, a nice tidy sum  
Not just this year, but for years to come.  
And as for uses, the House has a mission.  
It just takes some planning and people with vision.  
Litch-ville is proud of its buildings and trees  
We must keep who we are, I beg you please."

The Grinch wiped his brow with one ink stained hand  
I'm sorry he said but we saved the bandstand  
That will have to suffice there's no more to do  
I cannot agree with those thinking like you  
Let someone else save it, his heart doubled in size  
But not the city, try free-enterprise.

Murphy successfully amended the bill to include technical language recommended by the Department of Human Services and agreed upon by the governor.

— L. RADOMSKI

### Pharmacy rates approved

More Minnesota communities could lose their pharmacies if legislators do not restore Medicaid reimbursement rates to 2009 levels.

That's according to representatives of the Minnesota Pharmacists Association, who testified before the House Health Care and Human Services Finance Division March 18. According to Executive Director Julie Johnson, while the Legislature has decreased reimbursement rates to pharmacies numerous times over the past several years, the biggest blow came last September, when the settlement of a federal lawsuit resulted in changes to funding formulas used nationwide. The local effect was a further reduction in the reimbursement pharmacies receive from the Department of Human Services.

"We're not asking for an increase in what the state pays us," Johnson said. "We're asking that the state do the right thing and maintain reimbursement as it was prior to the benchmark changes that occurred industry-wide."

Their request takes the form of HF3266, which would modify the Medicaid pharmacy reimbursement rate to offset any reduction in payment as a result of the federal lawsuit. Sponsored by Rep. Erin Murphy (DFL-St. Paul), the bill was held over for possible inclusion in a division omnibus bill. Sen. Yvonne Prettner Solon (DFL-Duluth) sponsors a companion, SF3146, which awaits action by the Senate Health and Human Services Budget Division.

Many pharmacies around the state are already struggling. For every Medicaid prescription that a pharmacy fills, it must fill two and a half additional prescriptions to break even, said Jeff Lindoo, a pharmacist who spoke on behalf of the pharmacy community.

It's to the point where some pharmacies will not fill Medicaid prescriptions. In April, Walgreens intends to stop accepting new Medicaid patients in Washington state, where rates are actually better than in Minnesota, Johnson said.

She is concerned failure to reinstate previous reimbursement rates will lead more pharmacies to close. Seventy-six Minnesota pharmacies closed in 2009; about one-third were located in rural communities. These losses are detrimental, as patients lose vital access to appropriate health care, Johnson said.

— L. RADOMSKI

## INDUSTRY

### Preventing lead poisoning

Contractors performing renovations on old buildings may have to comply with federal regulations meant to prevent lead poisoning.

On March 23, the House Higher Education and Workforce Development Finance and Policy Division approved HF3293. Sponsored by Rep. Karen Clark (DFL-Mpls), the bill would bring the state building code into compliance with federal law.

The Environmental Protection Agency requires contractors who renovate buildings built prior to 1978 to take steps to mitigate hazards associated with lead-based paint, and also requires certification for contractors who perform the work. The bill would let the state's Department of Labor and Industry enforce compliance with those rules.

Dan Newman, executive director of the Sustainable Resources Center, said the bill is meant to protect both consumers and contractors. He added that it does not create any requirements above and beyond the federal law.

"The EPA is moving very quickly to get firms certified, and there are a number of training providers in Minnesota working as hard as possible to get people trained," he said.

The bill now goes to the House Finance Committee. A companion, SF3128, sponsored by Sen. Ken Kelash (DFL-Mpls), awaits action by the full Senate.

— N. BUSSE

### Accountant requirements clarified

Signed  
by  
the  
governor

Certified public accountant licensing standards will be clarified, under a new law.

Sponsored by Rep. Joe Atkins (DFL-Inver Grove Heights) and Sen. Ann Rest (DFL-New

Hope), the law consists of technical changes to clarify current statutes regarding CPAs.

Changes brought by the new law include adding the word "certified" in front of "public accountant" in several areas of statute, and adding "in accordance with" in other areas.

The law is effective Aug. 1, 2010.  
HF2706\*/SF2252/CH191

— N. BUSSE

### New rules for real estate agents

Signed  
by  
the  
governor

Beginning next year, real estate agents in Minnesota will have to comply with new continuing education requirements.

A new law sponsored by Rep.

Joe Atkins (DFL-Inver Grove Heights) and Sen. Linda Scheid (DFL-Brooklyn Park) adds a number of requirements supported by the Minnesota Association of Realtors.

Effective Jan. 1, 2011, residential real estate brokers and sales associates must receive several hours of training each year in a "module" format that covers topics of current interest to the profession. A test on the material will be required, and the Department of Commerce must approve the training. The requirement does not apply to commercial realtors.

Additionally, beginning July 1, 2011, real estate associates will have to acquire three years' experience before they can take their real estate broker's examination. Previously, the law required only two years of experience.

Atkins said the real estate industry asked for the changes because they want to enhance the professionalism of those in their industry.

HF2856\*/SF2512/CH190

— N. BUSSE

## LAW

### Audio, videotape evidence

Action seen or heard on a tape should be able to speak for itself. But that is not always the case in some Minnesota courts.

Sponsored by Rep. Steve Simon (DFL-St. Louis Park), HF212 would clarify that a pretrial filing of a written transcript from an audio or videotape in a law enforcement vehicle is not a prerequisite for admission of that recording evidence in a criminal trial or a DWI license revocation hearing.

Passed 130-0 by the House March 23, it awaits action by the full Senate. Sen. Leo Foley (DFL-Coon Rapids) is the Senate sponsor.

"In some jurisdictions in some parts of the state there are courts that are reading into the law a requirement that is not there," Simon said.

Simon previously said all state patrol vehicles and many other police vehicles have dashboard cameras and that there are "tens of thousands of cases" recorded annually. "If every judge were to do this, there would be virtual paralysis in law enforcement of having to produce a transcript each and every time." Simon noted many cases don't even go to trial; thereby potentially forcing agencies to make the time and cover the expense of producing an unneeded transcript.

— M. COOK

If you have Internet access, visit the Legislature's  
Web page at: [www.leg.mn](http://www.leg.mn)

## LOCAL GOVERNMENT

### Town hall meeting minutes

Outdated references to how town hall meeting minutes are signed would be removed from state law, under a bill heading to the governor's desk.

Sponsored by Rep. Jeanne Poppe (DFL-Austin) and Sen. Tony Lourey (DFL-Kerrick), HF3468/SF3167\* would allow the town clerk and a meeting moderator to sign the meeting's minutes. If the town clerk is the moderator, the minutes would also have to be signed by a supervisor in attendance.

The bill was passed 130-0 by the House March 23; 64-0 by the Senate March 17.

Poppe said the changes come at the request of the Minnesota Association of Townships because elections were previously held simultaneously with town hall meetings. Now that events are separate, statutes need to reflect the changes.

— P. OSTBERG

### County could appoint its recorder

Mower County would like to join 27 other counties that allow certain county officers to be appointed, rather than elected.

Rep. Jeanne Poppe (DFL-Austin) sponsors HF3335, which would allow Mower County to make its office of county recorder an appointed position, subject to an 80 percent vote of the county board.

Passed 88-45 by the House March 24, it now goes to the Senate where Sen. Dan Sparks (DFL-Austin) is the sponsor.

Poppe said the issue is "time-sensitive" because the current county recorder, who has held the office for 35 years, is nearing retirement, and the bill would allow the county to hire someone "with the knowledge, skills and abilities to do the job."

Although the bill provides for public input and a reverse referendum option, Rep. Torrey Westrom (R-Elbow Lake), unsuccessfully offered an amendment to require an election to decide whether the office will remain appointive, or the office would revert to election by 2012. He said he wanted to stop the "creep" of "continuing to erode locally elected positions."

Westrom pointed out there is already a process for residents and locally elected boards to vote to make some county positions appointed, "but they shouldn't come to the Legislature and have us bypass this local process."

"It's just time to do it this way. I've done it twice. Rep. Kohls has done it," said Rep. Larry Howes (R-Walker). He pointed out the bill includes a reverse referendum option if local voters want to maintain the elected office.

— K. BERGGREN

### Redistricting commissioners

With the 2010 U.S. Census in gear, the possibility of redistricting is on elected officials' minds, from Congress to local school boards.

In Minneapolis, the school board was recently restructured by voter referendum, from an all at-large board to one composed of six members representing specific zones and three at-large members. Now it seeks permission to appoint two members to that city's redistricting commission, in lieu of current commission members appointed by the majority and minority caucuses of the city council.

Rep. Jim Davnie (DFL-Mpls) sponsors HF2360 that would allow the board to appoint two members to serve on the commission to help redistrict school board districts, but not city council wards. The reverse would hold true for the city council-appointed members, who would be excluded from helping to redistrict the school board districts.

The House passed the bill 129-0 March 23. It now goes to the Senate, where Sen. Patricia Torres Ray (DFL-Mpls) is the sponsor.

Under the bill the new districts would, to the extent possible, hold equivalent distribution of population; retain concentration of racial or language minority populations; consist of "contiguous compact territory;" and, when possible, feature boundaries that run mostly east to west or north to south.

Rep. Laura Brod (R-New Prague) said Sen. Larry Pogemiller (DFL-Mpls) sponsors a bill with the same provisions for legislative districts, and she offered an amendment that reflects "bipartisan agreement that the redistricting process is broken." She hoped that "thinking ahead" about a statewide redistricting process would help to avoid engaging courts in future decisions.

The amendment was ruled out of order after Davnie pointed out it would have amended a statute not included in the bill, "dramatically expanded" the bill's scope, and required a change in the bill's title.

— K. BERGGREN

### Joint powers can include tribes

Signed  
by  
the  
governor

The Mille Lacs Band of Ojibwe was invited to participate in the Northern Lights Express Coalition, a joint powers agreement advocating a railroad project from the Twin Cities to Duluth. The band did so and paid \$48,000 in dues, but discovered that because of an old law excluding tribes from such agreements it could not participate as a voting member.

Gov. Tim Pawlenty signed a new law March 24 that now allows the Mille Lacs Band and

other federally recognized Indian tribes, as well as the Minnesota Historical Society, to enter into joint powers agreements. It is effective Aug. 1, 2010.

Rep. Bill Hilty (DFL-Finlayson) and Sen. Ann Rest (DFL-New Hope) sponsor the law, which Hilty said allows tribes to collaborate with other government entities on shared services such as education, transportation, emergency management, emergency response and economic development.

HF2797/SF2259\*/CH193

— K. BERGGREN

### Duluth rec. area board expansion

The Spirit Mountain Recreation Area Authority operates a Duluth ski area that plans to expand to offer four-season activities and draw more tourism, according to Rep. Roger Reinert (DFL-Duluth).

He said the state authority's board of directors has been working hard to make that happen, and would like to increase from a seven-member board to nine members. Adding two more volunteer members who do not receive any per diem would cost the state nothing, but would help the board carry out its strategic expansion plan, Reinert said.

He sponsors HF2786 that would make the necessary legislative change to expand the board. The House passed the bill 119-10 March 23. It now goes to the Senate, where Sen. Yvonne Prettner Solon (DFL-Duluth) is the sponsor.

An amendment unsuccessfully offered by Rep. Mark Buesgens (R-Jordan) would have abolished the authority, and required the sale of the recreation area to private ownership. He said that while the area "does good things for Duluth" and visitors, all levels of government should re-examine priorities.

"What should government be all about? What should we leave the private sector to do?" he asked, urging members to "stand as a single body and say we are doing things differently" by focusing "on the main thing. That is solving the state's budget problems and fundamentally reforming government and its relationship to the people."

— K. BERGGREN

## SAFETY

### Penalties for guns at school

It used to be that a fistfight would solve problems at school; however, some students now use weapons to settle their differences.

Rep. Sandra Peterson (DFL-New Hope) believes judges should have more options in sentencing someone who brings a firearm to a place of learning.

She sponsors HF3423 that would increase

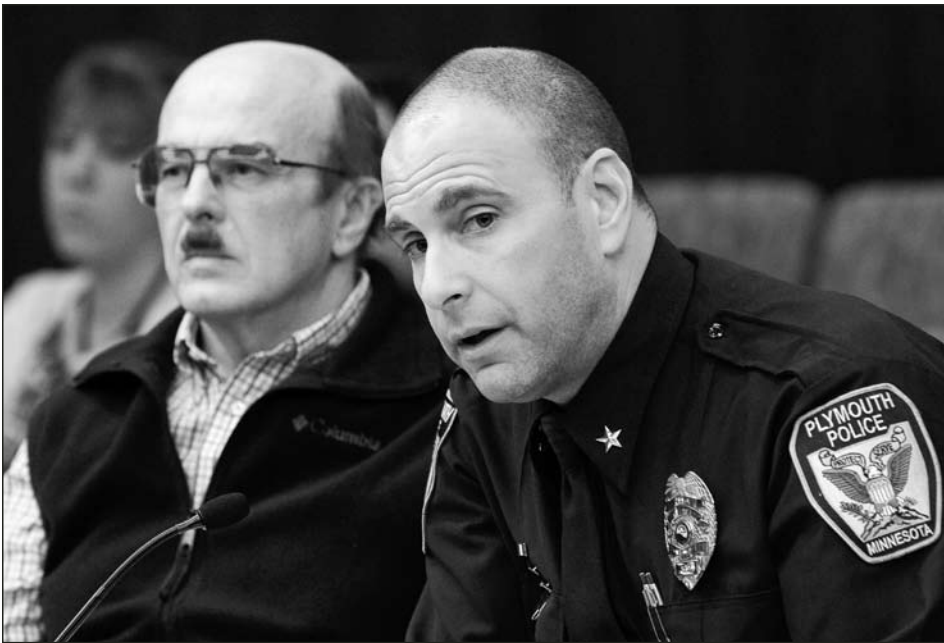


PHOTO BY ANDREW VONBANK

**Joseph Olson, left, president of the Gun Owners Civil Rights Alliance of Minnesota, and Plymouth Police Chief Mike Goldstein testify before the House Public Safety Policy and Oversight Committee March 18 in support of a bill that would increase the criminal penalty for possessing dangerous weapons on school property.**

the penalty from a gross misdemeanor to a felony for knowingly possessing, storing or keeping a firearm on school grounds. It also decreases the penalty for whoever knowingly “uses or brandishes a replica firearm or a BB gun” on school property from a felony to a gross misdemeanor.

Approved March 18 by the House Public Safety Policy and Oversight Committee, the bill awaits action by the House Public Safety Finance Division. A companion, SF2339, sponsored by Sen. Ann Rest (DFL-New Hope), awaits action by the full Senate.

Plymouth Police Chief Mike Goldstein said when a weapon is brought to school the offense usually results in a school suspension or expulsion and criminal charges. “For those who are convicted of weapons-related offenses on school property, the severity level in this case dealing with firearms is a Level I felony, the lowest felony on the sentencing guidelines chart. ... Without a significant criminal history, these criminals face little to no consequences for their actions.” He said bringing a weapon into a courthouse or the Capitol is a severity level four. “We would argue that a school environment should receive the same consideration.”

Rep. Paul Kohls (R-Victoria) called it “a good bill,” but is concerned for the student who unintentionally brings a gun to school, such as leaving a rifle in a vehicle after hunting over the weekend.

With the word “knowingly” in the bill, Peterson said it implies the student knows

what they’re doing, and it isn’t just an accident. “We’re talking here about students who come with the intent — the intent — to do bodily harm. I think those are the ones who we need to look at the sentencing guidelines (for) and give the judge more leeway.”

— M. Cook

### **Chemical screening for juveniles**

When a juvenile is found delinquent, a court must order a mental health screening. It may not be the only evaluation.

Sponsored by Rep. Joe Mullery (DFL-Mpls), HF3137 would also require a chemical use screening upon a finding of delinquency. “We want to find out as soon as possible if they have any chemical addictions so that we can start getting them treated right away. That’s the best way to stop them from further crime,” he said.

Approved March 18 by the House Public Safety Policy and Oversight Committee, the bill awaits action by the full House. A companion, SF2804, sponsored by Sen. Mee Moua (DFL-St. Paul), awaits action by the full Senate.

Cheryl Kreager, associate director of the Juvenile Justice Coalition of Minnesota, said the bill came from the coalition’s substance abuse work group. “The screening tools that are currently approved by the Department of Human Services to do the mental health screenings can be used for the chemical use screening as well, so we don’t need any additional screening tools, we don’t really need any additional training for this.”

Current screening involves asking general questions about alcohol use and its effect on the person’s life to see if follow-up is needed.

If the score indicates a youth needs a chemical health referral they are referred for a chemical health assessment. “We may end up assessing more kids with chemical health use, but that actually would save us in the long run,” Kreager said.

Kreager said courts are not prohibited from now ordering this screen, but they typically order a chemical health assessment only if the infraction was related to chemical dependency.

— M. Cook

### **Keeping juvenile sex offenders away**

For one family in the district of Rep. Keith Downey (R-Edina), a tragic story got much worse after legal action was complete. He hopes to update state statute so it does not happen elsewhere.

HF2845 would explicitly state that a court could ban a juvenile convicted of first- or second-degree criminal sexual conduct from residing “within 1,000 feet or three city blocks, whichever distance is greater, from the victim for a portion or the entire period that the court has jurisdiction over the child.” The court would not have to make a written finding as to why this is in the best interest of the juvenile offender.

The House Crime Victims/Criminal Records Division held an informational hearing on the bill March 18.

In the case in Downey’s district, a boy sexually abused the elementary school girl who lived next door. The case was plea-bargained down to a second-degree offense, and the boy spent a few months in rehabilitation before being sent back home.

“As things unfolded, the family came to the full experience of what it meant to have their next-door neighbor, who has literally raped their child, be placed back in the home next door to them, and realize the impact on their family and on their daughter out in the yard, and going to the bus stop in the morning,” Downey said. “It feels like the victim ends up getting punished.”

Courts already have the right to impose such a restriction; however, Downey said the bill’s goal is awareness that a family going through the plea-bargain process clearly understands that they have this option.

“Oftentimes, in order to affect public policy change, you need to put express language in the statutes so that the judges are educated and feel like they’re able to do it,” said Rep. John Lesch (DFL-St. Paul), the division chairman.

Added Rep. Jenifer Loon (R-Eden Prairie),

"There needs to be a better balancing of victim's interest in full recovery along with the rehabilitation of the offender."

A companion, SF2473, sponsored by Sen. Geoff Michel (R-Edina), awaits action by the Senate Judiciary Committee.

— M. Cook

### Crime coordination council creation

Most law enforcement officers are professional in their duties, but the troubles of the Metro Gang Strike Task Force gave a black eye to criminal enforcement teams.

Rep. Michael Paymar (DFL-St. Paul) wants to make sure what happened with that unit doesn't happen again.

He sponsors HF2965 to create a 17-member Violent Crime Coordinating Council to provide certification requirements for multijurisdictional violent crime enforcement teams, and guidance in investigating and prosecuting gang and drug crimes. Approved March 23 by the House Public Safety Finance Division, the bill awaits action by the House Finance Committee.

A companion, SF2725, sponsored by Sen. Mee Moua (DFL-St. Paul), awaits action by the Senate Finance Committee.

A big change would be authority given the public safety commissioner.

When the commissioner became aware of the gang strike force problem all he could do was shut off funding, but the force's advisory board continues to exist. It would be dissolved, under the bill.

"The commissioner, under this bill, would have to certify the multijurisdictional entities and their designated fiscal agent," Paymar said. "This way if it is determined there were any problems going on with these gang strike forces the commissioner could close them down."

Two reports from last summer indicated that 10 or 12 gang strike force officers may have illegally taken cash or property from people with no gang connections. The reports indicate that cash was missing from strike force storage areas and some property was allegedly taken for personal use by officers.

"We had a situation where the commander, the advisory board and the fiscal agent all seemed to not hold the officers accountable, and we had a period of time where you essentially had a rogue law enforcement entity that really was a black mark on law enforcement. This bill hopes to correct some of those problems," Paymar said.

Melvin W. Carter, a retired St. Paul police officer, knows much needs to be done. "The main tool that law enforcement has above all is trust in the community. ... We've got a lot of credibility to rebuild."

— M. Cook



PHOTO BY ANDREW VONBANK

**Melvin W. Carter, a retired St. Paul police officer, right, testifies March 23 before the House Public Safety Finance Division in support of a bill that would provide greater oversight and accountability for multi-jurisdictional violent crime enforcement teams. Rep. Michael Paymar, left, sponsors the bill.**

## STATE GOVERNMENT

### PFA authority could expand

The Minnesota Public Facilities Authority provides financing programs to help communities build or improve their wastewater treatment and drinking water facilities. Due to an infusion of federal stimulus money last year, the PFA saw an increase in the scope of its work and increased grant-making ability.

Rep. Kory Kath (DFL-Owatonna) sponsors HF2925 that would allow the agency authority to hire staff; make changes to mirror state law with federal language; and expand the type of projects eligible for grants from the Clean Water Revolving Fund.

Currently residing under the Minnesota Department of Employment and Economic Development, the bill would make the PFA its own entity.

"It looks as if we are looking at creating the PFA into a new department," Rep. Mark Buesgens (R-Jordan) said. "To be growing government is befuddling to me."

Kath said the language dealing with staffing necessitated the "umbrella change, if you will, to make sure we are contractually meeting the obligations of the bondholder covenants."

However, it was a major change proposing to double the amount of local bonding authority the agency had the ability to guarantee from \$500,000 to \$1 million for new projects that stopped the bill's forward

progress in the House Finance Committee March 21 where it was rerouted to the House Taxes Committee.

Deputy Director Jeff Freeman said when a city, county or school district bonds for some certain type of projects, the state provides a limited guarantee for the debt obligation. The guarantee provides local governments a chance at a better interest rate. He said the agency has reached the \$500,000 limit, and if the threshold is not raised, it could not offer more credit enhancement opportunities.

Rep. Ann Lenczewski (DFL-Bloomington), chairwoman of the House Taxes Committee, and its Republican-lead, Rep. Laura Brod (R-New Prague), argued that this expanded authority could impact local taxpayers, if for some reason the local entity issuing the bonds would default. This could result in a property tax increase, they said. "It is the tax committee that oversees local debt," Lenczewski said. The bill was heard in the House Taxes Committee March 24, where it was approved and sent to the House floor.

The companion, SF2873, sponsored by Sen. Dennis Frederickson (R-New Ulm), awaits action by the Senate Finance Committee.

— L. SCHUTZ

### Executive agency reductions

Middle management positions and certain state contracts would be reduced under a bill approved March 18 by the House State Government Finance Division.

Sponsored by House Majority Leader Tony Sertich (DFL-Chisholm), HF2690 would require executive branch agencies to reduce professional and technical contracts with out-of-state businesses by about 4.4 percent, prohibit out-of-state travel, eliminate 65 managerial positions and reduce the number of commissioners and assistant commissioners by 25 percent, including nine specific positions. The cuts would produce about \$15 million in savings.

If the 4.4 percent reduction cannot be achieved, the commissioner of Minnesota Management & Budget must attain the savings through executive branch state agency operating budgets.

The bill would further restrict the governor from adding full-time managerial positions during a projected deficit.

"I think in these tough economic times we should prioritize ... if we're spending taxpayer dollars they should be in Minnesota businesses," Sertich said. He also noted that Gov. Tim Pawlenty currently has two deputy chiefs of staff. "I think during this time a chief executive could do with one."

"In general, going after the targeted group level of employment that you are is probably the right one," said Rep. Keith Downey (R-Edina). As technological abilities increase, the need for mid-level management positions goes down, he added. He did say the bill was overly prescriptive in naming of specific positions.

"Why would you not set a goal, rather than wholesale elimination of all these jobs?" asked Rep. Mary Liz Holberg (R-Lakeville). Savings could still come from some reductions rather than "decimating" family budgets of the people who hold the managerial positions, she said.

"The only way to actually book and realize the savings ... is to be prescriptive," Sertich said.

The bill now goes to the House Finance Committee with a recommended re-referral to the House Ways and Means Committee. A companion, SF2169, sponsored by Sen. Richard Cohen (DFL-St. Paul), awaits action by the Senate State and Local Government Operations and Oversight Committee.

— P. OSTBERG

### Government collaboration

A council to increase collaboration between all levels of government would be created under a bill approved March 18 by the House State Government Finance Division.

Sponsored by Rep. Marsha Swails (DFL-Woodbury), HF2840 would create a 12-member council to:

- review laws and rules that slow collaboration

- efforts and develop recommendations;
- improve delivery of governmental services;
- connect entities and share information through the use of technology;
- facilitate credit and debit card transactions and electronic data interchanges; and
- create model forms for joint powers agreements.

Swails said she and Rep. Carol McFarlane (R-White Bear Lake) traveled the state meeting with several service cooperatives that work with school districts in Greater Minnesota. They also visited with superintendents, counties, local government officials and asked, "What are the obstacles that keep schools, counties, cities and towns from sharing services or collaborating?"

The response is the recommendations in the bill, Swails said.

State Auditor Rebecca Otto said much collaboration has occurred, but it's not enough. "I think we have to continue to work in government to see if there is anything more we can do."

The bill now goes to the House Finance Committee. A companion, SF2511, sponsored by Sen. Ann Rest (DFL-New Hope), awaits action by the full Senate.

— P. OSTBERG

### Open meeting law changes sought

Heading to the House floor is a bill designed to help citizens understand open meeting laws. These definitions are included in a bill approved March 18 by the House State and Local Government Operations Reform, Technology and Elections Committee.

Sponsored by Rep. Gene Pelowski Jr. (DFL-Winona), HF2958 would define a public body and a public meeting. It also would clarify rules in cases where a usual meeting room is not accessible by the public to reflect case law that has been decided over the years as well as several updates to reflect current technology.

"The open meeting law was set up to provide transparency so the public could really see decisions happening," said Laurie Beyer-Kropuenske, director of the Department of Administration Information Policy Analysis Division. There have been several occasions across the state where public bodies have tried to make special rules or ban photographing or recording a meeting by the media, said Beyer-Kropuenske. "We wanted to make it really clear that this is a right that the public has to be able to come to meetings, listen and photograph and record."

If the usual meeting room is not generally accessible to the public, a meeting notice would have to be posted in an area accessible

for public viewing at least three calendar days before the meeting.

Rep. Phyllis Kahn (DFL-Mpls) asked whether it's a violation of the open meeting law if several members of a public body all belong to the same blog, with the assumption that they are on the blog perhaps at the same time.

There's always been a question of members gathering in person, at a coffee shop or online, Beyer-Kropuenske said. "Now with electronic means we have the ability to do e-mails or cell phone records to actually prove that members are doing it ... certainly that could happen."

A companion, SF2518, sponsored by Sen. Ann Rest (DFL-New Hope), awaits action by the full Senate.

— P. OSTBERG

### Service contracts changed

Technical changes would be made to state law as it relates to organizations that employ severely disabled people and contract with the state for services.

Sponsored by Rep. Gene Pelowski Jr. (DFL-Winona), HF3096 was approved 129-0 by the House March 23. It would ensure 19 percent of contracts are awarded to organizations that employ severely disabled workers for janitorial services, document imaging and shredding, mailing, collating and sorting services.

"This will help day activity centers, occupational rehabilitation centers and others to ensure those folks are employed," Pelowski said.

Tom Johnson, representing Minnesota Association of Community Rehabilitation-21, earlier told a House committee that the bill would expand the services that are now covered under state law that require a certain percentage of contracts to be awarded.

The bill now awaits action by the full Senate. Sen. Ann Rest (DFL-New Hope) is the Senate sponsor.

— P. OSTBERG

## TOURISM

### Explore Minnesota changes

A technical change to the Explore Minnesota Tourism Council was approved 130-0 by the House March 23.

Sponsored by Rep. Bud Nornes (R-Fergus Falls), HF3143 would remove the reference of "four" from the tourism marketing regions of the state that have representatives on the council.

John Edman, director of Explore Minnesota Tourism, said the change is merely a housekeeping bill. When the council was

created it had four regions; it now has five.

The bill now awaits action by the full Senate. Sen. Mary Olson (DFL-Bemidji) is the sponsor.

— P. OSTBERG

## TRANSPORTATION

### Collecting outstanding fees

One way to put more money in the state coffers is to make sure outstanding taxes and fees are actually paid.

Since 1998, a unit of the Minnesota State Patrol has investigated collection of unpaid motor vehicle taxes and dealer fraud as it relates to registration fees and taxes. Currently, however, Matthew Hodapp, a 28-year State Patrol veteran, is the unit.

Sponsored by Rep. Debra Hilstrom (DFL-Brooklyn Center), HF3310 would fund at least eight additional troopers to investigate sales tax liabilities from individuals and businesses that currently do not pay all taxes owed; and illegal or improper activity related to sales, transfer, titles and registration of motor vehicles. Hilstrom said the organization previously generated enough revenue to pay its own way. Awaiting a fiscal note, she said that only enough troopers would be hired to ensure the unit is self-supporting.

The bill was approved by the House Transportation Finance and Policy Division March 18 and sent to the House Finance Committee.

When the unit began as a pilot program, there were four officers assigned, but as retirements occurred, officers were not replaced.

One of the tax compliance issues the unit investigates is Minnesota residents who register their vehicles in another state because the fees are less expensive.

A companion, SF3156, sponsored by Sen. Steve Murphy (DFL-Red Wing), awaits action by the Senate Transportation Budget and Policy Division.

— L. SCHUTZ

### North Branch veterans honored

Veterans from North Branch, including Marine Cpl. Johnathan Benson, would be honored by renaming a section of road and a bridge in the community, according to a pair of bills passed by the House March 24.

HF2561 would rename the bridge over Interstate 35 the Veterans Memorial Bridge, in honor of all veterans. HF2575/SF2183\* would rename a stretch of Highway 95 in North Branch the "Corporal Johnathan Benson Memorial Highway." Sponsored by Rep. Jeremy Kalin (DFL-North Branch) and Sen. Rick Olseen (DFL-Harris), both bills were passed 133-0.

## ACCESSIBILITY ADVOCATE

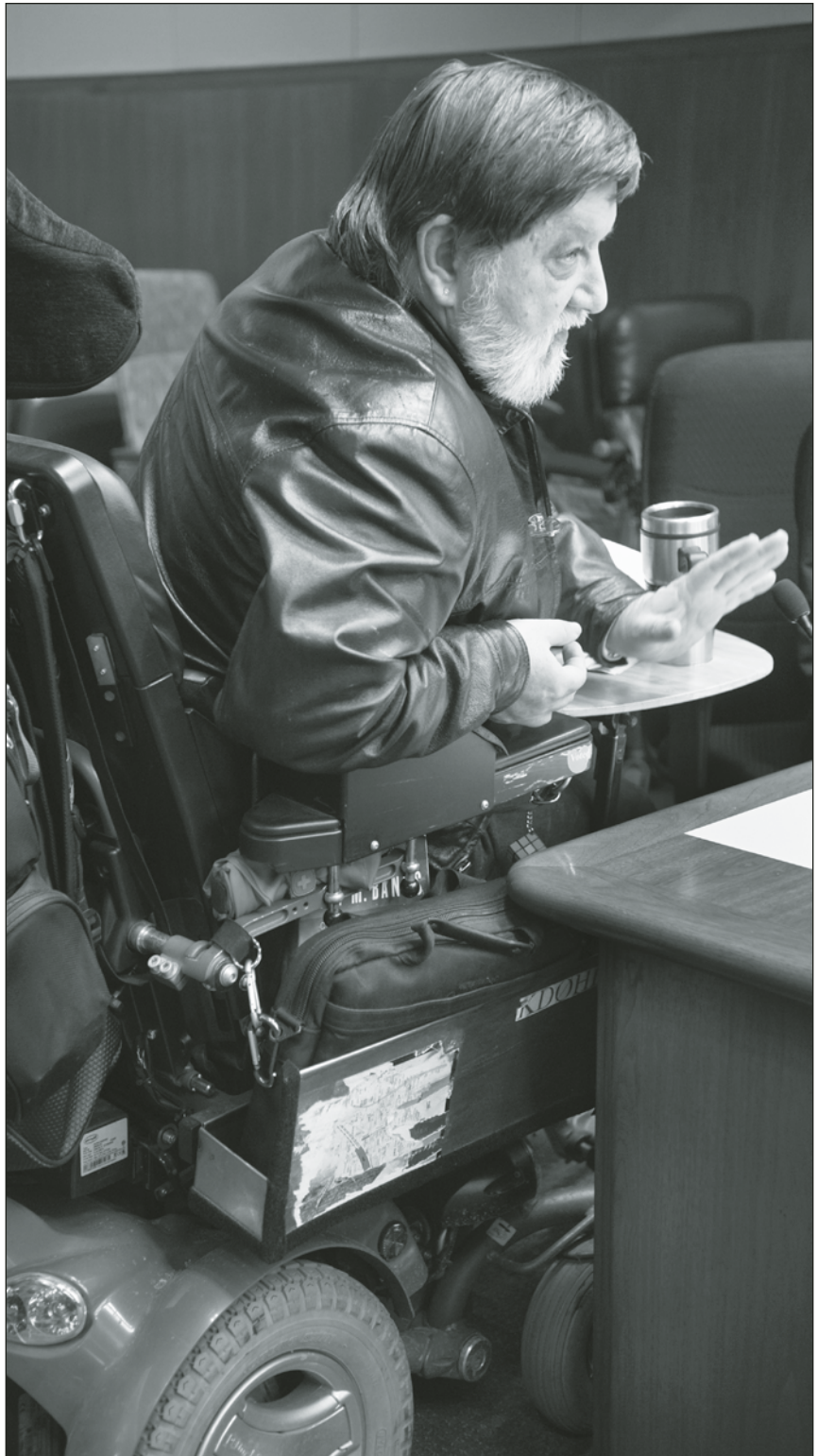


PHOTO BY TOM OLMSCHIED

**Jack Strahan of Minneapolis who is wheel-chair bound, testified on the poor condition of bus shelters that he has encountered as the House Transportation Finance and Policy Division heard a bill March 25 that would require the evaluation of design, maintenance, and accessibility of special service buses at bus shelters.**

The highway bill, passed 66-0 by the Senate March 11, goes to the governor; HF2561 goes to the Senate.

Benson, a graduate of North Branch Area High School, was granted a purple heart when he was wounded during a second tour of duty in Iraq in 2006. He died of his injuries at age 21. The estimated \$1,000 cost for new signs is expected to be paid by community residents, Kalin said.

— S. HEGARTY

### Snow removal allowance passes

Unplowed roads are a public safety hazard, according to Rep. Mike Nelson (DFL-Brooklyn Park), whose snow removal bill passed the House, 133-0, March 24.

HF2231 would allow a road authority to remove snow from unopened or private roads in uncompleted subdivisions where there are five or more lots. The local authority would be required to adopt an annual resolution

finding that a subdivision developer, because of insolvency or pending foreclosure, is unable to maintain the road and that the snow obstructs school buses, public works vehicles or ambulances.

The city or local government could charge the properties within the subdivision for snow removal costs and would be exempt from liability for tort claims resulting from injury to persons or property. It does not exempt road authorities from injury claims due to negligence by the road worker or the local government and its officers.

The bill now goes to the Senate where Sen. Ken Kelash (DFL-Mpls) is the sponsor.

— S. HEGARTY

### Slow down in work zones

When speeds along rural two-lane state highways increased from 55 mph to 60 mph, it had the unintended consequence of increasing speeds in work zones along the highway too.

Current law only allows work zone speeds to be reduced by 15 mph, so Rep. Melissa Hortman (DFL-Brooklyn Park) sponsors HF3263, which would allow the Department of Transportation to reduce work zone speeds on such highways to no more than 40 mph. The House passed the bill March 23 130-0. It awaits action by the Senate Rules and Administration Committee. Sen. Joe Gimse (R-Willmar) is the Senate sponsor.

Rep. Joe Hoppe (R-Chaska) successfully amended the bill to include a requirement that slow-moving vehicles use the far-right highway lane on multi-lane roads. Drivers may be fined \$50 for non-compliance.

Revenue generated by the traffic fines would be deposited into a traffic safety education account in the General Fund. The funds may be used by the State Patrol to conduct traffic safety programs. Driver manuals would be updated beginning in August 2010.

— S. HEGARTY

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Consumer Division  
1400 Bremer Tower  
445 Minnesota St.  
St. Paul, MN 55101  
651-296-3353/800-657-3787  
(TTY) 651-297-7206  
(TTY) 800-366-4812

## Frequently called numbers

Area code 651

### House Public Information Services

175 State Office Building ..... 296-2146  
**Meeting Hotline, House**  
175 State Office Building ..... 296-9283  
**Chief Clerk of the House**  
211 Capitol ..... 296-2314

### House Index

211 Capitol ..... 296-6646  
**Senate Information**  
231 Capitol ..... 296-0504  
**Secretary of the Senate**  
231 Capitol ..... 296-2344  
Voice mail/order bills ..... 296-2343

### Senate Index

110 Capitol ..... 296-2887  
**Meeting Hotline, Senate**  
231 Capitol ..... 296-8088

# Finding funding

Tax 'jobs' bill struggles its way to the House floor

By LEE ANN SCHUTZ

**A** gallery full of union equipment operators came to the House Taxes Committee March 23 to show their support for HF2695, which carries tax incentives designed to jumpstart the construction industry and get them back to work.

The bill, sponsored by Rep. Ann Lenczewski (DFL-Bloomington), contains a variety of new tax incentives for investors who would provide money for credit-strapped small businesses, historical renovations, and help the Mall of America expand. There is also potential help to keep the Ford Motor Company plant going in St. Paul.

It is expected to be heard on the House floor March 29.

Lenczewski has worked closely with the governor and Senate Taxes Committee Chairman Sen. Tom Bakk (DFL-Cook) to bypass a conference committee and have the measure signed quickly into law. The provisions garnered bipartisan support, but the problem is how to fund the tax credits.

Heard in the committee March 15, the bill languished on the table until a funding source could be found — the amount of credits available would hinge on how much money could be put on the table.

Lenczewski first proposed that at least \$10 million of the \$12.8 million needed for the credits in fiscal year 2011 would come from plugging a loophole in the tax code relating to Real Estate Investment Trusts; however, the anticipated savings turned out to be \$1 million.

## Try, try again

She went back to the drawing board, and on March 23 presented the idea to the committee of having the state retain a personal tax exemption set to phase out. This would

apply to the state's high-income earners. According to the Tax Research Division in the Minnesota Department of Revenue this would raise approximately \$76.6 million to pay for the credit through fiscal year 2015, two years longer than the previous proposal.

However, Revenue Commissioner Ward Einess said this most likely would be unacceptable to the governor.

"This is a \$76 million income tax increase, and he has consistently said he is against that. He thinks there are other options on the table," Einess said. "We don't think raising taxes is needed to achieve this very important goal."

Rep. Keith Downey (R-Edina) said there is enough state revenue to pay for the credits, but leadership should set priorities and not try to fund everything. He said that "revitalizing the business climate would stimulate job creation."

With the clock ticking on her goal to have the bill passed off the House floor by the Passover/Easter break,

which begins March 30, Lenczewski called the committee into recess. Later that evening she proposed to fund the credits by beefing up tax compliance. However, with other bills also relying on greater tax compliance for their revenue, Einess said that, at most, about \$10 million more would be generated. That meant the amount available for tax credits would drop to \$20 million through fiscal year 2013.

Before the committee approved the bill and sent it to the House Ways and Means Committee, there was a last minute plea to add language for another project.

Duluth is in the running to become the North American headquarters for a European wind turbine company — and potentially 1,300 new jobs. Up against an aggressive set of incentives from Ohio, Rep. Roger Reinert (DFL-Duluth) asked that provisions

Taxes continued on page 22



PHOTO BY TOM OLMSCHIED

Operating engineers fill the hearing room March 23 to listen to the House Taxes Committee discuss a bill that would encourage job creation.

# Building a better unemployment system

Omnibus workforce policy bill includes help of laid-off workers

By Nick Busse

**M**innesotans lost in the labyrinth of the state's unemployment insurance system might get some help from a bill that won division approval March 25.

Sponsored by Rep. Mike Obermueller (DFL-Eagan), HF2781 is the House's omnibus workforce development policy bill. It contains a number of provisions designed to make life easier for laid-off workers trying to access their unemployment insurance benefits.

Approved by the House Higher Education and Workforce Development Finance and Policy Division, the bill now awaits action by the House Finance Committee.

One provision would require each of the state's 47 workforce centers to have at least one staff

member on hand to answer questions about unemployment insurance. Obermueller says the current system, which relies on a central phone service to answer applicants' questions, does an inadequate job of helping some people.

"We're realizing that there's some value in having someone in the center who can actually help person-to-person," Obermueller said.

Along the same lines, the bill would create a staff of 10 unemployment benefit specialists within the Department of Employment and Economic Development. These staff members would help correct errors on benefit applications and resolve other issues that could lead to an unemployment claim being denied. Obermueller said simple mistakes such as an applicant checking a wrong box on their application often force them into a

time-consuming appeals process.

"It's somebody who can kind of take a second set of eyes on your case and say, 'Hey, here's the easy, obvious fix,'" Obermueller said. "It'll actually save a lot of appeals, I think."

A more controversial provision would make it more difficult for employers to deny a benefit claim because of employee misconduct.

Current law states that employees who are fired for misconduct are eligible for unemployment benefits unless their conduct constitutes a "serious" violation of the

employer's standards of behavior. Obermueller said unemployment law judges often ignore that threshold when making determinations on benefit claims.

"It can't just be that you deserve to be fired," Obermueller said. "Do you also deserve the additional punishment of losing your unemployment benefits?"

The bill would make it clear that an employee's conduct has to be very egregious in order for them to lose their eligibility for unemployment benefits. Obermueller believes it would merely

be reaffirming the intent of the current law, but other House members disagree.

Rep. Sarah Anderson (R-Plymouth) argued the provision would have the effect of rewarding bad behavior. She unsuccessfully offered an amendment that would have removed it from the bill.

"I just don't think that when it comes to individuals that have been that negligent... that they should qualify for unemployment insurance benefits," she said, adding, "If someone intentionally goes against what is involved in their work on a daily basis, that is a bad employee."

Another controversial provision would extend benefit eligibility to some temporary staffing agency workers who choose not to keep taking temp jobs.

With the job losses that resulted from the recent recession, Obermueller said many laid-off workers have taken temp jobs to get by. Under current law, those workers have to notify the temp agency within five days when a work assignment ends in order to be eligible for unemployment benefits. The problem, he said, is that some workers may prefer to go back to looking for permanent work rather than keep taking temp jobs. The bill would effectively remove the five-day rule for some workers, allowing them to resume searching for permanent jobs without losing eligibility.

"You have to keep looking for work, because otherwise you're not eligible for benefits anyway, but you don't have to go back to the temp agency. That's essentially what this does," he said.

Representatives from temporary staffing companies argue the provision could

***"It can't just be that you deserve to be fired. Do you also deserve the additional punishment of losing your unemployment benefits?"***

— Rep. Mike Obermueller  
DFL-Eagan



***"I just don't think that when it comes to individuals that have been that negligent... that they should qualify for unemployment insurance benefits."***

— Rep. Sarah Anderson  
R-Plymouth



Employment continued on page 22

# Raiders of the lost fund

Slew of reforms could boost Permanent School Fund income

By KRIS BERGGREN

**R**ep. Denise Dittrich (DFL-Champlin) spent years learning the complexities of public school funding as a teacher, parent volunteer, Anoka-Hennepin school board member and state representative. But until a legislative field trip to northern Minnesota in 2007, she'd never heard of the Permanent School Fund, a perpetual land trust for schools.

What she discovered was as good as the lost ark sought by Indiana Jones — a boon for schools hidden in plain sight, right under the forest lands and open pit mine Dittrich toured. Set up in the state's Enabling Act as an endowment for public schools, school lands are a legacy of the nation's founders.

Dittrich discovered three things: Minnesota's trust lands are not being fully used to generate revenue for schools; that what revenue exists, mostly from timber harvesting, does not even reach school districts directly; and that one other state, Utah, is a model for reform.

## Easy money from prudent investment

Utah's 1994 reforms turned its school trust fund from a poorly managed, oft-raided "molehill" into a "gold mine" worth \$1 billion, according to Margaret Bird, director of Utah's Children's Land Alliance Supporting Schools. Its proceeds go directly to schools, with local councils determining how the money will be spent, which is often for remediation, learning materials or technology.

"It's easy money, not from taxes, but from prudent and proper investment," Bird told the House K-12 Education Finance Division March 16.

In 2009, income from Minnesota's fund was \$27 million on its \$614 million market value, according to Minnesota Management & Budget. As the fund corpus grows, so will

return on investment; that isn't the problem. Instead it's the state's laissez-faire attitude toward managing the lands and monitoring cash flow, which Dittrich says shortchanges schools.

Managing trust lands falls to the Department of Natural Resources, recently criticized by the Office of the Legislative Auditor for lack of management planning and lack of adequate resources. The DNR charges fees for forest management and administration fees to the trust, as permitted by law, but Dittrich and others say the school trust income has been subsidizing some of the DNR's work.

Wayne Brandt, executive vice president of Minnesota Forest Industries, said "tight budget times" have created "a strong incentive to load costs against the trust." For example, he told the House State and Local Government Operations Reform, Technology and Elections Committee March 1, the school trust is the only government entity in the state that's charged for fire suppression.

According to Bob Meier, DNR assistant commissioner, the department fees for trust land management and administration

nearly doubled between 2004 and 2009, from \$5.98 million to \$11.18 million. In 2009, timber sales receipts were about \$9 million, and gross revenue from minerals activities was \$16.7 million, mainly from iron ore/taconite rents and royalties. Just \$200,000 of forestry income was actually deposited into the fund's corpus that year, Dittrich said. Minerals revenue over \$3 million is automatically deposited into a minerals suspense account.

## "A duty of undivided loyalty"

Determined to create a "new paradigm" along Utah's model, Dittrich is focused on restoring Minnesota's fund to its original purpose and potential. She sponsors a slew of reform bills she hopes will change the way people think about the fund and how it's managed.

One is HF3475, which would establish a quasi-independent state agency, like Utah's Land Trust Administration, to oversee the management of school lands. Bird said the Utah agency upholds one principal value: "a duty of undivided loyalty" to maximize short-term gains for schools while retaining long-term land preservation for future beneficiaries.

Utah has strategically swapped, sold and bought lands to benefit its school trust. In one case, it made school lands available to relocate a colony of endangered prairie dogs that was impeding commercial real estate development elsewhere —

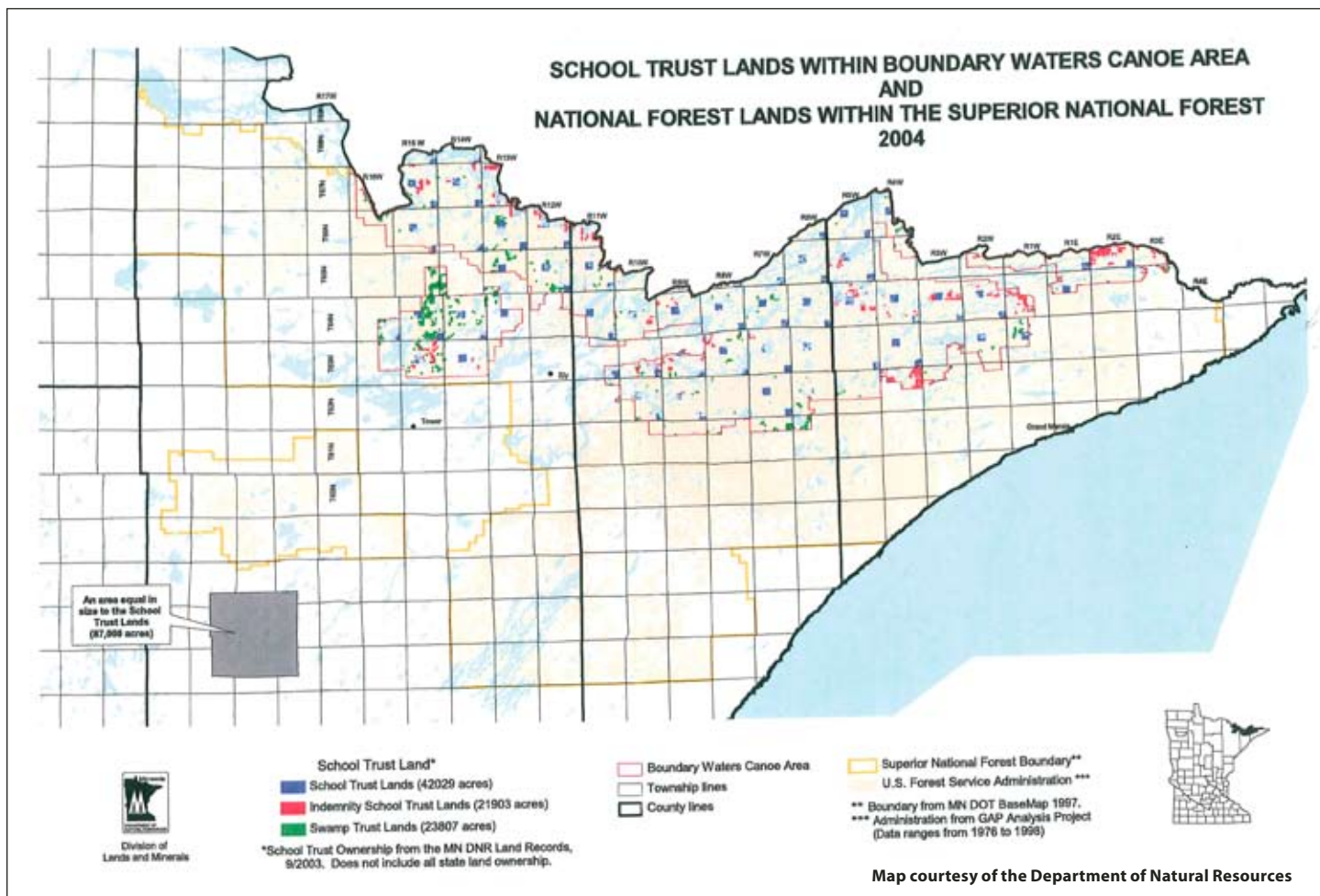
earning \$2,000 per critter. More commonly, it generates around \$150 million in school revenue annually from land sales and leases for a variety of uses including oil and gas, wind power, geothermal fields, telecommunication sites, grazing and farming.

Local environmentalists remain wary that school trust lands could be overdeveloped



***"This isn't a witch hunt. This is really trying to get to the right solution."***

— Rep. Denise Dittrich  
DFL-Champlin



without a vision of conservation.

Steve Chaplin, senior conservation scientist with the Nature Conservancy, told the state and local government committee he is concerned, for example, about 17,300 acres of old growth forests on school trust lands, whose value is “much more significant now than when the lands were originally set aside” because of their scarcity.

Dittrich said there’s a difference between public lands and school trust lands, and that the constitution and state law mandate balancing both the preservation and the use of school trust lands. She said the DNR’s mission of conservation and preservation inherently conflicts with the trust’s purpose of development and land use to generate revenue.

“This isn’t a witch hunt. This is really trying to get to the right solution,” she said.

Rep. Pat Garofalo (R-Farmington) supports enhancing accountability for the fund to get maximum benefit for students, “if we can do it without growing government, by redirecting existing resources.” He said the bill is silent on that.

The bill awaits action by the House Rules and Legislative Administration Committee. Sen. Chuck Wiger (DFL-Maplewood) sponsors a companion, SF3042, which awaits action by the Senate Environment and Natural Resources Committee.

Garofalo has signed on to HF3084/SF2494\*, sponsored by Dittrich and Sen. Tom Saxhaug (DFL-Grand Rapids), a resolution to Congress approving negotiations to swap and sell 86,000 acres of school trust lands within the Boundary Waters Canoe Area to the United States Forest Service. The exchange, said Dittrich, would be worth between \$60 million and \$80 million that would be added to the school trust corpus, or principal, while the lands would be preserved as wilderness.

The Senate passed the bill 62-0 March 15. The House passed it 113-0 March 25. It now goes to the governor.

### Schools begin to see new money

A 2008 law Dittrich sponsored has already begun to put revenue from the fund back into school districts’ pockets. It directed that

investment income from the fund be paid directly to school districts, instead of reducing general education fund payments to districts, which has been the practice since at least 1971, according to Tom Melcher, Education Department program finance director, and possibly since the late 1950s.

“This year, the only new revenue to our schools was school trust land money,” Dittrich said, in the amount of \$34 per pupil.

For Patty Phillips, superintendent of North St. Paul-Maplewood-Oakdale schools, that means about \$374,000 of new money. District leaders haven’t decided yet how to spend it.

“Where do we begin?” said Phillips who is a member of the Permanent School Fund Advisory Committee and went on the 2007 trip. “We have a \$7 million deficit between expenditures and revenue so we will put it to good use.

“I am extremely hopeful and optimistic that we’re headed in a positive direction.”

## Taxes continued from page 18

in the current JOBZ program be extended specifically for the company through 2020, and offer a comparable benefit to the company for a period of 10 years. Over the life of the benefit, tax exemptions could total \$12.7 million.

The bill's funding source — tax compliance — came under stiff questioning before being approved by the House Ways and Means Committee March 24.

Einess noted the department has been very successful with previous audits and bringing in owed revenue. When efforts began, there was a \$12 return for every \$1 spent; that ratio is now 4:1. "The low-hanging fruit has been picked," he said, adding that there is a fine balance between collecting owed money, and being viewed by taxpayers as too aggressive. He also noted that new staff would most likely

be needed because the window of time to make the collections to fund the credits is short.

Lenczewski's amended bill would require any new collection employees hired by the department after April 30, 2010, to conduct new (compliance) initiatives be located in Ely.

Einess countered that the current operation in Ely has 100 employees, and their offices are filled to capacity.

Lenczewski and Rep. Loren Solberg (DFL-Grand Rapids), chairman of the House Ways and Means Committee, said work will continue with the Senate and the governor on some of the more controversial provisions.

The Senate companion, SF2568, sponsored by Bakk, was rolled into a Senate jobs bill, SF2167, sponsored by Senate President James Metzen (DFL-South St. Paul). It awaits action by the Senate Finance Committee. 🏛️

## Employment continued from page 19

deal a devastating blow to their industry, which is already suffering because of the recession. Adding more of their workers to the unemployment rolls means they have to pay a higher unemployment tax rate.

"Those changes would end up costing our companies big time... at a time when we're already laying off people," said Dwayne Hendrickson, an executive at Masterson Personnel. He said the bill "unfairly and unjustly targets an industry that employs over 200,000 Minnesotans every day."

Division Chairman Rep. Tom Rukavina (DFL-Virginia) defended the provision, and said it stems from conversations some lawmakers have had with constituents who feel like they're "locked in the temporary job system." 🏛️

## WATCHING



PHOTO BY TOM OLMSCHIED

**Bryan Lake, government relations director for the Minnesota State Bar Association, watches the House in action on a monitor while sitting in a hallway off the Capitol Rotunda March 25.**

## Monday, March 22

### HF3715-Doepke (R)

#### Taxes

Wayzata; tax increment financing district activities time extended.

### HF3716-Newton (DFL)

#### Agriculture, Rural Economies & Veterans Affairs

Presumption of rehabilitation through a person's honorable military service following a prior offense established.

### HF3717-Atkins (DFL)

#### State & Local Government Operations Reform, Technology & Elections

Public improvement special assessment amounts adjusted on tax-forfeited property.

### HF3718-Westrom (R)

#### Taxes

Homestead classification extended to certain property.

### HF3719-Clark (DFL)

#### Finance

Fee revenue collected by health-related boards annually appropriated.

### HF3720-Emmer (R)

#### Health Care & Human Services

#### Policy & Oversight

Health insurance sales permitted in this state permitted in another state under certain conditions; environmental review requirements, payment of appropriations to public postsecondary systems, employment conditions and taxes modified; angel investment credit allowed; and taxes reduced and repealed.

### HF3721-Mack (R)

#### Health Care & Human Services

#### Policy & Oversight

Cord blood banking related information provisions modified.

### HF3722-Hackbarth (R)

#### Environment Policy & Oversight

Walk-in public access pilot program funding provided.

### HF3723-Murphy, E. (DFL)

#### Health Care & Human Services

#### Policy & Oversight

Medical Assistance coverage provided for food and beverage thickeners used as part of a feeding program.

### HF3724-Rukavina (DFL)

#### Finance

Minnesota low-income housing tax credit provided.

### HF3725-Marquart (DFL)

#### Finance

Mortgage registry tax and deed tax proceed portion appropriated to the Minnesota Housing Finance Agency to be used for creation of affordable housing units.

### HF3726-Hornstein (DFL)

#### Finance

Statewide telework requirements established.

### HF3727-Mullery (DFL)

#### Taxes

Minneapolis; Homeless Assistance Increment District tax increment use provided.

### HF3728-Falk (DFL)

#### Environment Policy & Oversight

Native perennials establishment program created.

### HF3729-Lenczewski (DFL)

#### Taxes

Taxation; technical, policy, administrative, enforcement and clarifying changes made to individual income, corporate franchise, estate, sales and use, lodging, gross receipts, cigarette, tobacco, insurance, property, credits, payments, minerals, petroleum, local taxes, local government aid, job opportunity building zones, emergency debt certificates and various other tax-related provisions.

## Tuesday, March 23

### HF3730-Doty (DFL)

#### Health Care & Human Services

#### Policy & Oversight

Health care providers required to participate in the federal TRICARE program as a condition of participating in state and public health care programs.

### HF3731-Benson (DFL)

#### Finance

School district lines of credit repayment time lengthened, and tax or aid anticipation of credit certificates allowed to be issued for up to two years.

### HF3732-Emmer (R)

#### State & Local Government Operations Reform, Technology & Elections

Employer contribution eliminated on behalf of legislators who participate in the state unclassified employee retirement program.

### HF3733-Reinert (DFL)

#### Taxes

JOBZ tax incentives duration extended.

### HF3734-Kath (DFL)

#### Agriculture, Rural Economies & Veterans Affairs

Federal government urged to provide funding so the state can reimburse medical providers for performing routine procedures and tests on certain veterans.

## Wednesday, March 24

### HF3735-Clark (DFL)

#### Finance

Healthy flooring requirements imposed on bond-financed property.

## Thursday, March 25

### HF3736-Paymar (DFL)

#### Public Safety Policy & Oversight

Gang pointer file required audits to be conducted at least once every two years, five-year purges and parental notification implemented for local gang evidence databases and working group created on gang evidence databases.

### HF3737-Poppe (DFL)

#### Taxes

Class 4c property classification requirements modified.

### HF3738-Drazkowski (R)

#### State & Local Government Operations Reform, Technology & Elections

Minnesota citizen sovereignty affirmed, and constitutional amendment proposed.

### HF3739-Carlson (DFL)

#### Finance

Bond allocation limits modified and transfer authorized.

### HF3740-Lanning (R)

#### State & Local Government Operations Reform, Technology & Elections

Economic development authority requirement changed to create and define development districts.

### HF3741-Solberg (DFL)

#### Finance

Payment schedules modified.

### HF3742-Thissen (DFL)

#### Finance

Community health center grants provided; additional subsidies provided for federally qualified health centers; and money appropriated for long-term homeless supportive services and homeless shelters, other supportive services and the temporary uncompensated care pool.

### HF3743-Otremba (DFL)

#### Health Care & Human Services

#### Policy & Oversight

Treatment required for people requesting admission and who meet the clinical admission criteria.

### HF3744-Eken (DFL)

#### State & Local Government Operations Reform, Technology & Elections

Audit requirements eliminated for very small towns.

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## MINNESOTA INDEX

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State households, as percent, spending at least 30 percent of their income on housing in 2008.....	33.7
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Renters in 2008 who spent at least 30 percent of their income on housing.....	49.1
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— M. Cook

**Sources: Minnesota Milestones, Minnesota State Demographic Center, Feb. 11, 2010; 2008 American Community Survey; U.S. Centers for Disease Control and Prevention; Corporation for National and Community Service.**

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