

SESSION WEEKLY



**SPECIAL SESSION NOT SO SPECIAL
FINANCE BILLS ON THEIR WAY — BUT WHERE?
END-OF-SESSION PUSH-PULL**

HF1705 - HF1736

A NONPARTISAN PUBLICATION
MINNESOTA HOUSE OF REPRESENTATIVES • PUBLIC INFORMATION SERVICES
VOLUME 28, NUMBER 19 • MAY 20, 2011

Flashback to 1991, 2001, 2006

State support and big sporting events

No direct appropriations were approved to fund the Super Bowl and the NCAA men's basketball tournament slated for the Twin Cities in 1992. There is speculation, however, that a \$4 million Department of Trade and Economic Development tourism fund, for non-specified joint ventures, is available and could be used by the state to help finance the two mega events.

Session Weekly May 24, 1991

Racing to the finish line

With only one of the major omnibus finance bills passed, and with a minute left of the 2001 session, House Majority Leader Tim Pawlenty (R-Eagan) motioned to adjourn with a message to state residents:

"Hoping that the good people of Minnesota judge us on our final work after a special session and not on this process, I move that the House do now adjourn." After Gov. Jesse Ventura called a special session June 11, it took 20 days to resolve the budget differences largely between the House and Senate.

Session Weekly May 25, 2001

Honeycrisp gets state designation

A new law designates the Honeycrisp apple as the state fruit. The bill originated as a writing assignment for a class from Andersen Elementary School in Bayport and Rep. Mike Charron (R-Woodbury) and Sen. Brian LeClair (R-Woodbury) were convinced to carry the legislation. The Honeycrisp, a genetically engineered hybrid of the Macoun and Honeygold apple varieties, was developed at the University of Minnesota's Horticultural Research Center starting in the 1960s and formally introduced in 1991.

Session Weekly May 26, 2006

Twins win in final at-bat

A conference committee agreed to a financing package to help support construction of a new Twins ballpark. The plan, later passed by the Legislature and signed into law by the governor, includes \$130 million for the Twins and sales tax exemptions for construction materials estimated at \$14 million over four years beginning in 2007. Approximately 79 percent of the ballpark costs will be paid through a 0.15 percent Hennepin County sales and use tax increase imposed without a voter referendum. The bill also provides \$4 million per year, with a 1.5 percent annual inflation factor, for youth sports and additional public library hours throughout Hennepin County for as long as the tax is collected.

Session Weekly May 26, 2006

Contents

- FIRST READING:** Special session talk surrounds end-of-session • 3-4
- HIGHLIGHTS:** Marriage amendment, voter ID, libraries • 5-16
- AT ISSUE:** Provision in environment finance bill would close a tree nursery • 18
- AT ISSUE:** Tuition increase could be offset by grant increases in higher ed. bill • 19
- AT ISSUE:** Health and human services budget bill remains a sticking point • 20
- AT ISSUE:** Legacy funding bill needs conference to resolve differences • 21
- AT ISSUE:** Tax proposals showcase gap to smooth end of sessions • 22
- BILL INTRODUCTIONS:** HF1705-HF1736 • 23
- MINNESOTA INDEX:** Facts and figures about teaching and learning • 24

SESSION WEEKLY

Session Weekly is a nonpartisan publication of Minnesota House of Representatives Public Information Services. Produced during session, it covers the previous week's news from the House. No fee.

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, 50% post-consumer content.

On the cover: House Speaker Kurt Zellers answers a question during a news conference outside the Governor's Residence after a May 17 early morning meeting with Gov. Mark Dayton. Senate Majority Leader Amy Koch, Senate Deputy Majority Leader Geoff Michel, House Majority Leader Matt Dean and House Way and Means Committee Chairwoman Mary Liz Holberg were also available for questions.

— Photo by Tom Olmscheid

Special session? Not so special anymore

Number 50 since statehood could be imminent

By KRIS BERGGREN

If it's late May, the lilacs are blooming, the school buses are amassing in Capitol parking lots and the question everyone's asking is: Will lawmakers finish their work on time?

This year's session deadline is 11:59 p.m. on May 23.

If legislators don't get their work done, there could be a special session, as there has

been 49 times since statehood, including two brief ones last year. One, held May 17, just hours after the regular session expired, featured a budget-balancing bill; the second, Oct. 18, was for flood relief.

The Minnesota Constitution permits the Legislature to meet in special session on "extraordinary occasions." But with such occasions becoming almost routine, the question is begged: What's special about a special session?

"I think people are expecting a special session at this point. It's clear the governor and majority party haven't reached common ground," said Rep. Kerry Gauthier (DFL-Duluth).

In anticipation of such an event, Rep. Kurt Bills (R-Rosemount), sponsors HF686 that would call for salary reductions for elected officials and agency heads if the budget bills fail to be enacted by the end of the regular session.

"Didn't have many takers on that one," Bills said. "If we go to special session, I would feel that the Senate, the House and the governor didn't get the job done on time and I hope we are not rewarded with more pay/stipends."



"I think people are expecting a special session at this point. It's clear the governor and majority party haven't reached common ground."

— Rep. Kerry Gauthier
DFL-Duluth



"Historically, many sessions have ended with negotiations in the final hours and minutes of session. I'm focused on believing and hoping we will come to a resolution."

— Rep. Glenn Gruenhagen
R-Glencoe



"(I) would like to see us end on time with a balanced budget signed by the governor. But I don't think that will happen."

— Rep. Rena Moran
DFL-St. Paul



"If we go to special session, I would feel that the Senate, the House and the governor didn't get the job done on time and I hope we are not rewarded with more pay/stipends."

— Rep. Kurt Bills
R-Rosemount



PHOTO BY TOM OLMSCHIED

Rep. Mary Murphy, left and former Rep. Tom Pugh share a desk in the Senate Chamber during a special session on Sept. 28, 1989. The House had to meet in the Senate Chamber because the House Chamber was under renovation.

First Reading continued on page 4

First Reading continued from page 3

Rep. Rena Moran (DFL-St. Paul) said her constituents “would like to see us end on time with a balanced budget signed by the governor. But I don’t think that will happen.”

With less than a week remaining, Rep. Glenn Gruenhagen (R-Glencoe) remains optimistic.

“Historically, many sessions have ended with negotiations in the final hours and minutes of session. I’m focused on believing and hoping we will come to a resolution,” he said.

Freshmen perspectives

As the regular session comes to a close, new members reflected on their first year.

Politically and geographically, Gauthier, Gruenhagen, Bills and Moran represent divergent constituencies and passions, and different sets of principles and values. But as first-term legislators they all agree there’s a steep learning curve about how to put those principles into action.

They’re finding their way, listening, learning, influencing and advocating.

“I am working hard to ensure we have a strong education system,” said Moran, whose committee assignments include the House Education Reform Committee. She’s proud the House passed HF563, which she sponsors, that would create full-service school

Special session facts

A special session doesn’t mean legislators are just sitting around at the Capitol. Instead they will wait to hear from their leadership.

It’s the governor who has the constitutional authority to initiate a special session but doesn’t have the authority to limit its scope or length. (Actually, the Legislature could call itself into special session, but only when the state is under attack by enemies of the United States.)

The longest special session lasted 175 days in 1971, with Gov. Wendell Anderson at the state’s helm. Six were called in one biennium, 1981-1982. The first was called by Gov. Alexander Ramsey in 1862 to respond to American Indian-settler conflicts.

Any legislation to be considered must be introduced as new bills – no holdovers from regular session. Expedited procedures are usually used, such as declaring an “urgency” allowing suspension of the requirement that each bill be considered three times on three days in each body of the Legislature. The maximum cost to the House is estimated to be \$21,887 per day.

zones expanding transportation options in some areas. She said the modest proposal could help school districts around the state begin to chip away at the achievement gap by encouraging safer transportation and therefore better school attendance and improved student achievement at neighborhood schools.

Gruenhagen said first-year members have been influential in the majority caucus.

“Most of us were elected on a reform government, live within your means, no new taxes agenda. We have reinforced those principles in the caucus,” he said. He’s passionate about growing the private sector in Minnesota, in order to increase the tax base which will support state services – especially necessary down the road a bit when baby boomers retire in droves and will need those services.

Bills, a member of the House Taxes Committee, agrees. He hopes next year to work with fellow legislators on crafting a “21st century tax policy” for state government.

“The economists are all talking about productivity as the way forward and it’s the way out of our economic situation. I look forward to having those discussions with people now that I’m a little bit more learned,” said Bills, who teaches Advanced Placement economics to high school seniors every morning before coming to work in St. Paul.

On a personal note, Bills said the transition from being the teacher to being a learner has been a challenge. “For 14 years in Room 201 at Rosemount High School, I’ve been the master and commander of my realm. And to come here and to not know everything, that’s been a little bit frustrating just to myself, because I push myself really hard to try to understand everything.”

Gauthier said he’s learned by doing – and by observing strategies that work. For example, he offered an amendment to a bill on the House floor that contained a bill he sponsored but which wasn’t heard in committee. That way, his concerns were aired publicly and brought to the attention of committee chairs.

Gauthier and the others say they enjoy the political debate and exchange of ideas on the floor and in committee. They’re politicians, after all.

The Duluth lawmaker said his biggest disappointment in his first term is that the interests of some Minnesotans are pitched against the interests of others.

“We’ve had a session that’s been about two different Minnesotas: wealthy versus non-wealthy, urban versus rural, young versus old. ... At the end of the day we’re all one Minnesota,” Gauthier said.

“If we are going to do our work here, we have to compromise,” Moran said. 🗽



PHOTO BY TOM OLMSCHEID

Rep. Karen Klinzing and Shawn M. Peterson, director of majority legislative services, talk in a beam of light shining on the right side of the front desk in the House Chamber during a July 13, 2005 blackout at the Capitol during a special session.

Reporting contributed by Sue Hegarty

HIGHLIGHTS

MAY 12 - 19, 2011

Dear readers,

As we put this issue of Session Weekly to bed, it is not clear whether the Legislature will meet the May 23 constitutional deadline for adjournment.

If there is a special session, this will be your last regular Session Weekly for the 2011 legislative session. However, you can look forward to a Session Weekly wrap up in your mailbox after a special session, if one is held.

However, if legislative business is finished on time, Session Weekly staff will immediately get to work producing this session's final issue, which is expected to be produced in early June, after gubernatorial action is taken on all bills presented to Gov. Mark Dayton. It will give you a complete look at the action during the last days of this session.

If you would like to follow the happenings of the House on a regular basis after the regular session ends, consider subscribing to Session Daily for online information when news from the House warrants. For more information go to www.house.mn/list/join.asp?listname=sessiondaily.

You can also follow us on:

Twitter at twitter.com/MNHouseInfo;

Facebook at www.facebook.com/MNHouseInfo; and

YouTube at www.youtube.com/user/MNHouseInfo.

SESSION WEEKLY STAFF

Editor's note: The following Highlights are coverage of select information heard in House committees and other House activities held May 12-19. 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.

Business & Commerce

Maintenance plumbing license created

A new category of licensed maintenance plumber would be created, under a bill passed May 13 by the House 130-1.

Rep. Larry Howes (R-Walker), who sponsors HF632, said the bill would make it easier for small resort owners to do routine upkeep. The bill now awaits action by the Senate State Government Innovation and Veterans Committee. Sen. Bill Ingebrigtsen (R-Alexandria) is the Senate sponsor.

The restricted plumbing license has been problematic for those owners, said Rep. Tim Mahoney (DFL-St. Paul). Rep. John Ward

(DFL-Brainerd) also urged support "for the 'ma and pas' we want to make sure we keep open to continue to build that tourism dollar in our area."

Eligible to take the maintenance plumber's exam are those who have completed four years of practical plumbing experience or four years of experience in maintenance and repair of plumbing equipment, apparatus, or facilities. The plumbing board would be authorized to

adopt rules regarding the new category.

— K. BERGGREN

Conformity in uniform code

Unanimous House approval was given to a bill that would revise provisions of Article 9 of the Uniform Commercial Code that have proved troublesome during the decade since it was last amended.

HF444/SF194* updates the section of the

SPEAKER PRO TEMPORE



PHOTO BY TOM OLMSCHIED

Rep. Torrey Westrom, stands at the speaker's rostrum May 17. In wielding the speaker's gavel, Westrom became the first blind state representative to serve as speaker in the state's history — and possibly U.S. history.

code that applies to “secured transactions,” or commercial transactions that involve the creation of a security interest, or lien, on collateral such as business inventory, livestock, equipment and accounts.

Rep. Pat Mazorol (R-Bloomington), who sponsors the bill with Sen. Dave Thompson (R-Lakeville), said the changes were recommended by uniform law commissioners and supported by the Minnesota State Bar Association to bring Minnesota into conformity with other state’s practices. Passed by the House 134-0, the bill now goes to the governor’s desk.

Among other changes, the bill would require a filing form for a personal property lien to include the filer’s name as it appears on a driver’s license or state-issued identification.

“It may strike you as being just a trivial thing, but I can assure you that in many cases there are millions, maybe billions, of dollars at stake if these things are misfiled. Because in bankruptcy you lose your lien if these things are not properly filed,” Gene Hennig, a member of the National Conference of Commissioners on Uniform State Laws,

told the House Commerce and Regulatory Reform Committee March 9.

— K. BERGGREN

Loan guarantee program passed

The House voted May 16 to approve a plan to encourage lending to small businesses by having the state guarantee certain gap loans.

One caveat: if enacted, the program would go unfunded for now.

Rep. Bob Gunther (R-Fairmont) sponsors HF611, which would establish a small business loan guarantee program. His goal is to thaw credit markets that have been frozen during the recent economic crisis.

“The financial collapse of 2008 dried up the mortgage market and lending market for small businesses,” Gunther said.

Under the proposal, the state would guarantee up to 70 percent of loans made by qualified gap lenders — organizations that provide subordinate loans in conjunction with larger loans made by commercial financial institutions. The total guarantee amount would be capped at \$1.5 million per loan.

The bill would establish a loan guarantee

trust fund to cover the cost of potential defaults; however, no appropriation is made to the fund. Gunther said the bill is intended to serve as a “placeholder” until the state can afford to fund the program.

“They hope to in the future; that’s why the language is here,” Gunther said.

Passed 113-20 by the House, it was laid on the table May 17 by the Senate, where Sen. John Sterling Howe (R-Red Wing) is the sponsor.

Some members questioned the value of establishing a loan guarantee program that isn’t funded.

“Why is it that we need this bill if this is already happening?” said Rep. Debra Hilstrom (DFL-Brooklyn Center).

Rep. Ryan Winkler (DFL-Golden Valley) argued the state might not be the best organization to make decisions about which businesses deserve loans.

“What does the state know about private market loans and guarantees that the private market doesn’t know?” he said.

The bill specifies a number of criteria and requirements for businesses to qualify for the

WELCOME GOVERNOR



PHOTO BY TOM OLMSCHIED

Gov. Mark Dayton greets members of the House and Senate Republican caucus prior to addressing them about his concerns on the state’s budget May 19.

program. Basic requirements include having 500 or fewer employees and using the money for specified business purposes exclusively in the state.

— N. BUSSE

Well contractors' licensing clarified

Signed
by
the
governor

Gov. Mark Dayton signed a new law, sponsored by Rep. Larry Howes (R-Walker) and Sen. Al DeKruif (R-Madison Lake), which clarifies certain exemptions from licensing and bonding related to some types of outdoor installation duties well contractors perform.

The law also removes a sunset date on a provision regarding installation of control valves on a well water service pipe.

Signed May 13, the law takes effect Aug. 1, 2011.

HF569*/SF588/CH21

— K. BERGGREN

Civil Law

Marriage amendment to House floor

Amid shouts to vote "no" by audience members, the House Rules and Legislative Administration Committee voted 13-12 May 18 to approve letting the full House vote on whether to put the question of defining marriage on the 2012 ballot.

HF1615/SF1308* would ask the question: "Shall the Minnesota Constitution be amended to provide that only a union of one man and one woman shall be valid or recognized as a marriage in Minnesota?" Rep. Steve Gottwalt (R-St. Cloud) and Sen. Warren Limmer (R-Maple Grove) sponsor the bill. It was passed 38-27 by the Senate May 11.

Rep. Tim Kelly (R-Red Wing) was the lone Republican to vote against the bill, which was otherwise approved along party lines.

Rep. Michael Paymar (DFL-St. Paul) tried to amend the bill to delay the submission to voters until the 2014 election. When that motion failed, he asked to have the bill laid over, which also was unsuccessful.

"This is an important issue, and one that should not be decided by politicians or judges, but one that should be decided by the people," Gottwalt said.

Public testimony is not typically given in the rules committee, and there was public posting that there would not be public testimony. But with a full room of bill opponents, DFLers thought testimony should be allowed.

"This is kind of the last chance to hear from the public," said Rep. Leon Lillie (DFL-North St. Paul).

Paymar said the job of the committee is to decide "whether the contentiousness and the divisiveness that this bill will probably engender is something that we actually want, not only on the House floor, but on the ballot in 2012. I think it's important that all these people came here this morning (and) that we allow testimony."

But Republicans disagreed.

"Our main purpose is to move bills to the House floor. This has been debated in a committee already. It will be debated on the House floor. They took testimony in the previous committee. The public can have a lot of input by calling their state rep to tell them ... how they would like to vote," said Rep. Larry Howes (R-Walker).

"The people that didn't come here, I'm not sure it would be fair to them because they may have looked at that notice, and knowing there was not going to be public testimony, did not take the time to come here," Rep. Kurt Daudt (R-Crown) said.

In a 14-11 roll call vote, members voted along party lines not to allow testimony.

— S. HEGARTY

Immunity extended for school districts

Rep. Bob Dettmer (R-Forest Lake) believes adults and children would be more likely to engage in physical activity if schools were

more comfortable allowing outside groups to use their recreational amenities.

He sponsors HF1343 that would clarify a statute that provides civil immunity for school districts that make their facilities available for recreational use by the public. The immunity would bar a person from holding the district liable for an injury or loss resulting from the use of the school facility for recreational activity.

The bill was passed 129-3 by the House May 16. It now awaits action by the full Senate, where Sen. Ted Daley (R-Eagan) is the sponsor.

"This is a continuation of the effort of solving the problem of childhood obesity," Dettmer said. "The American Heart Association brought the idea forward. It removes a barrier for schools to allow the facilities to be used for recreational purposes."

The bill does not change current law regarding a school district's liability in allowing public use of its recreational spaces, Dettmer said, but offers comfort language to help clarify the civil immunity.

— L. SCHUTZ

Education

School bus crossing arm requirement

Future school buses used in the state could have an extra safety device.

Sponsored by Rep. Larry Howes

SPREADSHEET SCRAMBLE



PHOTO BY TOM OLMSCHEID

People with an interest for health and human services issues scramble to get the final spreadsheet of the omnibus health and human services finance conference committee as conferees reach an agreement on a budget May 17.

(R-Walker), HF392 would require all school buses used in the state that are manufactured after Jan. 1, 2012, to be equipped with a crossing control arm on the front right bumper that automatically expands out whenever the bus is stopped and the flashing red lights are in use.

Passed 133-1 by the House May 16, the bill awaits action by the full Senate. Sen. Pam Wolf (R-Spring Lake Park) is the Senate sponsor.

It costs about \$300-\$350 for a new bus to have the approximately 8-foot arm, a small price, supporters say, to help keep children safe. If an elementary school student is too close to a bus, the driver may not see them over the hood.

Howes said many buses in the Twin Cities metropolitan area already have such a crossing arm, partially because districts require them in bus operator contracts, but it is rare in northern Minnesota.

The bill also adopts five 2010 federal standards for buses: fenderette color, seat cushion depth, the placement of auxiliary fans, permissive authority for the placement of cameras on buses and a requirement that Type III vehicles must contain at least three red reflectorized triangle road warning devices instead of the old burning pot-type flares.

— M. COOK

Elections

Political donation refund could end

Calling the political contribution refund program “an illegitimate function of government,” Rep. Steve Drazkowski (R-Mazeppa) said its repeal would save the state approximately \$12 million per biennium.

A bill he sponsors to do just that, HF66, was passed 69-61 by the House May 16. It was laid on the table May 17 by the Senate. Sen. David Senjem (R-Rochester) is the Senate sponsor.

The bill would eliminate the refund program, which was suspended by 2010 legislation, but is scheduled to be reinstated on July 1, 2011.

Under the program, contributions to a Minnesota political party or candidates qualified for a state-paid refund of up to \$50 a year for individuals or \$100 for a married couple. Only contributions to candidates who signed an agreement with the Minnesota Campaign Finance and Public

Disclosure Board to observe state campaign spending limits qualified for the refund.

Drazkowski said the program has its origin in 1990, first formed as a tax credit and later changed to a tax refund. He said Minnesota is one of five other states to have such a program.

Rep. Larry Howes (R-Walker) spoke against the bill. “It is an incumbency protection bill. This bill makes it more difficult for a challenger to raise money and makes it difficult to get elected.”

“The PCR program is a model that elections groups look to be emulated, because it increases the power and influence of regular people,” said Rep. Kent Eken (DFL-Twin Valley). “It pushes candidates and constituents to connect with each other. ... Not only are you limiting the voice of the people, you are expanding the power of deep pockets.”

The bill’s provisions have also been agreed to by the House and Senate as part of the omnibus tax bill (HF42*/SF27).

— L. SCHUTZ

Tentative deal on voter ID

A plan to require all Minnesota voters to show a valid photo identification to vote is one step closer to Gov. Mark Dayton’s desk.

Members of a conference committee reached an agreement May 14 on language for HF210/ SF509*. Sponsored by Rep. Mary Kiffmeyer (R-Big Lake) and Sen. Warren Limmer (R-Maple Grove), the bill would require all voters to present a photo ID with their current address before receiving a ballot.

The Senate re-passed the bill 37-25 May 18 as amended by conference. If re-passed by the House, it would go to the governor for action.

Overall, the bill is intended to boost the integrity of elections. It would require photo ID, but also provide that voters without an ID could cast a provisional ballot that would be counted if they verify their identity to local authorities within seven days after an election. Voters without a current photo ID could apply for a free voter ID card from the state.

The practices of vouching and Election Day registration would be eliminated. The bill would also provide for a system of electronic polling place rosters to replace the current paper-based system; however, adoption of the new rosters would be optional to each local government. Kiffmeyer emphasized that point.

“This is something that the local governments choose — whether this makes sense for their county,” she said.

Differences between the House and Senate

versions of the bill were largely technical in nature.

Among the more significant changes, conferees adopted House language providing a process for residents of a battered women’s shelter to prove their residency. They dropped Senate language that would have allowed vouching for residents of nursing homes and other residential facilities.

Also adopted was a provision that would require additional campaign finance reporting in the state. Though not directly related to voter ID, Kiffmeyer said the provision is intended to encourage the governor’s signature.

Critics of photo ID proposals argue the requirement presents difficulties for the elderly, the disabled, and those who move frequently or who lack financial resources.

— N. BUSSE

Employment

Jobs bill to governor’s desk

All but a handful of state-funded jobs and housing programs would see their funding reduced, under the omnibus jobs and economic development finance bill headed for Gov. Mark Dayton’s desk.

Sponsored by Rep. Bob Gunther (R-Fairmont) and Sen. Geoff Michel (R-Edina), HF1049/SF887* would provide biennial funding for the Housing Finance Agency, Department of Employment and Economic Development, Department of Labor and Industry and a number of smaller agencies.

The House voted 71-61 on May 19 to re-pass the bill as amended by conference. It now goes to the governor. The Senate re-passed it 37-27 on May 17.

The bill’s net impact to the General Fund would be \$138.2 million — a 17.8 percent reduction from base funding. Most programs would be reduced, with a few exceptions. The bill would infuse \$2 million of new money in the first year of the biennium into vocational rehabilitation services, in order to leverage more federal dollars to help the disabled. The Housing Trust Fund, which funds rental assistance, would also get a \$2 million boost. Finally, State Services for the Blind would get an extra \$150,000.

The bill would reform the way grant money is distributed through DEED to nonprofit organizations that perform workforce and business development. Beginning in fiscal year 2013, the current system of “earmarking” would end. In its



PHOTO BY TOM OLMSCHEID

Co-chairs of the omnibus jobs and economic development conference committee, Rep. Bob Gunther, right and Sen. Geoff Michel shake hands after the committee reached an agreement on their proposed budget bill May 16.

place, a series of three new competitive grant programs would be established: one for business developments, one for adult workforce development, and another for youth workforce development.

“This innovation will drive nonprofit organizations that receive state funding to provide the best return on our investment,” Gunther said.

Though the organizations currently funded by DEED via pass-through grants would be able to compete for grant money under the new system, overall funding for these budget areas would be reduced. Rep. Karen Clark (DFL-Mpls) voiced concern about the impact of the cuts on particularly youth-oriented job training programs.

“This is one of those huge missed opportunities,” Clark said.

Rep. Joe Mullery (DFL-Mpls) said the bill overall would be bad for programs that help Minnesotans become productive members of the middle class. He said he blamed Republican leaders, not Gunther.

“I realize you had a lot of problems trying to figure out what you could do with what you got,” Mullery said.

The bill also contains nearly \$16.3 million in proposed one-time transfers from special accounts into the General Fund. It no longer contains a proposed transfer from the Douglas J. Johnson Economic Protection Trust Fund — that provision was removed in conference committee and is contained in the omnibus tax bill (HF42).

— N. BUSSE

Libraries helping job seekers

Out-of-work Minnesotans have increasingly turned to public libraries to look for job openings, post applications and build their resumes. On May 16, the House passed a bill designed to help libraries coordinate with state workforce centers to help the unemployed.

Sponsored by Rep. Carol McFarlane (R-White Bear Lake), HF844 would require Gov. Mark Dayton to appoint a representative from public libraries to the Governor’s Workforce Development Council. The individual would serve in an advisory role only.

The House passed the bill 128-6. It awaits action by the Senate Rules and Administration Committee. Sen. Carla Nelson (R-Rochester) is the Senate sponsor.

Minnesota has 52 workforce centers run by the Department of Employment and Economic Development. These centers help Minnesotans look for jobs and prepare for career changes. McFarlane said the bill would be “a good step” toward establishing close working relationships between workforce centers and libraries.

“While there have been some efforts toward cooperation between the public libraries and workforce centers, those efforts have been spotty. They’ve been largely dependent on individuals taking initiative at the local level,” she said.

Rep. Diane Loeffler (DFL-Mpls) said libraries have “clearly become an information center” helping especially older workers

who don’t have Internet at home and need assistance using computers.

“If you haven’t visited and talked to your local librarian lately ... they are just overwhelmed with people who are unemployed and struggling to find a job in this new economy,” she said.

— N. BUSSE

Pension bill is ‘good bipartisan work’

An omnibus retirement bill described by its sponsor as the smallest in nearly two decades appears to have bipartisan support.

Sponsored by Rep. Morrie Lanning (R-Moorhead), HF1647 proposes a variety of mostly technical changes to state laws governing public employee pension programs. The House Government Operations and Elections Committee approved the bill May 16 and sent it to the House Ways and Means Committee.

The bill represents the work of the Legislative Commission on Pensions and Retirement — a bipartisan, bicameral group that recommends legislative changes to public employee pension programs, which are governed by statute. The bill would modify actuarial assumptions for salary increases and payroll growth for several retirement plans, bringing them in line with the results of a recent actuarial experience study.

Selected other provisions in the bill include:

- modifying the way the St. Paul Teachers’ Retirement Fund Association’s post-retirement benefits are adjusted until greater funding ratios are achieved;
- increasing from three to five years the period of time after which some employees enrolled in the Duluth Teachers’ Retirement Fund Association become vested;
- specifying that new employees of the Minnesota State Colleges and Universities system are enrolled in the Teachers Retirement Association coverage; and
- a handful of changes relating to specific individuals in various retirement programs.

Rep. Ryan Winkler (DFL-Golden Valley) said the bill is an example of “below-the-radar, good bipartisan work.”

Sen. Julie Rosen (R-Fairmont) sponsors the companion, SF1369, which awaits action by the Senate State Government Innovation and Veterans Committee.

— N. BUSSE

LEGISLATIVE FOOTBALL



PHOTO BY TOM OLMSCHIED

Gov. Mark Dayton, left, tells reporters May 16 that he is meeting House and Senate leaders halfway on his tax plan but they are not compromising. He said he is at the “50 yard line,” while they are at the “20 yard line.”

Unemployment insurance changes

Employers would save an estimated \$20 million, and requirements for those who apply for unemployment insurance benefits would be simplified under a bill passed by the House May 16.

Sponsored by Rep. Bob Gunther (R-Fairmont) and Sen. John Pederson (R-St. Cloud), HF1396/SF1130* would enact changes recommended by the state’s Unemployment Insurance Advisory Committee. Passed 113-19, it now returns to the Senate, where a different version passed 65-0 on May 10.

The bill would remove a minimum 2 percent special assessment on employers that goes to pay for interest on federal unemployment insurance loans. Gunther said the change would save employers \$20 million.

One potentially controversial change would repeal a law enacted last year to make it easier for those working at temporary staffing agencies to refuse work and collect unemployment benefits. Neither last year’s law nor the provision in Gunther’s bill to repeal it were recommended by the advisory committee. The provision was not included in the Senate version of the bill.

Selected other provisions include:

- expanding the definition of “immediate

- family member” to include grandparents;
- changing the qualifying requirements to establish a UI benefit account; and
- treating “paid time off” the same as vacation time is treated in delaying unemployment insurance payments.

— N. BUSSE

Env. & Natural Resources

Policing waterways for invasives

If you plan on getting onto Minnesota waters this summer, you may want to follow proposed legislation that would affect your use of water-related equipment besides boats.

HF1097/ SF1115* is intended to help stop the spread of zebra mussels and other aquatic invasive species by requiring people to drain water, remove plugs and open valves before leaving the water.

A conference committee approved details of the omnibus environment policy bill May 17, which now goes back to the House and Senate for consideration.

“I think this is incredibly important to get a handle on this as quickly as possible,” said Rep. Connie Doepke (R-Orono), who lives near Lake Minnetonka.

Sponsored by Rep. Denny McNamara

(R-Hastings) and Sen. Bill Ingebrigtsen (R-Alexandria), the bill would also require watercraft operators to obtain and display a decal on their canoe, motorized boat or other watercraft. The free decal would outline the new regulations and would be available when owners register their watercraft, which is once every three years. After Aug. 1, 2014, violations would become a petty misdemeanor.

The Department of Natural Resources would train conservation officers and others to operate inspection stations near boat ramps. Inspectors would be allowed to visually and physically inspect water-related equipment to determine whether aquatic invasive species, aquatic plants or water remains. If a person transporting the equipment refuses to take corrective action or fails to comply with an order the violation could be reported to a conservation officer or other licensed peace officer.

Also included in the bill is HF716, sponsored by Rep. Bob Gunther (R-Fairmont), which would not require an automatic environmental assessment worksheet for the construction or expansion of some ethanol plants. An environmental assessment worksheet outlines basic facts necessary to determine whether an

environmental impact statement is required for a proposed project.

Also, residents near a proposed state project could find a more difficult time petitioning for an EAW. Under an amendment added by Rep. Dan Fabian (R-Roseau), the number of signatures required to petition for an EAW would increase from 25 to 100 individuals who reside or own property in the county or an adjoining county where the proposed project would be located. In conference committee, Sen. Paul Gazelka (R-Brainerd) unsuccessfully tried to decrease the number to 75, saying it may be too difficult to get 100 signatures in some rural areas.

— S. HEGARTY

Health & Human Services

DHS policies, programs modified

The House voted 129-3 May 16 to pass a Department of Human Services continuing care policy bill that would modify disability services and personal care assistance (PCA) programs and make changes to a nursing facility relocation project and hardship area statutes.

Sponsored by Rep. Rod Hamilton (R-Mountain Lake), HF1406 also makes technical and language changes to the telephone equipment distribution program. It now awaits action by the full Senate. Sen. Sean Nienow (R-Cambridge) is the Senate sponsor.

The bill would modify the PCA program to clarify definitions for eligibility and coverage for PCA services that would align with current policy and the comprehensive assessment and clarify who can do PCA assessments. It would also modify long-term care consultations to define administrative functions for assessment for program and service eligibility determinations and level of care for persons who are in need of long-term care services.

The bill would also:

- provide the human services commissioner the authority to indicate on a license whether the physical location of a foster care setting is the primary residence of the license holder;
- include the community residential setting license in the development of the quality outcome standards;
- modify home and community-based rates and standards;
- consolidate certain reporting requirements and modify the PCA program to remove inconsistencies in statute and comply with

- federal waiver and plan requirements; and
- modify the quality outcome standards to exclude customized living services.

— H. LONG

Sex offender program efficiencies

A bill that would modify existing statutes to improve efficiencies in the state's sex offender program was approved May 13 by the House Ways and Means Committee and sent to the House floor.

Sponsored by Rep. Mary Kiffmeyer (R-Big Lake), HF1478 contains several provisions related to the civil commitment process for registered sex offenders.

Its companion, SF1287, sponsored by Rep. David Hann (R-Eden Prairie), awaits action by the full Senate.

Some of the provisions in the bill include:

- expansion of existing procedures for voluntary re-admission to a secure facility for a civilly committed sex offender who has been provisionally discharged;
- strengthening and clarification of state agency and law enforcement authority roles in apprehending and returning a civilly committed sex offender who is absent without authorization;
- streamlining of sexually dangerous person and sexually psychopathic personality commitment procedures to a single hearing, instead of two;
- modification of the community public notification, which ensures that community notification of the broadest scope available under the law is used when a civilly committed sex offender is going to reside in the community; and
- directing the Department of Human Services to work with the Revisor's Office to develop legislation next session that would reorganize sex offender civil commitment statutes so they are clear and distinguished from statutes that pertain to other civil commitment categories.

— H. LONG

Housing

Pole barn safety law signed

Signed
by
the
governor

A 47-year-old father of seven died recently after a fall through a skylight on a pole barn roof. A new law could prevent similar accidents.

Gov. Mark Dayton signed a new law May 13 directing the state building code to require that skylight panels used with

corrugated roofing materials, such as those used in pole barns, have the same load-bearing capacity as the roof surrounding them. It does not apply to skylights with curbs.

The law, sponsored by Rep. Mike LeMieur (R-Little Falls) and Sen. Doug Magnus (R-Slayton), is effective May 14, 2011.

HF529*/SF916/CH20

— K. BERGGREN

Local Government

No more elections for some offices

In what has become a fairly routine occurrence, House members voted May 16 to let a handful of counties make some of their offices appointive rather than elective. Less routine, however, was the list of members voting in favor of the bill.

Sponsored by Rep. Debra Kiel (R-Crookston), HF1544 would apply to the positions of recorder and auditor-treasurer in Freeborn, Marshall and Mower counties. It would provide a process for the county boards to appoint those positions, which are currently elected offices.

Over the years, lawmakers have granted the same authority to numerous other counties, who say those positions have grown more professionalized and that they have trouble recruiting qualified candidates to run for those offices. Though supporters say it's practical, some lawmakers argue it's undemocratic.

One of those who has consistently opposed switching county offices to appointive is Rep. Torrey Westrom (R-Elbow Lake). In spite of his well-known passion for the issue, Westrom announced that he would "shock" his colleagues by voting in favor of the bill. The reason? He said the bill provides a sufficient process for either county residents or the board to reverse the change.

"I don't like this road we're going down, but I like the process that Rep. Kiel has worked on and added into her bill," Westrom said.

The House passed the bill 91-41. It now awaits action by the Senate Rules and Administration Committee. Sen. LeRoy Stumpf (DFL-Plummer) is the Senate sponsor.

— N. BUSSE

Public Safety

Bill aims to keep Minnesotans safe

Headed to the governor's desk is a conference committee report that funds

the state's judiciary branch and aims to keep Minnesotans safe.

Sponsored by Rep. Steve Smith (R-Mound) and Sen. Warren Limmer (R-Maple Grove), HF440/SF958* was passed 71-61 May 19. It was approved 36-28 by the Senate two days earlier. The bill would spend almost \$1.8 billion from the General Fund.

"Our priorities included funding our courts and protecting our constitutional rights and statutory mandates," Smith said.

In relation to projected baseline funding for the 2012-2013 biennium, the Supreme Court, district courts, Court of Appeals and Board of Public Defense would receive a 1.2 percent increase.

"The Tax Court is given a \$70,000 or a 4.4 percent increase," Smith said. "The Board of Judicial Standards is increased \$28,000, or 3.2 percent, to restore funding for investigations and hearings on judicial and misconduct cases. The Sentencing Guidelines Commission and Uniform Laws Commission are held constant at base levels. The Guardian ad Litem Board is reduced \$1.5 million, or 6.1 percent, with a directive to prioritize cases of abuse and neglect over family law cases."

Civil Legal Services would be reduced by \$4 million, or 16.9 percent, to shift those resources into the courts. However, it would receive \$1.2 million in special revenue from attorney registration fees.

The bill aims to address sexually exploited youth by creating a safe harbor policy to protect juveniles involved in prostitution and sex trafficking. It provides that a juvenile under age 16 cannot be prosecuted for a prostitution offense under the state's delinquency code. A 16- or 17-year-old alleged to have committed a first-time prostitution offense must be referred to diversion or child protection.

"It also directs the Department of Public Safety to develop a statewide victim services model for sexually exploited youth, if funding is provided through a private donor or gift," Smith said.

In the area of public safety, the report cuts almost \$12 million from the Office of Justice Programs, transfers \$8.5 million from a fire safety training account and \$5.2 million from a 911 emergency system account to the General Fund and takes \$1 million from the Bureau of Criminal Apprehension.

The report calls for a 65 percent reduction to the Department of Human Rights, and directs that the remaining money be used on enforcement measures while eliminating

the department's state-funded education and research responsibilities.

"We absolutely need this agency to help enforce our laws which are intended to help all Minnesotans," said Rep. Joe Mullery (DFL-Mpls). "This bill really hurts our businesses because it cuts the efforts to help those businesses comply with our laws and avoid huge fines."

The bill would also require offenders with 60 days or less remaining in their sentences to serve that time in a county jail or workhouse, and require the state to participate in the Department of Homeland Security's Secure Communities initiative.

— M. COOK

Vulnerable adult protections

Signed
by
the
governor

Care providers who sexually abuse vulnerable adults in their care will be required to register as predatory offenders, under a new law that takes effect Aug. 1, 2011.

Sponsored by Rep. Tim Kelly (R-Red Wing) and Sen. Warren Limmer (R-Maple Grove), the law makes reforms to the Vulnerable Adult Act, which was last substantially revised in 1995 to include making it a crime for vulnerable adult care facility workers or caregivers to engage in sexual conduct or penetration with a vulnerable adult in their care. But the law does not include language that requires someone convicted of these crimes to register as a predatory offender.

The law, signed May 18 by Gov. Mark Dayton, will also increase the fourth-degree assault penalty from a misdemeanor to a gross misdemeanor for those who know or have reason to know their target is a vulnerable adult and still assault that person because of the perceived vulnerability and cause bodily harm in the act. Current statute states that a person who assaults a vulnerable adult receives a misdemeanor penalty unless they were the caregiver of the victim, in which case it is a gross misdemeanor.

In Minnesota, a vulnerable adult is defined as someone who receives nursing home care services or has impairments that make it impossible for them to care for themselves on a daily basis and are sufficiently impaired that they cannot protect themselves from maltreatment.

HF447*/SF195/CH28

— H. LONG

House repeals primary seatbelt law

The House adopted an amendment to an omnibus judiciary policy bill May 16 that would repeal the state's primary seatbelt law.

Rep. Tom Rukavina (DFL-Virginia), who opposed the legislation when it was passed in 2009, sponsored the repeal, which the House approved 75-55. The omnibus judiciary policy bill, HF1023, sponsored by Rep. Steve Smith (R-Mound), was then passed as amended 105-25. It awaits action by the full Senate. Sen. Warren Limmer (R-Maple Grove) is the Senate sponsor.

The primary seatbelt law is "totally unnecessary and is more of a revenue raiser than a safety issue," Rukavina said. A repeal would return seatbelt violations to being a secondary offense.

Those who spoke in opposition included Rep. Kim Norton (DFL-Rochester), who sponsored the 2009 law.

"Minnesota spent 20 years getting the primary seatbelt law passed," Norton said, adding that over the last two years, compliance has increased and deaths have decreased. "The seatbelt bill has worked, and certainly I hope we don't take a step backwards."

House Minority Leader Paul Thissen (DFL-Mpls) argued that repealing the law would result in a significant loss of revenue to the Department of Public Safety and access to federal highway funds tied to the state having such a law.

Rep. Mark Buesgens (R-Jordan) said House members shouldn't reject the Rukavina amendment just because the primary seatbelt law is tied to federal highway funding.

"How long are we going to sit here and let the federal government hold us hostage?" he asked.

In addition to repealing the primary seatbelt law, HF1023 would make various changes related to the judiciary, including: clarifying placement of vehicle license plates; establishing an administrative dismissal process for submitting proof of insurance in failure to provide vehicle insurance cases; clarifying certain fees and surcharges; streamlining notary provisions and certain lien filing and record procedures; modifying service provisions in order for protection dismissals; amending record retention provisions for probate records; clarifying guardian ad litem expenses; amending spousal maintenance calculations; authorizing the court to issue protective orders for "Safe at Home" participants in legal proceedings; and modifying standards for opening juvenile delinquency proceedings.



PHOTO BY TOM OLMSCHIED

Sharon Pearson, right, tells reporters May 17 that her daughter Bethany, left, would not be alive if she had not been wearing her seatbelt when her car was T-boned by a truck. The news conference was held in response to the House's vote to repeal the primary seatbelt law as part of the omnibus judiciary policy bill passage the previous night.

Rep. Phyllis Kahn (DFL-Mpls) unsuccessfully offered an amendment that would require registered vehicles to only have one license plate on the rear bumper.

— H. LONG

Senate. Sen. Geoff Michel (R-Edina) is the Senate sponsor.

— H. LONG

Sex offender restriction passed

A bill that would aid the courts in protecting sex crime victims from their juvenile offenders was passed by the House May 16.

Rep. Keith Downey (R-Edina) sponsors HF229, which would authorize a judge to bar a juvenile found guilty of a sex crime from residing within 1,000 feet, or three city blocks, of the victim. The bill states that the offender would have to be over age 15 and that the residency restriction could be ordered for all or part of the time that the offender is under court jurisdiction.

The bill was brought to Downey following a case where a juvenile offender received treatment and was released to his family after having molested a young girl. The victim's family asked for a residency restriction order, but was told by the judge that nothing could be done to prevent the offender from living next door upon his completion of the treatment.

It would insert permissive language to ensure the court system fully understands that a judge has the option to issue such restraining orders in cases similar to the one Downey described.

Passed 132-1, it awaits action by the full

State Government

Reforms, budget cuts advance

An omnibus state government finance bill containing ambitious plans to reform state services — along with significant budget cuts — is on its way to Gov. Mark Dayton's desk.

Sponsored by Rep. Morrie Lanning (R-Moorhead) and Sen. Mike Parry (R-Waseca), HF577/SF1047* would fund core state government operations and veterans programs for the 2012-2013 biennium. It would spend a total of \$600.3 million from the General Fund — a 34.2 percent reduction from base funding levels.

On May 19, the House voted 70-62 to re-pass the bill as amended by a conference committee. The Senate re-passed it 37-29 on May 18.

Most agencies funded by the bill would receive a reduction of between 5 and 15 percent in their biennial operating budgets. This includes the Legislature, the constitutional offices, Minnesota Management & Budget, the Revenue Department and many smaller agencies. Beyond the budget cuts, the bill anticipates savings from a wide range of reform initiatives.

One provision would require that the total number of state employees be reduced 15 percent by 2015. The executive branch would have discretion over how to make the reductions. Lanning said the reductions would likely come from normal attrition rather than layoffs.

Another cost-saving measure would make state workers pick up \$90 million of the state's current share of their health insurance costs. Rep. Ryan Winkler (DFL-Golden Valley) said the provision would result in employees' out-of-pocket costs increasing by thousands of dollars annually. He argued it would be unfair to workers.

"This bill insults them; it undermines the confidence and the trust that we have placed in them," he said.

Only two agencies would be exempt from any budget reductions or cost-saving measures: the Military Affairs and Veterans Affairs departments. In fact, the agencies would both receive small budget increases.

"Veterans affairs and military affairs were held harmless; they will not be subject to any additional reduction," Lanning said.

Rep. Phyllis Kahn (DFL-Mpls) criticized the bill for depending on revenues from a tax analytics proposal and a provision to expand a federal offset program. She said the Department of Revenue has not substantiated the \$168 million booked as savings in the bill. She also said cuts to the department would affect its ability to collect taxes effectively.

Other reform initiatives in the bill include:

- establishing a Sunset Advisory Commission to explore opportunities to eliminate, combine or reorganize state agencies;
- cutting the number of deputy and assistant commissioners at state agencies;
- requiring state budget officials to use zero-based budgeting methods;
- consolidating all state information technology staff and operations under the Office of Enterprise Technology;
- freezing state worker salaries until June 30, 2013;
- creating a performance-pay pilot program to fund nonprofits whose work can be demonstrated to have measurable cost savings to the state;
- requiring the Department of Administration to issue requests for proposals for vehicle fleet consolidation, building efficiency improvements and strategic sourcing;
- loosening restrictions on outsourcing

- state services to private contractors; and
- establishing a performance appraisal and performance pay system for state employees.

— N. BUSSE

State Agency Value Initiate now law

**Signed
by
the
governor**

State agencies that save some of their money rather than spend it all will be rewarded, under a new law.

Sponsored by Rep. Duane Quam (R-Byron) and Sen. David Senjem (R-Rochester), the law will let agencies keep 50 percent of any unspent funds at the end of a budget cycle. The funds will carry over into the next biennium, and agencies and their employees will be able to choose how to spend the money.

The program is called the State Agency Value Initiative, or SAVI. It's designed to mitigate the so-called "Christmas in June" effect. In this alleged practice, agencies spend as much money as possible near the end of a fiscal biennium so as not to appear overfunded.

Quam said he got the idea for the legislation from community college employees who felt that spending money just for the sake of getting the same amount the next time around is wasteful.

Under the provisions, a "peer review panel" will be established in each participating agency to give the employees a say in how the savings are spent. The funds must be used toward projects that support the agency's mission.

Signed May 18 by Gov. Mark Dayton, the law takes effect June 30, 2013, and expires June 30, 2018.

HF299*/SF543/CH24

— N. BUSSE

Charities financial reporting

**Signed
by
the
governor**

Charities should have an easier time complying with financial reporting requirements, under a new law.

Sponsored by Rep. Greg Davids (R-Preston) and Sen. Ted Daley (R-Eagan), the law simplifies accounting regulations for charitable organizations as defined by statute. Under the provisions, the state's annual financial reporting requirements would match up more closely with federal requirements, eliminating the need for charitable organizations to report two different sets of numbers.

The law also raises from \$50,000 to \$100,000 the reporting threshold for directors, officers and employees of the

organization and related organizations.

Signed May 18 by Gov. Mark Dayton, the provisions take effect Aug. 1, 2011.

HF786*/SF615/CH25

— N. BUSSE

House passes 'strategic sourcing' bill

A proposal to hire outside consultants to help the state look for ways to save money on its purchasing activities won the approval of the House May 16.

Sponsored by Rep. Keith Downey (R-Edina), HF1234 would direct the Department of Administration to seek proposals for "strategic sourcing" consulting services. The plan would involve contracting with a private company to look for efficiencies in the state's procurement operations. They would be paid a percentage of the resulting savings.

House members voted 69-60 in favor of the measure. It now goes to the Senate, where Sen. John Carlson (R-Bemidji) is the sponsor.

Downey said the state spends \$2 billion on various products and another \$2 billion on services. He said the state's newly implemented accounting software would make it easier for a consulting firm to analyze that spending and spot duplicative and inefficient spending.

"For the first time, we will have all agencies, all of their purchasing, all of the vendor contracts, all of their vendor payments in one place, so we have a new opportunity to analyze that spending and find ways to improve it," he said.

Rep. Ryan Winkler (DFL-Golden Valley) criticized the bill as "welfare for private vendors" and doubted whether it would lead to any real savings.

"It doesn't save money; it's not government reform. It's just another business handout to people who come to town with ideas on how to convince state government that they can't do the job," he said.

Rep. John Benson (DFL-Minnetonka) successfully offered an amendment to appropriate \$433,000 to fund the bill. He said the appropriation was called for in a fiscal note provided by Minnesota Management & Budget, which stated that the equivalent of two full-time employees would be needed to run the program. Downey disputed the conclusions of the fiscal note, but accepted the amendment anyway.

— N. BUSSE

Transportation

Transportation policy bill to floor

License plates and vehicle lights, driver's training and speed-limit violations on a person's driving record — these are among the provisions in the omnibus transportation policy bill now on its way to the House floor.

Sponsored by Rep. Mike Beard (R-Shakopee), HF1068, as amended, was approved May 16 by the House Ways and Means Committee. A companion, SF920, sponsored by Sen. Joe Gimse (R-Willmar) awaits action on the Senate floor.

Among the provisions in the bill are HF615, sponsored by Rep. Mark Buesgens (R-Jordan), which would allow the classroom/theory portion of driver's education training to be completed through an online program approved by the Department of Public Safety. Sponsored by Rep. Andrea Kieffer (R-Woodbury), HF650 would require carbon monoxide poisoning awareness be part of the driver's education curriculum and be part of the driver's license knowledge test. Rep. Bruce Anderson (R-Buffalo Township) sponsors HF867 that would allow issuance of an instruction permit to someone who has not yet completed the classroom phase of driver's education if certain other conditions are met.

Other provisions in the omnibus bill include:

- HF392, sponsored by Rep. Larry Howes (R-Walker), which would require all school buses used in the state that are manufactured after Jan. 1, 2012, to be equipped with a crossing control arm on the front right bumper that automatically expands out whenever the bus is stopped and the flashing red lights are in use;
- HF537, sponsored by Rep. Dean Urdahl (R-Grove City), which would prohibit speed limit violations of up to 10 mph over the speed limit in 55 and 60 mph zones from going on a person's driving record;
- HF721, sponsored by Rep. Mary Kiffmeyer (R-Big Lake), which would allow a disability placard to be placed anywhere on the vehicle's dashboard;
- HF808, sponsored by Rep. Sarah Anderson (R-Plymouth), which would require the Driver and Vehicle Services Division in the Department of Public Safety to include a mechanism for vehicle owners to donate \$2 for organ donation educational programs as part of vehicle registration and renewal;
- HF906, sponsored by Rep. Tom Rukavina (DFL-Virginia), which would require

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

INFRARED BLOSSOMS



PHOTO BY ANDREW VONBANK

In this infrared image, Senate Researcher Danna Elling climbs the stairs on the north wing of the Capitol to get to an early morning meeting May 16.

the Department of Transportation to designate by March 15, 2015, one of two specific options as the alternative route for realigning a stretch of Trunk Highway 53 near Virginia, with construction on the new route to begin by June 1, 2015;

- HF1067, sponsored by Rep. Mike Nelson (DFL-Brooklyn Park), which would expand the list of restricted activities on state rail bank property, such as prohibiting plowing and placing buildings or structures; and
- HF1412, sponsored by Rep. Rich Murray (R-Albert Lea), which would allow electric-assisted bicycles on state trails and paths.

— M. Cook

Anatomical gift program donation

People applying for a driver's license or state identification card are already asked if they want to be an organ donor. They may also be asked to contribute financially.

Rep. Sarah Anderson (R-Plymouth) sponsors HF808 that would establish a

\$2 donation option "for the purposes of public information and education on anatomical gifts."

The money would be used as grants to federally certified organ procurement organizations and nonprofit organizations that advocate for organ and tissue donation. Funds would also cover all Department of Public Safety expenses to implement the program.

Approved 131-0 by the House May 16, it was tabled the next day by the Senate, where Sen. David Senjem (R-Rochester) is the sponsor. The provision is also in the omnibus transportation policy bill, HF1068.

Anderson said more than 2 million Minnesotans are currently signed up for organ donation; a rate of about 50 percent.

"The other eight states that currently have this language in place far exceed organ donation compared to Minnesota," she said. "Alaska has an organ donation checkoff rate of 76 percent; Montana 76 percent; Washington at 72 percent and the list goes

on. This is an effort to make people more aware of this and try and save lives."

— M. Cook

Omnibus bill passed by House

Critics say transit does not fare well in the omnibus transportation finance conference committee report.

Sponsored by Rep. Michael Beard (R-Shakopee) and Sen. Joe Gimse (R-Willmar), HF1140*/SF898 checks in at \$4.5 billion in total spending, with \$62.16 million coming from the General Fund. User fees and taxes make up much of the remaining funding. However, the General Fund spending is a \$118 million reduction from current biennial funding.

Passed 71-61 by the House and 36-26 by the Senate May 19, the bill awaits action by the governor.

The bill includes a \$109.44 million reduction to the Metropolitan Council and \$7.62 million reduction to Greater

Minnesota transit. Funding for elderly and disabled transit in Greater Minnesota would be held level, as would special transportation services under the Metropolitan Council.

Beard said the numbers aren't as bad as they may appear because there has been an uptick in Motor Vehicle Sales Tax revenues, of which at least 40 percent must go to transit operations. Beard said it is forecast to provide \$98 million in new transit funds in the upcoming biennium to be split between metro and Greater Minnesota transit.

MVST funds were not designed to "supplant and fully fund" Greater Minnesota transit, said Rep. Terry Morrow (DFL-St. Peter), noting in nine of the last 10 years MVST revenues have not met expectations.

Transit officials warned the cuts could result in sizeable transit fare increases, significant route reductions and the laying off of hundreds of employees.

To help back-fill a portion of its funding

reduction, the report permits the council to transfer uncommitted money in the Livable Communities Fund — used to address affordable and lifecycle housing needs and provide funds to assist communities in carrying out their development plans — and the amounts levied and collected under the right-of-way acquisition loan fund program — used to preserve right-of-way in rapidly growing areas — for transit, paratransit, light rail and commuter rail services.

Permissive language is included that would permit money from the Counties Transit Improvement Board be transferred to the Metropolitan Council for transit operations, subject to a referendum. Beard previously said the board, whose activities to improve transit are funded with a quarter-percent sales tax in five Twin Cities metropolitan area counties, has \$90 million in reserves. He said when the board was authorized in 2008, its first \$30 million went to the Met

Council to help with an operating deficit.

The bill also:

- increases the appropriation from the state airports fund for grants for airport development and assistance by \$1.775 million in fiscal year 2013 only, which reduces the state airports fund balance;
- prohibits MnDOT from expending funds for commuter and intercity passenger rail planning unless there are special circumstances;
- allows for annual permits for transporting oversized waterfront structures;
- expands eligibility for the Gold Star license plate;
- requiring carbon monoxide poisoning awareness in driver's education; and
- establishes a \$2 donation program for promotion of anatomical gifts implemented as part of vehicle registration and driver licensing.

— M. COOK

FIFTH MINNESOTA



PHOTO BY TOM OLMSCHIED

Civil War re-enactor Lt. Vince Bergdale (Maple Grove) of Company C, Fifth Minnesota Infantry stands as part of the honor guard May 18 in the rotunda during the Civil War Sesquicentennial Day.

'Bold and beautiful' or full of inequities?

Confusion exists whether K-12 bill increases or cuts funding

By KRIS BERGGREN

Wearly House members voted 70-55 May 18 to pass the conference committee report for the omnibus education finance bill.

Rep. Pat Garofalo (R-Farmington), a sponsor of HF934*/SF1030, called it a "bold and beautiful bill" featuring reforms, including a teacher appraisal and effectiveness rating system; expanding school choice through a nonpublic school voucher program for some low-income students; a school report card A-to-F grading system; and changes to teacher tenure and bargaining rights that would prohibit teacher strikes, eliminate seniority-only employment decisions and create five-year renewable tenure. It would increase basic per pupil funding by \$41 over the 2012-2013 biennium.

Rep. Carlos Mariani (DFL-St. Paul) called it "an experiment with unsupportable proposals."

"I see that there are many proven methods of increasing student achievement that are not included in the bill," said Rep. Denise Dittrich (DFL-Champlin), including early childhood education and extended-time revenue.

The conference committee report passed the Senate 37-26 later in the morning where Sen. Gen Olson (R-Minnetrissa) is its sponsor. It now awaits action by the governor.

\$450 million increase or \$44 million cut?

When the conference report was introduced on the House floor around 2 a.m., DFL members took turns speaking against funding changes and policy provisions they said would create "winners and losers" among state students.

"The inequities that plague education funding currently continue in this bill," Dittrich said.

"If you're a small, rural, isolated, declining-enrollment district with poor property wealth, you're out of luck. No help. Get along, go along on your own. Do the best you can," said Rep. Tom Anzelc (DFL-Balsam Township).

Rep. Mindy Greiling (DFL-Roseville) distributed spreadsheets to members showing net gains in some school districts' per pupil funding compared with baseline spending and losses in others districts, with Duluth, Minneapolis and St. Paul "clearly the biggest losers."

According to Garofalo, the bill's target of \$14.13 billion for the 2012-13 biennium would increase funding by \$450 million in additional state aid. According to Greiling, it represents a \$44 million cut that would hit Duluth, Minneapolis and St. Paul, especially hard, but would also result in per pupil net cuts to many other districts throughout the state.

Each sees the same numbers differently, with Garofalo comparing them to prior year spending and Greiling to the base budget.

"I don't know of any person in this body who campaigned to cut K-12 education. But that's what we're looking at tonight, in the middle of the night," Greiling said.

The voucher proposal drew particular opposition from DFL members.

Mariani said the plan "sucks money out

of our public education system and sends it off to private institutions. With this voucher program we're just going to hand over \$17 million with minimal accountability. And that's on top of the \$11 million tax credit" for private school tuition proposed in the tax bill passed earlier that day.


Rep. Kelby Woodard (R-Belle Plaine) said the scholarships would offer one more school choice option that empowers parents.

"If parents decide this is not an option they want to take, the money never leaves," he said.

The bill would eliminate integration rule, or the statute that requires school districts to establish measures to promote racial integration at school sites within a district or in collaboration with nearby districts. Mariani said the move makes no sense during a time when multicultural skills are more necessary than ever in a global economy and increasingly diverse state.

It would repeal integration aid in fiscal year 2012, to be partially replaced with innovation transition achievement revenue and literacy aid. Compensatory revenue — a complex formula based on district and site concentrations of students in poverty — would be delinked from the basic formula and fixed at \$4,179 per eligible pupil. Combined, the cuts would affect Duluth, Minneapolis and St. Paul schools most, DFL members said.

Garofalo said lawmakers had accommodated some of the governor's positions including restoring part of the regular and excess special education aid growth factor and removing a proposal to close the Perpich Center for Arts Education as a state agency.

He said May 17 that the voucher issue had come up in conversations with Education Commissioner Brenda Cassellius, but would not characterize her or the governor's position on the bill or say if he thinks it's headed for a veto. 

Trees from start to finish

Environment finance bill would close tree nursery

By SUE HEGARTY

The House voted 72-61 May 18 to accept a conference committee report that would transfer about \$30 million of account balances into the General Fund and would close one of the state's two tree nurseries.

The proposals are part of HF1010*/SF1029, the omnibus environment, energy and natural resources finance bill sponsored by Rep. Denny McNamara (R-Hastings) and Sen. Bill Ingebrigtsen (R-Alexandria). It passed the Senate 35-28 May 19 and now awaits action by the governor.

Under the bill, \$14 million would be transferred in fiscal year 2012 from the state's worker's compensation assigned risk plan, followed by \$9 million in fiscal year 2013.

"They were fund balances in accounts where the money was no longer needed," McNamara said. "We're using unspent balances."

Other General Fund transfers would come from the Renewable Development Fund and the auto theft prevention account.

The funds are distributed as grants to local governments for auto theft prevention efforts. Sheriffs and attorneys testified that the program is working, and they did not want to see the grants reduced. However, a \$1.5 million fund balance is expected at the end of this fiscal year, according to Tim Jahnke, financial management director for the Department of Commerce. Jahnke said in committee that more than \$3.4 million is expected to be

awarded in grants, the same as previous years.

Telecommunications Access Minnesota has a fund balance from collecting a 10-cent fee per call. Jahnke said the department had hoped to lower the fee to 4 or 6 cents to draw down the fund balance. With the proposed transfer of \$1.1 million to the General Fund, Jahnke said the fees

could still be reduced, just not as much as previously planned.

Rep. Ryan Winkler (DFL-Golden Valley) raised a broader policy question

about how the finance bill is interrelated to other bills, such as the Legacy funding bill and the omnibus state government finance bill. Cuts to agencies combined with Legacy funding may be construed as supplanting and leave the state open to court challenges, Winkler said.

Instead of using \$3 million to develop the new Lake Vermilion State Park, the Legislative-Citizen Commission

on Minnesota Resources appropriation would be diverted to prevent the closure of more established state parks.

Rep. David Dill (DFL-Crane Lake), whose district includes the new state park, said funds to develop "the most beautiful shoreline in the state are being raided to keep other parks open."

The Department of Natural Resources questioned whether the rerouting of funds would go against the statutory rule that LCCMR funds not replace traditional sources of funding.

Tree nurseries

Dill said he refused to sign the conference committee report because it would take funds away from the timber industry, which earns money for the General Fund. He said paper companies and related businesses depend upon the state's timber industry to stay competitive in a global market.

According to the bill, the General C.C. Andrews state tree nursery would close by June 30, 2013, and a phase-out plan for the remaining Badoura state tree nursery would be required if management operations draw down more than 10 percent of its reserves in two consecutive fiscal years.

Rep. Tom Anzelc (DFL-Balsam Township) called the state nursery closing a "job killer." Rep. Jean Wagenius (DFL-Mpls) opposed a provision that would sell excess tree stock to licensed nurseries and not to private citizens. No more than 2 percent of sales could be deciduous trees.


In committee, McNamara said there is no reason for the state to compete with the private sector for deciduous tree sales.

Permitting and agency cuts

Other areas of the bill include changes to permit policies.

Cuts proposed to state agencies, such as the DNR and the Board of Water and Soil Resources, could result in layoffs and slow processing of state permits, which is counterproductive to the streamlining of permits enabled by HF1 and the governor's executive order, Wagenius said.

"We need government to live within its means," said McNamara.

Another provision would raise the number of signatures required by petitioners for an environmental assessment worksheet from 25 to 100 signatures. Rep. Frank Hornstein (DFL-Mpls) said changes to the environmental review policies are a "steady erosion of citizen engagement" that started with HF1. 



"They were fund balances in accounts where the money was no longer needed. We're using unspent balances."

— Rep. Denny McNamara (R-Hastings)



"The most beautiful shoreline in the state is being raided to keep other parks open."

— Rep. David Dill (DFL-Crane Lake)

Brain-drain concerns

Tuition increase could be offset by state grant increases in higher education finance bill

By MIKE COOK

The omnibus higher education finance conference committee report cuts much sharper than the budget proposed by Gov. Mark Dayton.

Sponsored by Rep. Bud Nornes (R-Fergus Falls) and Senate President Michelle Fischbach (R-Paynesville), HF1101*/SF924 would reduce \$411.1 million in funding from the forecast base, about an 11 percent reduction from current biennium spending. Dayton's plan calls for a \$170.9 million base reduction.

Checking in at nearly \$2.51 billion, the bill would cut the University of Minnesota 18.9 percent from forecast base. The Minnesota State Colleges and Universities system would be reduced by 14.3 percent from forecast base.

The Senate bill called for an 18.9 percent General Fund reduction to the university; the House, 17.7 percent; and the governor, 6 percent. The respective MnSCU percentages were 13.3 percent, 15.9 percent and 6 percent.

"It's a good bill when you consider everything that we're dealing with," Nornes said before the House passed the bill 69-57 May 18. The Senate passed it 35-31 May 19, sending it to Dayton's desk.

Officials from both systems note the proposed funding levels are comparable to

1998 while they are serving approximately 40,000 more students. They say the cuts would lead to hundreds of faculty layoffs, thousands of reduced course offerings, program closures, millions of dollars in lost research opportunities and would

hurt Minnesota's competitiveness in future years because of fewer qualified workers.

"If we're going to keep raising tuition the way that we have over the last decade, we will have a Minnesota brain-drain. We'll

have more and more college students leaving Minnesota never to return," said Rep. Terry Morrow (DFL-St. Peter). "I cannot believe that we would want to go

back to last century funding, last century research, last century education, when we need to compete in this century."

However, the state grant program would see an additional

\$21.1 million, a 7.3 percent increase. The House proposed increasing base funding for the state grant program by \$27.1 million; the Senate \$7.2 million; and the governor kept state grant funding at base levels. The bill also provides stable funding for child

care assistance grants to help students with children continue their education.


"The entire focus has been how we can help students," Nornes said. "By granting an increase of funding to the state grant program ... this allows students in every sector of higher education to receive needed aid to assist them in financing their education."

In an effort to ensure students don't bear the brunt of state reductions, MnSCU could not raise tuition by more than 3 percent per year at the two-year state colleges, and by no more than 5 percent in the first academic year and 4 percent in the second academic at the state universities. The annual increase in mandatory fees would be limited to 4 percent, unless a higher rate gets approved by student associations.

It is requested the university also adhere to the 5 percent/4 percent tuition increases and 4 percent fee increase. Because of its autonomy, the Legislature can only request the university do things.

"This bill doesn't help students. It increases their cost; it reduces their access; it destroys their opportunities," said Rep. Jeanne Poppe (DFL-Austin).

Other policy and finance provisions in the bill include:

- 1 percent of fiscal year 2013 university and MnSCU funding is contingent on the meeting of specific criteria;
- encouraging MnSCU and the university to offer a guaranteed tuition plan;
- eliminating the matching grant program that is part of the Minnesota college savings plan;
- lowering of the eligibility age for the senior citizen higher education program from 66 to 62;
- prohibiting use of state or federal funds, for state programs, to support human cloning or for expenses incidental to human cloning; and
- repealing the requirement that public institutions sell American-made clothing and apparel in their bookstores to the extent possible. 



"By granting an increase of funding to the state grant program ... this allows students in every sector of higher education to receive needed aid to assist them in financing their education."

— Rep. Bud Nornes
R-Fergus Falls



"If we're going to keep raising tuition the way that we have over the last decade we will have a Minnesota brain-drain. We'll have more and more college students leaving Minnesota never to return."

— Rep. Terry Morrow
DFL-St. Peter

Surgical precision

HHS budget — end-of-session sticking point

By HANK LONG

A bill that has traditionally been a sticking point in past session budget negotiations is now in the hands of Gov. Mark Dayton.

The House passed a conference committee report on the omnibus health and human services finance bill 69-63 May 19 that outlines \$1.6 billion in projected General Fund spending reductions for the 2012-2013 biennium. The Senate passed the bill 36-28 about six hours earlier.

"We have worked hard to reach out to the administration and all stakeholders to develop a bill that protects priorities, promotes reform and creates a sustainable system," said Rep. Jim Abeler (R-Anoka), who sponsors HF927/SF760* with Sen. David Hann (R-Eden Prairie). The conference committee report calls for \$10.9 billion in total health and human services spending.

The governor's health and human services budget proposes \$600 million in cuts for the next biennium, which DFL House members were quick to point out is the more balanced approach than the one the Republican majority in the House and Senate has taken.

"We ought to be trying to figure out how we can keep institutions alive until the economy recovers," said Rep. Thomas Huntley (DFL-Duluth). "We will destroy institutions because of this bill. We will destroy hospitals, some groups that provide

services to people who are handicapped and a lot of other damage."

Republicans said health and human services spending has increased 109 percent in the past decade. The report would cut projected spending by 15 percent.

"We simply cannot afford the spending growth of the last decade," Hann said,

"and this bill takes the necessary steps to get a handle on unsustainable spending."

The report's biggest reduction in spending would come from the

elimination of Medical Assistance eligibility for adults without children beginning Oct. 11, 2011, a provision not included in Dayton's proposed budget. That alone counts for more than \$921 million in savings for the next biennium. Other significant cuts outlined

in the bill include a \$93 million freeze on waiver spending and reforms to managed care and high cost providers that would save \$197 million. The

report calls for restoration of the General Assistance Medical Care and Coordinated Care Delivery Systems programs which would put \$330 million back into the HHS budget. Both programs assist some of the state's poorest residents.

Huntley, the DFL lead on the House

"If we are not careful, we are going to wind up with our system being unable to serve in a very good way all the people we so very much care about."

— Rep. Jim Abeler
(R-Anoka)



"We ought to be trying to figure out how we can keep institutions alive until the economy recovers."

— Rep. Thomas Huntley
(DFL-Duluth).



Health and Human Services Finance Committee, said the Minnesota Hospital Association is not confident any hospital will sign up for the CCDS program because it is underfunded. He read a letter from the Minnesota Hospital Association that urged legislators to vote "no" on the conference report. The Republican plan would result in 125,000 people losing health insurance and take \$1.2 billion out of the state's health care systems, Huntley said.

Abeler said many of these people would be eligible for other plans, and he pointed to a provision in the report that would appropriate \$450 million in health care service programs annually for people earning income between the federal poverty guideline and 125 percent of poverty.


Earlier in the week, House and Senate Republican leaders met with the governor's staff and health and human services commissioners to discuss the differences between their numbers and Dayton's proposed budget. Abeler said the parties have not yet achieved full agreement, but have been working in amenable fashion in attempt to do so.

"We are all about finding a resolution that we will undoubtedly have to do," Abeler said.

Lt. Gov. Yvonne Prettner Solon told conferees May 17 that she hopes they keep in mind the state's most vulnerable citizens as they attempt to negotiate with the governor on a solution.

"It's also very, very important that we keep the (health and human services) infrastructure in place, including the hospitals, the providers, the nursing homes that provide that network toward our community, our Minnesota citizens," Prettner Solon said. "I am hoping you will remember that issue as you go about your deliberations."

Abeler said conference report figures represent overdue reform for a growth in spending that has become unsustainable.

"If we are not careful, we are going to wind up with our system being unable to serve in a very good way all the people we so very much care about," he said. 

Legacy spending differences

Conference committee needed to determine parks and trails funding

By SUE HEGARTY

How to divide Legacy funds on parks and trails for the next two years is now in the hands of a conference committee.

The parks and trails fund is shared by the Department of Natural Resources and the Metropolitan Council. Overall, \$38 million is at stake each year of the next biennium. The DNR is appropriated 42 percent for state park operations, which are primarily in Greater Minnesota; the Metropolitan Council receives 42 percent for regional park operations within the seven-county Twin Cities metropolitan area; and the remaining 16 percent is distributed by the DNR as statewide competitive grants.

In HF1061/SF1363*, the Senate is proposing a 39 percent split between the state parks and seven-county regional parks. That would leave 22 percent of the money for the competitive grant program. That could result in more funds flowing to the 80 counties outside the metro area.

The Senate approved its bill 52-14 May 12 before the House amended and passed the bill 86-45 two days later.

Rep. Bev Scalze (DFL-Little Canada) said the Senate position is not fair to the metropolitan area, which generates 65 percent of the revenue and has 55 percent of the population. She wants to keep the split a 42-42-16 division.

Rural legislators complained that you can't count the state parks as rural regional parks,

so they feel the scale is already tipped in the metro's favor.

"Rural parks are getting a crumb. We're asking for a slightly bigger crumb. We don't think that's unfair," said Rep. Paul Torkelson (R-Nelson Township). He added

that some of the sales tax generated in the seven-county metropolitan area is because Greater Minnesota residents shop, dine or attend events in the area.

Rep. Dean Urdahl (R-Grove City), who sponsors the bill with Sen. Bill Ingebrigtsen (R-Alexandria), said the DNR and council have proffered an agreement to divide the percentages 41-41-18 in fiscal year 2012 and 40-40-20 in fiscal year 2013.

"Each side has compelling arguments. There is no magic percentage," Urdahl said.

"I could have gone far to one side like the Senate, but I didn't. We need to maintain the agreement that we've reached."

Rep. Jim Davnie (DFL-Mpls) asked

members to take off their rural, urban and suburban hats and be good stewards of the parks based on where the need is. "The dollars should follow the utilization because that's where the wear and tear occurs."

Urdahl was quick to point out that the funds are "extra" money and must not substitute traditional funding for parks and trails. He

added that due to increases in sales tax receipts, parks and trails recipients could see an increase in Legacy funding even with lower percentages.


Another area of the bill where the House and Senate differ is in the outdoor heritage fund portion. The House bill sets aside \$759,000 more than the Senate to pay for ongoing costs associated with purchasing additional land with Legacy funds.

An amendment successfully offered by Rep. Steve Draskowski (R-Mazeppa) would prohibit the Lessard-Sams Outdoor Heritage Council from recommending new land acquisitions outside the seven-county Twin Cities metropolitan area for the next 10 years. Rep. Rick Hansen (DFL-South St. Paul) successfully amended the proposal to a 1-year moratorium after Rep. Denny McNamara (R-Hastings) said, "We do not want to tie the hands of future legislators."

Rep. Tom Rukavina (DFL-Virginia) successfully amended the language to allow for the purchase of school trust lands in Greater Minnesota during the moratorium.

Hansen also succeeded in deleting a \$600,000 appropriation from the DNR for outreach and education, and using the funds instead to increase the purchase of permanent conservation easements to protect drinking water.

In the arts and cultural heritage portion of the bill, Rep. Ryan Winkler (DFL-Golden Valley) successfully amended the bill to delete the \$2.8 million county fair grant program and add the funds for capital improvements for two veterans' camps, the Disabled Veterans Rest Camp on Big Marine Lake in Washington County and the Veterans on the Lake campground on Fall Lake in Ely. The camps offer active and veteran service members and their families a place to come together and recreate.

Requiring the DNR commissioner to agree in writing to each proposed easement acquisition purchased with Legacy funds was successfully amended by Rep. Jean Wagenius (DFL-Mpls). 



"Each side has compelling arguments. There is no magic percentage."

— Rep. Dean Urdahl
R-Grove City



"Rural parks are getting a crumb. We're asking for a slightly bigger crumb. We don't think that's unfair."

— Rep. Paul Torkelson
R-Nelson Township

Two views on taxes

Tax proposals showcase gap to smooth end of session

By LEE ANN SCHUTZ

The session-long debate over new revenue to solve the state's projected \$5.6 billion deficit came to a head May 17 as the House considered the governor's tax proposal in the morning and the conference committee report on the omnibus tax bill late into the evening.

"This is probably our most important vote for our work ahead, for it really is a parting of the roads of the vision for the state, and for the conclusion of session," said House Majority Leader Matt Dean (R-Dellwood). "We've had this debate all session. ... How much are we really going to grow government, and do we need new revenue?"

Sponsored by Rep. Greg Davids (R-Preston) and Sen. Julianne Ortman (R-Chanhassen), the conference committee report on HF42*/SF27 was passed 71-58 by the House after midnight. Later in the day, it was passed 37-28 by the Senate. The governor's budget, in the form of a minority report to HF1261, ended in a 73-60 vote to not accept the report on May 17.

With an expected veto of the omnibus tax bill and session having to end by May 23, the philosophical divide appears to be intensifying between the Republican majority and Gov. Mark Dayton.

Republicans affirmed their commitment to "not a penny more" in new revenue. Their \$34 billion budget is based mostly on cuts and fund transfers, while DFLers characterized Dayton's approach as "fair to all people of Minnesota."

The governor's \$35.8 billion budget proposal would raise taxes on a married couple making over \$300,000 in taxable

income and single taxpayers making more than \$180,000 annually.

In an effort to compromise, he reduced his plan May 16 to \$1.8 billion in new tax revenue from his initial proposal to raise

"This is a very clear choice between two competing philosophies of government. It's about Minnesotans keeping what they own or helping government take more money."

— Rep. Doug Wardlow
R-Eagan

provide \$202.71 million in tax relief during the 2012-2013 fiscal biennium, including a statewide property tax reduction; modification to the K-12 education tax credit to include private school tuition; an increase in the research and development credit; a phased-in income tax subtraction for those receiving military retirement pay; and several sales and use tax exemptions, including on downloadable ringtones.

A new Minnesota Science and Technology Authority would be established, and would receive \$500,000 to provide grants for research projects developed by a college or nonprofit organization or a qualified

\$3.36 billion in new taxes. Throughout the week, however, Dayton stood firm on that amount, along with \$1.9 billion in budget reductions.

The conference committee agreement would



"We are saying if we build a strong middle class, that is what will build a strong economy. ... Today we are standing for fairness."

— House Minority Leader
Paul Thissen
DFL-Mpls

science and technology company.

The bill would also reduce tax credits over the biennium by \$925.26 million. The greatest amount (\$198.95 million) would come from reductions to the renters' property tax refund, repeal of the Sustainable Forest Incentive Act and elimination of the political contribution refund.

Changes to the state's local government aid and county aid programs are targeted to save \$382.74 million in the biennium. The bill would also extend limits on the ability for local units of government to raise its levy for two years.

The bill changes the homeowners' market value credit, which DFLers say will create an automatic property tax increase for many homeowners and businesses. It also proposes a \$50 million reduction in the state's general levy for commercial industrial property in 2012-2013.


Several sales and use tax conformity issues are also addressed.

"This is a very clear choice between two competing philosophies of government," said Rep. Doug Wardlow (R-Eagan). "It's about Minnesotans keeping what they own or helping government take more money. ... Our founding principles include economic liberty. We need to trust in the people and their choices."

But DFLers said that protection of Minnesota's most vulnerable and tax fairness are priorities reflected in Dayton's proposal.

"A budget and a tax bill are a statement of priorities," said Rep. Kerry Gauthier (DFL-Duluth). "What I see is 140,000 people

losing health care, but 'not a penny more' from the wealthy people of Minnesota. ... This budget has always been about two different Minnesotas."

House Minority Leader Paul Thissen (DFL-Mpls) chastised Republicans for protecting "special interests" at the expense of the state's most vulnerable. "This debate is about how to build a better economy for the state. We are saying if we build a strong middle class; that is what will build a strong economy." 

BILL INTRODUCTIONS

MAY 13 - 19, 2011
HOUSE FILES 1705 - 1736

Friday, May 13

HF1705-Mahoney (DFL) **Jobs & Economic Development Finance**

St. Paul regional ballpark funding provided, city authorized to use design-build or construction manager at-risk method of project delivery, bonds issued and money appropriated.

Saturday, May 14

HF1706-Mullery (DFL)

Civil Law

Congregational approval of religious society actions required.

HF1707-Marquart (DFL)

Government Operations & Elections

Minnesota Civic Compact, Minnesota Youth Council, Volunteer Capacity Building Partnership and the civic innovation fund created; state strategic plan, public policy goals and performance measures establishment required; evaluation process for performance measures achievement established; Office of Ombudsman created; reports required and money appropriated.

HF1708-Marquart (DFL)

Government Operations & Elections

Minnesota Youth Council established.

HF1709-Gruenhagen (R)

Commerce and Regulatory Reform

Small employer permitted to retain small employer health coverage when its workforce is reduced to one covered employee.

HF1710-Kahn (DFL)

Civil Law

Gender-neutral marriage laws provided, and Marriage and Family Protection Act enacted.

HF1711-Daudt (R)

Public Safety & Crime Prevention **Policy & Finance**

Forensic Laboratory Advisory Board provisions modified.

HF1712-Hortman (DFL)

Government Operations & Elections

Anoka-Hennepin school district teacher authorized to purchase service credit for voluntary layoff and extended leave of absence despite a failure to make timely payments.

HF1713-Barrett (R)

Transportation Policy & Finance

State resources prohibited for potential mileage-based user fee.

HF1714-Clark (DFL)

Judiciary Policy & Finance

Alcohol judicial and health impact fund established to provide property tax relief, and alcohol judicial and health impact fee imposed.

Monday, May 16

HF1715-Mack (R)

Health & Human Services Reform

Medical laboratory science professionals licensure established, Board of Medical Laboratory Science created and fees established.

HF1716-Marquart (DFL)

Ways & Means

Federal disaster assistance money appropriated to match FEMA Public Assistance Program.

HF1717-Daudt (R)

Health & Human Services Reform

Health care providers prohibited from firearms inquiries.

Tuesday, May 17

HF1718-Dill (DFL)

Environment, Energy & Natural Resources **Policy & Finance**

Soudan Underground Mine State Park elevator repair funding provided, bonds issued and money appropriated.

HF1719-Gauthier (DFL)

Health & Human Services Reform

Driving while impaired crime definition of the term "drug" added and the term "hazardous substance" modified.

HF1720-Mullery (DFL)

Government Operations & Elections

Rev. Dr. Martin Luther King, Jr. Holiday council created.

HF1721-Gunther (R)

Jobs & Economic Development Finance

Redevelopment demolition loans authorized.

Wednesday, May 18

HF1722-Koenen (DFL)

Environment, Energy & Natural Resources **Policy & Finance**

Maynard; flood relief funding provided, bonds issued and money appropriated.

HF1723-Buesgens (R)

Environment, Energy & Natural Resources **Policy & Finance**

Sales and use tax rate increase dedicated for natural resources and cultural heritage purposes repealed, and constitutional amendment proposed.

HF1724-Brynaert (DFL)

Transportation Policy & Finance

Mankato regional transit facility design and construction funding provided, bonds issued and money appropriated.

HF1725-Crawford (R)

Taxes

Commercial seasonal recreational property definition extended to include facilities for conducting craft and hobby activities.

HF1726-Daudt (R)

Government Operations & Elections

Presidential electors designation provided and duties specified.

HF1727-McElfatrick (R)

Environment, Energy & Natural Resources **Policy & Finance**

Soudan Underground Mine elevator shaft emergency repair funding provided, bonds issued and money appropriated.

HF1728-Eken (DFL)

Environment, Energy & Natural Resources **Policy & Finance**

Becker County waste transfer facility funding provided, bonds issued and money appropriated.

HF1729-Erickson (R)

Taxes

Minnesota State High School League events temporary tax exemption made permanent.

HF1730-Hancock (R)

Government Operations & Elections

Terms of office of legislators and executive officers limits placed and constitutional amendments proposed.

HF1731-Cornish (R)

Public Safety & Crime Prevention **Policy & Finance**

Sex offenders indeterminate sentencing provided and review board created.

Thursday, May 19

HF1732-Cornish (R)

Public Safety & Crime Prevention **Policy & Finance**

Uniform use of force standard for peace officers provided.

HF1733-Lenczewski (DFL)

Taxes

Cigarette and tobacco products taxes and fees increased, definitions modified, study required, floor stocks tax on cigarettes imposed, cigarette sales tax 2011 rate adjusted and money appropriated.

HF1734-Mariani (DFL)

Higher Education Policy & Finance

Higher education attainment goal set and recommendations required to achieve the goal.

HF1735-Benson, J. (DFL)

Health & Human Services Reform

Minnesota Companion Animal Protection Act adopted.

HF1736-Morrow (DFL)

Higher Education Policy & Finance

Minnesota HOPE awards established for financial aid.

MINNESOTA HOUSE OF REPRESENTATIVES
PUBLIC INFORMATION SERVICES
175 STATE OFFICE BUILDING
100 REV. DR. MARTIN LUTHER KING JR. BLVD.
ST. PAUL, MN 55155-1298

SPEAKER OF THE HOUSE: KURT ZELLERS
MAJORITY LEADER: MATT DEAN
MINORITY LEADER: PAUL THISSEN

Session Weekly

Director

Barry LaGrave

Editor/Assistant Director

Lee Ann Schutz

Assistant Editor

Mike Cook

Art & Production Coordinator

Paul Battaglia

Writers

Kris Berggren, Nick Busse, Susan Hegarty,
Hank Long

Chief Photographer

Tom Olmscheid

Photographers

Kristin Schue, Andrew VonBank

Staff Assistants

Christy Novak, Angella Hanson

- To have Session Weekly mailed to you, subscribe online at www.house.mn/hinfo/subscribesw.asp or call 651-296-2146, 800-657-3550.

- Session Weekly Online is available at www.house.mn/sessionweekly.

- If you enjoy Session Weekly, please consider helping to defray production and mailing costs with a voluntary donation for the 2011 session.

Make your check payable to Minnesota House of Representatives, and mail it to:
House Public Information Services
175 State Office Building
100 Rev. Dr. Martin Luther King Jr. Blvd.
St. Paul, MN 55155-1298

For general information, call House Public Information Services at 651-296-2146 or 800-657-3550.

MINNESOTA INDEX

Facts and figures about teaching and learning

Number of public independent school districts on July 1, 2010	333
Number that had an excess levy referendum in 2009	302
State education budget proposed for 2012-2013 biennium, in billions	\$ 14.13
K-12 education as approximate percent of state budget	40
K-12 public school enrollment on Oct. 1, 2009	823,826
Students who were enrolled in charter schools	35,375
Students who received special education services	122,333
Students who were English language learners	61,396
Students who were eligible for free or reduced price lunch	297,744
Pre-K and early childhood enrollment in 2009-2010 school year	13,933
Number of Minnesota charter schools in 2010-2011 school year	149
Year City Academy, first charter school in Minnesota and the U.S., opened	1992
Number of Minnesota home-schooled students in 2008-2009	15,653
K-12 nonpublic school enrollment on Oct. 1, 2009	77,202
Number of nonpublic schools in 2008-2009 school year	567
Approximate number of students enrolled in Catholic schools, Archdiocese of St. Paul and Minneapolis in 2008	32,879
Elementary schools operated by Archdiocese	85
Secondary schools operated	13
Number of full-time equivalent public school licensed teachers in 2009	52,969
FTEs who are special education teachers	9,066
FTEs who teach kindergarten	2,770
FTEs who teach grades 1-6	23,123
FTEs who teach grades 7-12	21,942
Average years of teaching experience statewide	14.33
Average charter school licensed teacher salary in 2008	\$46,792
Average school district licensed teacher salary in 2009	\$52,414
In 2010-2011	\$53,680
Average nationwide private school teacher salary in 2008	\$36,250
ACT scores, 2010 state average, of possible 36 points	22.9
Rank, nationally	1
National average ACT score	21.1

— K. BERGGREN

Sources: Minnesota Association of Charter Schools; Archdiocese of St. Paul and Minneapolis; Minnesota Department of Education; Minnesota Education Statistics Summary, 2009-2010; National Center for Education Statistics, Digest of Education Statistics, 2009; House Fiscal Analysis Department.